



**BIOCHEMICAL  
SOCIETY**

**Trustees Statutory Report  
and Financial Statements  
for the period 1 July to 31 December 2015**

Company No. 00892796

Charity No. 253894

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## **Our mission**

The Biochemical Society exists for the advancement of the molecular and cellular biosciences, both as an academic discipline and to promote its impact on areas of science including biotechnology, agriculture, and medicine. Biochemistry helps to play a key role in tackling global issues such as improving lifelong health, treatment of disease, biotechnology and food security. We achieve our mission through our publications and journals, scientific meetings, educational activities, policy work, awards and grants to scientists and students.

The Biochemical Society is the largest discipline-based learned society in the biosciences with over 7,000 members

## **Six month reporting period**

In May 2015 the Biochemical Society Executive Committee elected to amend the Society's financial reporting period to 1 January-31 December, aligning it with the business cycle of its subsidiary trading entity and major source of funding, Portland Press Ltd. This report covers the six month period between the end of the previous financial year, and the beginning of the new year on 1 January 2016.

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## Chairman's and CEO's Review

In November 2015, the Society's Trustees and Senior Management Team met to assess progress against organizational objectives from the original Five Year Strategy agreed in 2013, and review objectives in the light of environmental changes. Huge progress had been made in the first two years of the plan with many of the objectives having been met well ahead of the original target and several achievements seen during the last six months of 2015.

November also brought the opportunity to celebrate the official opening of Charles Darwin House 2 (CDH2), the next phase of the bioscience hub. The Charles Darwin House Partnership is a joint venture between the Biochemical Society, British Ecological Society, Microbiology Society, Royal Society of Biology and Society for Experimental Biology with an aim of creating a London hub for biosciences. Nigel Brown, President of the Microbiology Society, commenced proceedings and welcomed George Freeman, Minister for Life Sciences who formally opened the building. The Minister emphasized the importance of collaboration and exploring synergies between Societies, exemplified by CDH and CDH2.

Membership numbers have remained stable over the last six months with 7,057 recorded at the end of December. Our Local Ambassadors continue to represent the Society and reach out to the molecular bioscience community both in the UK and internationally. In October a branch of this scheme aimed at our student members was approved by our Executive Committee. The Young Ambassadors scheme is due to be rolled out in the autumn of 2016 to coincide with the new academic year. We hope that it will help us to gain a better understanding of the views, experiences and needs of this large group, which constitutes 40% of the overall membership.

The last six months have seen the closure of Portland Customer Services and the bringing in-house of the membership and publishing fulfilment services. To provide the best experience for our members, our membership team gathered requirements for a new online membership subscription and renewal system, which will be developed and launched in 2016.

We continued to support the advancement of biochemistry and molecular biology distributing over £150,000 in grants between July and December. Continuing our focus on supporting diversity, we increased the number of Diversity in Science grants awarded by the Society from three to eight in 2015. We also launched new 'Sponsored Seminar Series' grants in August 2015, eight of which have been awarded in this period. These grants are intended to help with travel costs for guest speakers at a series of seminars or lectures. In line with our strategic goal of promoting and sharing knowledge and our busy programme of public engagement events and activities, we also supported independent public engagement activities through the Outreach Grants scheme, which this year awarded 11 grants in total.

Implementation of the Society's Industry strategy has seen several positive outcomes in recent months. These include establishment of an Industry Advisory Panel of 14 individuals, a more than 30% increase in active industry members since January 2015 and the creation of a new Industry and Academic Collaboration Award.

We were pleased to confirm the establishment of two further new awards to be added to the Society's portfolio from 2018 onwards, which were ratified at the Annual General Meeting in December. These are the Education and Outreach Award, to reward

teaching excellence in higher education, and the International Award, aligning with the international strategy and the Society's publishing activities.

Fostering connections and providing a platform for collaboration and networking across our membership and the wider international community is a key driver for the organization. In the latter part of 2015 the Society sponsored promising postgraduate members to attend meetings of international umbrella organizations in Germany and Brazil; the Federation of European Biochemical Societies (FEBS), and the meeting of the International Union of Biochemistry and Molecular Biology (IUBMB) which was hosted by the Brazilian Society for Biochemistry and Molecular Biology (SBBq).

To further the relationship between the Society and SBBq, a Biochemical Society-sponsored symposium on 'Energy Metabolism' was held at the congress in Brazil in August 2015 with Society members as speakers. Approximately 200 delegates attended the symposium, which was well received. The Society also had an exhibition stand and there was much interest in journals and membership.

The last six months were a busy period for the Scientific Meetings team who organised 11 events totalling 24 days' worth of science, attracting 121 speakers and 744 delegates. Support has now been put in place within the Scientific Meetings Team to enable a more proactive approach to sponsorship generation which has seen an increase in funding from external sources. Feedback from sponsors has been positive to date and in 2015 there was a 30% increase in sponsorship and exhibition revenue for meetings compared to 2014 figures.

Public engagement continues to go from strength to strength. In addition to supporting the Royal Society of Biology to develop and promote the new 21st Century Biochallenges public engagement kits, a new public engagement activity 'The Hungry Games' was launched at Big Biology Day in October 2015. The team looks forward to taking the activity to a number of festivals and events in 2016 alongside its co-developers, the Royal Society of Biology and the Nutrition Society. Two autumn debates on the topical issues of antibiotic resistance and synthetic biology, held in Bradford and London, respectively, proved popular with the public and were extremely well attended.

Supporting the next generation of biochemists is a key driver for the Society. This period has seen a flurry of activity aimed at post-16 and undergraduate students ranging from staff attendance at, and provision of material for, two large careers events, to commissioning a Massive Open Online Course (MOOC) with the University of East Anglia and FutureLearn, to producing the first special issue of *Essays in Biochemistry* featuring articles aimed at post-16 students, teachers and undergraduates (formerly known as Understanding Biochemistry) with articles published through the open-access route and freely available to readers online.

The Education Team has also worked hard during this time to promote and share knowledge about molecular bioscience by setting up two schemes to aid professional development of science teachers, providing them with opportunities to attend work placements with employers including Syngenta Ltd and Biocatalysts Ltd, and with university biochemistry departments. The Teacher Industrial Partners' Scheme (TIPS), an extension of a pre-existing scheme focusing on the engineering sector, and the Teacher Academic Placement Scheme (TAPS), the first scheme of its kind, are being run in partnership with the National STEM Learning Centre and will launch in February 2016. We are delighted that the Biochemical Society is the first life sciences

organization to participate in these schemes and hope that other Societies will follow our example.

The Drug Discovery Pathways Group (DDPG)<sup>1</sup>, continues to be an informed and representative voice on key issues associated with drug development and medicines research. An autumn workshop, 'Researcher Mobility in Drug Discovery' which we co-organized with fellow DDPG members the British Pharmacological Society, Royal Society of Biology and Royal Society of Chemistry, allowed researchers to share expertise, expand their knowledge of drug discovery, and to network with representatives from major pharmaceutical companies. In a similar vein, three interdisciplinary networking workshops on 'Antimicrobial Resistance: Environments, Evolution and Transmission' were held in the summer as part of the Learned Societies Partnership on Antimicrobial Resistance (LeSPAR) to bring together researchers from all career stages with an interest in fundamental or translational research in this area.

We have continued to upgrade our publishing infrastructure, with configuration and setup of new submission, peer-review and production systems, including transition to a new XML-first production workflow, due to come on-stream in mid-2016.

A review of *Biochemical Society Transactions*, one of our strategic objectives, has resulted in a new focus for the journal and will allow it and the Society's meetings programme to develop in mutually appropriate ways.

In order to ensure that we are meeting the needs of our community, while continuing to offer sustainable support for the activities of the Biochemical Society, we have reviewed our publishing policies in particular with regard to facilitating text and data mining, re-use of content, embargo periods and licensing options. Our subscription offerings have been reviewed to ensure transparency for our subscribers and maximize dissemination and discoverability of the research we publish.

Following the closure of Portland Customer Services, Portland Press Conferences continues to provide professional conference organizing services to clients. Two conferences of 120-150 delegates were organized during this period.

The renewed confirmation of our strategic organizational goals along with the completion of a number of internal departmental reviews gives us a clear way forward for the next three years. We have much we would like to achieve in this time and only the continued support of our members, Trustees, and wider community will allow us to reach our goals. We thank you all for your contribution and look forward to working with you to continue supporting innovation and the advancement of molecular bioscience.

**Professor Steve Busby**

University of Birmingham  
Chairman

**Ms Kate Baillie**

Biochemical Society, Chief Executive and  
Portland Press Ltd, Managing Director

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<sup>1</sup> The Drug Discovery Pathways Group (DDPG) seeks to establish a single representative learned society voice on key issues in response to the challenges and opportunities presented by the changing world of medicines research and work to develop solutions to meet the needs of the wider medicines research community.

## Trustees' Report

### Serving Our Membership

#### Membership

The number of members remained stable in the period and at the end of December 2015 the total Society membership stood at 7,057 (7,044 July 2015).

Due to the closure of Portland Customer Services (PCS), the membership fulfilment service and systems previously managed by PCS were brought 'in-house' to the membership team in December 2015. Requirements gathering for a new membership fulfilment system took place in 2015 and the development of a new system will continue into 2016 with the objective of providing enhanced service for members.

#### Local Ambassadors

We currently have 102 Local Ambassadors (LAs) comprised of 79 individuals based in the UK and 23 in 19 other countries. LAs continue to be instrumental in maintaining the recruitment of members. The 2015 LA Day was held at The Royal Society of Edinburgh on 9<sup>th</sup> October and was a great success. Susan Ozanne (University of Cambridge) and Matthew Brook (University of Edinburgh) were named joint 'LAs of the year' for their efforts in increasing membership recruitment and engagement in their institutions.

As part of the international strategy, the International Local Ambassadors' scheme has been reviewed and Local Ambassadors will be recruited in priority countries as needed.

A key part of the industry strategy has seen the adaptation of the academic Local Ambassador model into two distinct schemes for larger corporates and for small to medium sized enterprises (SMEs). After initial feedback from industry indicated that variations on the schemes may be needed, the membership team will further develop and adapt the scheme to operate better in industry.

In October 2015, a proposal to launch a Student Ambassador scheme was approved by the Executive Committee. As student members make up 40% of the Society's total membership it was agreed that a Young Ambassador Scheme should be introduced to engage more meaningfully with this membership segment. This scheme will help the Society to better understand the views, experiences and needs of this large group and develop a pipeline of potential new committee members. The scheme has a proposed launch of September 2016 to coincide with the new academic year.

#### Industry strategy

Implementation of the Biochemical Society's industry strategy started in June 2015.

Achievements by December 2015 included:

- Increasing the number of active industry members from 237 in January 2015 to 323 in August 2015

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- Establishing an Industry Advisory Panel (IAP) of 14 individuals in September 2015
- Developing a sponsorship strategy for meetings, journals and awards by September 2015
- Calls for proposals for a series of training workshops for 2016 for master's level and above sent out
- Creating a Teacher Industrial Partners Scheme (TIPS) to launch from February 2016. Placements are being offered at: Syngenta, Lilly, Biocatalysts and Babraham Institute
- Proposing a new Industry and Academic Collaboration Award that will be included in the 2018 call for nominations (open August 2016)

### **Daphne Jackson Fellowship**

Six applications were received for the second Society-funded Daphne Jackson Fellowship in early October 2015. These are currently under review in collaboration with the Daphne Jackson Trust

### **Grants**

Over £150,000 in grants was distributed between July and December to members, non-members and organisations, both within the UK and internationally. Included within this figure was £4,000 awarded via our Diversity in Science grants scheme to support eight projects across the UK and £6,000 awarded to eight Sponsored Seminar Series grantees running a series of seminars at their institutions. The Sponsored Seminar Series grants were launched in August 2015 and are intended to help with travel costs for guest speakers at a series of seminars or lectures throughout the year. As a requirement of the grant, successful institutions are required to display Society materials throughout the year and online on the institutions' websites. This should result in an increased profile for the Society at the successful institutions for the entire year that the seminar series takes place.



## Collaborating with Others

Collaboration was a key part of all our activities over the period.

### Royal Society of Biology

The Royal Society of Biology is a single unified voice for biology: advising Government and influencing policy; advancing education and professional development; and engaging and encouraging public interest in the life sciences.

We continued to be a major supporter of the Royal Society of Biology, funding it with 1% of our turnover together with an additional 1.5% for specific Royal Society of Biology-led projects.

We have continued to facilitate collaborative working through employment sponsorship in the policy and education departments. This has allowed us to participate more effectively in issues affecting all of the life sciences and ensure the Royal Society of Biology championed issues related to biochemistry and our membership.

We also regularly collaborated with the Royal Society of Biology as partners in joint public engagement activities and events such as the first Synthetic Biology UK meeting held in London in September 2015.

We continued to encourage and engage in the Royal Society of Biology's development of a vision for future collaborative activity, including options for shared services, federation and full integration by 2024.

### Other Learned Societies

In addition to the work we do with the Royal Society of Biology, we also collaborated with a number of other Learned Societies during the latter part of 2015. These included joint public engagement activities and events co-organized with the Nutrition Society and the Microbiology Society. In addition, we collaborated with our partners in the Learned Societies Partnership on Antimicrobial Resistance (LeSPAR) and the Drug Discovery Pathways Group (DDPG) to run three networking events and a two-day workshop. LeSPAR and the DDPG were set up to provide a unified voice on raising awareness and tackling the global problem of antimicrobial resistance and promoting collaboration and knowledge sharing in medicines research, respectively. As well as the Royal Society of Biology, LeSPAR and DDPG partners include the British Pharmacological Society, British Society for Antimicrobial Chemotherapy, Microbiology Society, Royal Society of Chemistry and the Society for Applied Microbiology.

To further relationships with the Brazilian Society for Biochemistry and Molecular Biology (SBBq), we organised a Biochemical Society-sponsored symposium on 'Energy Metabolism' in August 2015 at the 23rd Congress of the International Union of Biochemistry and Molecular Biology (IUBMB) and 44th Annual Meeting of the SBBq.

Also, the Biochemical Society Scientific Meetings and External Events Department provided secretariat services for the Synthetic Biology UK 2015 meeting (organized by Tim Dafforn (BIS) and Vitor Pinheiro (UCL)) that took place in September. The meeting was a great success, and it was decided to run a second Synthetic Biology meeting in September 2016 in Edinburgh.

## **Charles Darwin House Partnership**

The Charles Darwin House Partnership is a joint venture between the Biochemical Society, British Ecological Society, Microbiology Society, Royal Society of Biology and Society for Experimental Biology with an aim of creating a London hub for biosciences.

The partnership owns two properties in the Gray's Inn Road area, serving as headquarters for the co-owners and other like-minded organizations, and allowing income generation through rent and conference venue.

November saw the official opening of CDH2, the next phase of the bioscience hub. Nigel Brown, President of Microbiology Society, opened proceedings and welcomed George Freeman, Minister for Life Sciences who formally opened the building.

The Minister emphasized the importance of collaboration and exploring synergies between Societies, exemplified by CDH and CDH2. He spoke about the significance of links between industry and academic research as well as between life and health sciences, in particular in underpinning the UK's position as a science superpower.

It was a great occasion to celebrate and look forward to further opportunities to work together in the future.

## **Organizations we support financially**

- Daphne Jackson Trust
- In2Science
- Royal Society of Biology
- Science Media Centre
- Sense About Science

## **Organizations we belong to**

- Association of Learned and Professional Society Publishers
- Campaign for Science and Engineering (CaSE)
- Committee on Publication Ethics (CoPE)
- European Federation of Biotechnology (EFB)
- Federation of European Biochemical Societies
- International Association of Scientific, Technical and Medical Publishers (STM)
- International Union of Biochemistry and Molecular Biology
- Memberwise
- Open Access Scholarly Publishers Association
- Parliamentary and Scientific Committee
- Publishers Association
- Society for Freelance Editors and Proofreaders
- Understanding Animal Research

## Developing International Links

Maintaining and developing international links as well as the continued development of a cross-society international strategy have been a key focus for the last half of 2015.

The international strategy was developed in 2014 in response to our growing relationships with societies across the globe and our international publishing business. We are now in the process of identifying granular objectives and Key Performance Indicators (KPIs) for the next three years. These will be delivered by working with our publishing and professional conference organizer subsidiary, Portland Press and with departments across the Society.

Our international membership has remained steady with 21% of the membership in 88 countries across the globe. As part of the international strategy the Terms of Engagement for the International Local Ambassador scheme have been reviewed. The international Local Ambassador scheme will be relaunched in line with the new international strategy, with the focus on countries central to the activities of one or both of the Biochemical Society and Portland Press (e.g., USA, Canada, China, Brazil, Japan and South Korea). Regional hubs in the target countries will be identified with the aim of recruiting more than one Local Ambassador per target country where needed.

Our publications continue to have a strong international focus with over 90% of our readers and close to 80% of our authors based outside of the UK and our Editorial Boards spread across Europe, Asia Pacific and the Americas.

### Federation of European Biochemical Societies (FEBS)

The 40th FEBS Congress took place from 4–9 July 2015 in Berlin, Germany. The Society offered registration, accommodation and travel grant funding (up to £350 per person) for two promising postgraduate members to attend the FEBS Young Scientist Forum (2–4 July 2015) as well as the main FEBS Congress. We also had a stand at the exhibition with journal and membership materials and FEBS Education Committee member Frank Michelangeli (University of Chester, UK), member of the Biochemical Society's Education Committee, attended the FEBS Council meeting as the Biochemical Society delegate.

### Brazilian Society for Biochemistry and Molecular Biology (SBBq)

The 23rd Congress of the International Union of Biochemistry and Molecular Biology (IUBMB) and 44th Annual Meeting of the Brazilian Society for Biochemistry and Molecular Biology (SBBq) took place in Foz do Iguaçu, Brazil from 24–28 August 2015. To further the relationship between the Society and SBBq, a Biochemical Society-sponsored symposium on 'Energy Metabolism' took place on 24 August 2015 with David Carling (Imperial College London, UK), Chair of the *Biochemical Journal* Editorial Board, Fraser MacMillan (University of East Anglia, Norwich, UK) member of the Biochemical Society's Meetings Board, Judy Hirst (MRC Mitochondrial Biology Unit, Cambridge, UK) and Richard Cogdell (University of Glasgow, UK) as speakers. Approximately 200 delegates attended the symposium. The Society also had an exhibition stand and there was much interest in journals and membership.

The Society sponsored four outstanding postgraduate members to attend SBBq and they benefited hugely from the experience. One of the postgraduates, Elena Loche

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(University of Cambridge, UK) won a poster prize and commented: "The poster sessions were packed with researchers who discussed their latest findings with their peers in a lively fashion, and it was a fantastic opportunity for networking in a very friendly environment... It was such a great scientific experience and I am really thankful to the Biochemical Society for giving me this great opportunity."

Nicola Gray (University of Edinburgh, UK), Honorary Membership Secretary Biochemical Society, David Carling and Laura Woodland, Head of Membership Engagement, were the Society's delegates to the 23rd IUBMB Congress on 28<sup>th</sup> August 2015. Attending the Congress highlighted that the Society's support for IUBMB needs to be aligned with the Society's strategic objectives and this will continue to be an area of focus in 2016.

Also during this period Society staff actively increased engagement and built international links with our community by attending scientific conferences and academic publishing industry events. These included:

- The XII European Meeting on Glial Cells in Health and Disease, Bilbao, Spain
- The 29<sup>th</sup> Annual Meeting of the Protein Society, Barcelona, Spain
- The European Society of Cardiology Meeting, London, UK
- The EMBO meeting on Nuclear Receptors, Ajaccio, France
- European Symposium on Hormones and Cell Regulation, Mont Ste Odile, France
- Neuroscience 2015, Chicago, USA
- Protein Interactions in Biology, Galway, Ireland
- The Frankfurt Book Fair, Frankfurt, Germany
- The Charleston Conference, Charleston, USA

## Scientific Conferences

Over the last six months, the Society continued its tradition of offering a varied and flexible portfolio of meetings that allowed scientists in all stages of their career to be exposed to current developments and expand their networks.

In the July 2015 to December 2015 period, the Conferences Department organised 11 events including:

- 2 Harden Conferences
- 5 Focused Meetings
- 1 Training Day
- 1 Workshop
- 2 Hot Topic events

The first conference in this period was the 'Carbohydrate Active Enzymes in Medicine and Biotechnology' conference run jointly with the Royal Society of Chemistry (RSC) at the University of St Andrews in the third week in August, followed shortly by the 77th Harden Conference in Warwickshire focusing on 'Two Component Signalling in Bacteria'.

September is always a full month for academic conferences and this year was no exception with five events in total. The month kicked off with a focused meeting 'Signalling 2015: Cellular Functions of Phosphoinositides and Inositol Phosphates' held in Cambridge. Following on from this, a Hot Topic event and a Training Day, both focusing on 'Inorganic Polyphosphate (PolyP) Physiology', were held in London. The 78th Harden Conference on 'Protein Kinases in Health and Disease' was held mid-month in Winchester followed shortly by a conference on 'G Protein-Coupled Receptors: Beyond Structure Towards Therapy' held at Monash University's European base in Tuscany, Italy.

October saw two focused meetings; 'Chimeric Antigen Receptor Therapy in Haematology and Oncology: Current Successes and Challenges' in London and 'Organelle Crosstalk in Membrane Dynamics and Cell Signalling' in Edinburgh. A Workshop and Hot Topic event in London, 'New Developments in Protein Structure Modelling for Biological and Clinical Research', concluded our programme for the year in early December. These events totalled 24 days of science, attracting 121 speakers and 744 delegates.

## Biochemical Society sponsorship

The Conferences Department has continued to develop links with companies and organizations that provide valuable support to Society meetings. Support has now been put in place within the department to enable a more proactive approach to sponsorship generation which has seen an increase in funding from external sources. The Society now offers more tailored packages to sponsors and actively links this to other areas of the Society to cross promote other opportunities such as advertising and awards.

Feedback from sponsors has been positive so far and in 2015 there was a 30% increase in sponsorship and exhibition revenue for meetings compared to 2014 figures.

## Education and Public Engagement

### Supporting students and career development

During this period, the Education Team continued to develop our new portfolio of training courses, including commissioning workshops in protein modelling and bioinformatics, which will be run in 2016.

The Society supported two main careers events in collaboration with the Nucleus Group (an informal group of science education specialists from the learned societies, research councils and similar not-for-profit organizations) and the Royal Society of Biology's Careers Committee – the Big Biology Giveaway in Manchester and the Life Sciences Careers Conference in London. 175 undergraduates attended the Life Science Careers conference and had the opportunity to take home our free careers resources and attend talks from people working in a variety of scientific careers.

We commissioned the University of East Anglia to work in partnership with us on an 'Introduction to Biochemistry' MOOC (Massive Open Online Course) as part of [FutureLearn](#)<sup>2</sup>'s new portfolio of 'Inside STEM' courses for 16–19 year olds. The courses are designed to encourage and inspire students to find out more about STEM subjects, remove barriers to entry into STEM degrees for talented students from diverse backgrounds and meet demand among school leavers and others for relevant learning materials. The course will be open for enrollment in mid 2016.

The first in a series of open access special issues of *Essays in Biochemistry* was published in November 2015 and looks at [biological membranes and enzymes](#). Targeted primarily at post-16 students, teachers and undergraduates, these resources provide an update to the Society's Understanding Biochemistry booklets.

### Supporting teachers

Work begun in spring 2015 continued on two exciting new schemes providing school science teachers with opportunities to go on work placements at local biotechnology employers and university biochemistry departments. The Teacher Industrial Partners' Scheme (TIPS) and Teacher Academic Placement Scheme (TAPS) are being run in partnership with the National STEM Learning Centre. Employers and universities engaged so far include: Syngenta Ltd, Biocatalysts Ltd, Babraham Institute, University of Liverpool, University of Cambridge, University of Birmingham, University of Exeter and Queen Mary University of London. The first placements will be held in February 2016.

Based on a review of Sciberbrain by teachers in 2015, we commissioned work to update and rebrand the site. The rebranded website will be launched in early 2016. The video 'lessons' from the site are available on the Society's [YouTube channel](#).

### Public engagement

In 2015 we developed a new public engagement activity 'The Hungry Games' in partnership with the Royal Society of Biology and Nutrition Society. The activity focusses on nutrition and food security, encouraging the public to consider the impact

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<sup>2</sup> FutureLearn is a private company wholly owned by The Open University. It offers a diverse selection of free online courses from leading universities and cultural institutions from around the world.

of their diet on the planet. We launched the activity at Big Biology Day, in October 2015 and look forward to taking it to more science festivals and events in 2016.

We also supported the Royal Society of Biology in the development and promotion of the new 21<sup>st</sup> Century Biochallenges public engagement kits, including activities on a range of biochemical topics including GM, antibiotics, cancer, stem cells and epigenetics. These kits enable researchers to run their own public engagement events and activities and are now available to order or download from the Royal Society of Biology website.

We continued to support independent public engagement activities through our Scientific Outreach Grants, with 11 grants awarded in September 2015, together with one 'Further Funding' grant awarded to support dissemination of a previously funded project.

As part of the 2015 British Science Association Festival in Bradford, we held a panel discussion entitled 'Living in a world without antibiotics'. The event, held in partnership with the Microbiology Society, attracted 80 delegates and had the highest attendance event of the festival. Chaired by Dr Adam Roberts, speakers Victoria Wells and Dr Lloyd Czaplewski discussed the possibility of a world without antibiotics and possible alternative treatments.

'Synthetic life: how far could it go, how far should it go?' was held at the Royal Institution, in partnership with the Royal Society of Biology as part of Biology Week. Chair Dr Adam Rutherford and speakers Professor Paul Freemont, Dr Susan Molyneux-Hodgson, Dr Louise Horsfall and Professor Robert Edwards discussed the applications of synthetic biology in front of a sold out audience of 440. The event was filmed by the Royal Institution and can be viewed on their YouTube channel. The accompanying booklet can be found on our website.



## Influencing Science Policy

The Society continues to champion the molecular biosciences by identifying and acting on key issues in science policy, working in collaboration with the Royal Society of Biology and other learned societies on cross-sector science policy work.

In 2015 we contributed to a number of consultation responses in association with the Royal Society of Biology including the House of Lords enquiry into the 'Relationship between EU membership and UK science' and the Campaign for Science and Engineering survey 'Immigration and its impact on UK science and engineering'. We also responded separately to the Wakeham Review of Science, Technology, Engineering and Mathematics (STEM) Degree Provision and Graduate Employability.

The Drug Discovery Pathways Group (DDPG) continues to provide a single, well-informed and representative voice on key issues associated with medicines research. Together with our DDPG partners – Royal Society of Biology, Royal Society of Chemistry and the British Pharmacological Society – we organised a two-day residential workshop for researchers across the life sciences to share their scientific expertise, expand their knowledge of drug discovery and develop new networks and skills. Senior drug discovery experts from major pharmaceutical companies, including AstraZeneca, Pfizer, GSK and Lilly, were also on hand to provide mentoring as well as to outline opportunities for workshop participants to build stronger links with industry.

As a part of the Learned Societies Partnership on Antimicrobial Resistance (AMR), LeSPAR, we held three interdisciplinary networking workshops on 'Antimicrobial resistance: environments, evolution and transmission', bringing together researchers from all career stages with an interest in fundamental or translational research relating to the evolution and transmission of AMR.

Our Policy Lunchbox programme, organized in collaboration with the Royal Society of Biology, British Ecological Society, Microbiology Society, and Society for Experimental Biology, continues to bring together guest speakers on topical issues, with those who work in science policy. Topics covered in 2015 included the supply of teachers and big data challenges in healthcare.

In line with our continuing focus on supporting diversity, we increased the number of Diversity in Science grants awarded by the Society from three to eight in 2015. We also organised a successful Athena SWAN Biosciences Best Practice workshop in collaboration with several of our sister societies and committed to supporting a second Daphne Jackson Trust fellowship, awarded to those who have had a career break of 2 years or more for family, caring or health reasons and wishes to return to research for 2016-2018. In October 2015 Professor Anne Dell was appointed as the Society's Diversity Champion.

## **Celebrating Achievements<sup>3</sup>**

The 2017 call for Biochemical Society award nominations opened in August 2015 and closed in January 2016. The awards were more heavily promoted than in previous years, with the intention of raising their profile.

It was felt that new awards were needed to enable engagement with target audiences and to support the organization's strategic aims. Throughout 2015, criteria were developed for three new awards to be added to the Society's portfolio from the 2018 call for nominations (which open in August 2016). The award criteria were ratified at the AGM on 1<sup>st</sup> December 2015 and sponsorship will be sought in the first half of 2016. More information about the new awards and their criteria are detailed below.

### **Education and Outreach Award**

#### **Background**

In line with other learned societies it was agreed that an award should be introduced which reflected the work done by those employed in higher education and in this case to promote the teaching and learning of biochemistry.

#### **Criteria**

Awarded annually, the recipient of this award should be employed in higher education and should demonstrate some or all of the following criteria:

- Individual excellence: Develops and employs innovative and effective approaches to teaching and assessment in biochemistry which successfully promote student learning and achievement;
- Commitment to own continuing professional development: Undertakes professional development activities that actively influence and enhance the teaching and learning of biochemistry;
- Commitment to students and colleagues: Inspires students and colleagues to excel; shows awareness of the different needs of students and can demonstrate success in widening participation; provides evidence of supporting teaching and learning beyond their own department and Institution; supports and guides students' career choices and goals; champions the importance of excellence in biochemistry teaching.

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<sup>3</sup> The winners of the 2015 awards were detailed in the previous Trustees Annual Report, which can be found at:

<http://www.biochemistry.org/AboutUs/AGMandAnnualReport.aspx>.

## **International Award**

### **Background**

This award aligns with the international strategy and the Society's publishing activities. The international strategy was approved in principle at the Executive Committee in September 2014, with details of outcomes and deliverables in development. The criteria for this award reflect the Society's interests across a range of activities and demonstrate how the internationalization of research is important to the advancement of science worldwide.

### **Criteria**

Awarded annually, the International Award recognizes distinguished and independent interdisciplinary research that illustrates the importance of the molecular biosciences in the advancement of life sciences research. The research should have been conducted outside of the UK and Ireland by a scientist of any nationality. The recipient will be expected to act as an ambassador for the Biochemical Society's international activities. The award aims to recognize the achievements of early to mid-career scientists who are within 20 years of PhD completion.

## **Industry and Academic Collaboration Award**

### **Background**

This will form a core part of the Society's industry strategy and will be a key tool in enabling the Society to engage with the corporate sector.

### **Criteria**

A new award to recognise an outstanding individual based in industry who has made inspirational contributions to the biosciences and to industry/academia interactions. It aims to recognise the achievements of early to mid-career scientists who are within 20 years of PhD completion.

## Publishing

Through the latter half of 2015 we have maintained our focus on the needs of the international life science community and on facilitating the circulation of scientific information to open up science and drive innovation.

We have added to our team to ensure that first-class service is maintained for our audiences, with appointments including a new Sales Manager, Marketing Operations Manager and Community & Press Editor. We have continued with the upgrade of our infrastructure, with configuration and setup of new submission, peer-review and production systems including transition to a new XML-first production workflow due to come on-stream during 2016. We have implemented the outcomes of the review of *Biochemical Society Transactions*, mandated by the Biochemical Society Trustees, resulting in a new focus for the journal and allowing it and the Society's meetings programme to develop in mutually appropriate ways. We have worked collaboratively with the Biochemical Society's Education Committee to transition what were previously known as '*Understanding Biochemistry*' booklets, to become special issues of *Essays in Biochemistry* with articles published through the Gold open access route allowing maximum dissemination of the content.

In order to ensure that we are meeting the needs of our community, while continuing to offer sustainable support for the activities of the Biochemical Society, we have reviewed our publishing policies in particular with regard to facilitating text and data mining, re-use of content published in our journals, embargo periods and licensing options. We have reviewed our subscription offerings and pricing structures to ensure transparency for our subscribers and maximize dissemination and discoverability of the research we publish. We have continued also to contribute to conferences and meetings considering the future development of academic publishing.

We look forward to further achievements and new opportunities through 2016.

## Portland Press Conferences

Following the decision to cease the Portland Customer Services trading style, Portland Press Conferences continues to provide professional conference organizing services to clients.

In July we ran the Society for Reproduction and Fertility's annual conference at St Catherine's College, Oxford with over 140 delegates.

In November we also ran the Genetics Society's autumn meeting. Over 120 delegates attended the meeting at the Royal Society in London and we look forward to working with the Genetics Society on their 2016 meeting programme.

We look forward to developing further links in 2016 through our networks.

## Governance and Management

### Committee Structure, Governance and Internal Legislation

The Biochemical Society delivers its mission and charitable objectives through its members, who are currently represented on the Council, the Executive Committee and its contributing sub-committees. The Executive Committee is comprised of the Society's Board of Trustees (Directors) and the Council is comprised of the members of the Executive Committee; representatives of the Society's six Theme Panels, a representative of the Irish Area Section and six representatives from the membership not otherwise responsible for a Society committee or sub-committee. The Executive Committee meets at least three times a year, and the Council meets at least twice a year.

The Society is a charity registered in England and Wales and was incorporated by guarantee on 26 November 1966. It has no share capital and the liability of each member is limited to £1. The governance document is the *Memorandum and Articles of Association* which is available on the Society Website and by request. The Board of Trustees (Executive Committee) are also Directors of the Company. Trustees pay due regard to the Charity Commission guidance on public benefit and commission annual audits of Society activities to ensure compliance. All audit activity is initially managed by the Audit Committee comprised of three members that are not otherwise involved in the governance structure of the Society, and chaired by the Vice-Chair of the Executive Committee. The Honorary Treasurer attends by request. The Chair of the Society may not attend these meetings.

During the period 1 July to 31 December 2015 there were 11 Trustees, as shown on page 23. The term of service for the role of President, Chair of the Executive Committee, Vice Chair of the Executive Committee and Chair of Policy Committee is three consecutive years. The Honorary Treasurer, Honorary Membership Secretary, Honorary Meetings Secretary, Chair of the Education Committee and Chair of the Editorial Board of the *Biochemical Journal* are in post for a five-year term of service. Following the completion of these periods of service, the post-holder must vacate their position for one calendar year before they are eligible for re-election. The Vice-Chair of the Executive Committee is the exception to this rule, with the expectation that the post-holder will immediately move into the role of Chair following the completion of their term of service.

The Chair of the Portland Press Board of Directors also holds a position of Trustee within the Society. This role is appointed by the Council and has a usual term of service of five years. This can be amended or extended at the discretion of the Council following guidance from members of the Portland Press Limited Board.

The Society is keen to encourage as wide a representation of its members as possible amongst its Trustees. Members are invited to stand for election through announcements placed on the website and sent by email. Where appropriate and supported by the Society governing documents, direct appointments to Council are made on the advice of the Nominations Committee after discussions with the Trustees and members of Council. In making recommendations, the Nominations Committee is mindful of the particular skills of Existing Trustees and of areas of expertise that might be strengthened.

The Executive Committee has established a number of sub-committees and details of their membership and terms of reference can be found on the Society Website. The

## Biochemical Society Trustees' Report

Finance Sub-Committee meets a minimum of three times a year and advises the Executive Committee on budget and investment strategy.

In addition to overseeing the annual audit, the Audit Sub-Committee undertakes a detailed annual review of the Society's Risk Register, wherein measures to mitigate individual risk are agreed and monitored. The outcomes of these reviews are reported to the Executive Committee and inform their deliberations when making decisions affecting the Society.

### **Statement of Trustee Responsibilities**

The Trustees (who are also Directors of the Biochemical Society for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable legislation and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and the application of resources, including income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of the Charities Statement of Recommended Practice, currently SORP 2015
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial standards
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable organization will continue in business

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- In so far as each Trustee is aware there is no relevant audit information for which the charitable company's Auditor is unaware; and
- The Trustees have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's Auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Annual Report has been composed in line with the Financial Reporting Standards FRS102

## **Trustees Induction**

New Trustees receive, on appointment, an induction pack consisting of all key Society governance documents (including the *Memorandum and Articles of Association* and *Society By-Laws*), the Annual Accounts for the previous financial year, an outline of the responsibilities of key officers of the Society, terms of reference for all Society committees and sub-committees, and the Society Risk Register. Trustees who will have specific responsibility for a committee/sub-committee also received copies of the minutes from any appropriate meetings that have happened in the past two years.

At appointment, Trustees are required to sign a confidentiality agreement, and register any applicable interests upon the Society's Interest Register, which is available for review upon request. This information is managed and maintained by the Company Secretary.

All Trustees are also invited to attend an induction day comprising of introductory sessions on charity management, governance and the responsibilities of Trustees. They also receive an introduction to Society staff and departments along with a tour of the Society's facilities. Where Trustees require enhanced skills, requests are managed in-house and external training is provided. All inductions are managed and conducted by the Head of Group Projects and Governance.

## **Governance Review**

A full review of the governance procedures, committees and internal legislation was mandated by the Society Strategy Retreat in 2013. This review is in progress under the guidance of a working party formed of the Vice-Chair; Chair of the Portland Press Ltd Board; Honorary Meetings Secretary; a Council elected Trustee; the Deputy CEO and Director of Finance, and the Head of Group Projects and Governance. External quality assurance and legal advisors have been commissioned to ensure complete compliance with related legislation and best practice. Recommendations of the working party will be passed to the Membership for final approval at the Annual General Meeting in July 2016.

## **Portland Press Limited**

Portland Press Limited is a trading subsidiary wholly owned by the Biochemical Society, responsible for publishing, marketing and distributing the Society's journals, books and other publications, as well as offering related services to third parties.

In December 2015, Portland Press ceased the provision of client services (Membership and Publishing Fulfilment; Association Management, IT and Accounting Services) to third party clients under the Portland Customer Services trading style. Membership and Publishing fulfilment for the Biochemical Society and Portland Press have been absorbed into the related internal departments, and third party conference organization services are supplied by Portland Press.

Portland Press Limited has its own Board of Directors, on which sits four Trustees (the Chair of Portland Press Limited, the Honorary Treasurer, the Vice-Chair of the Executive Committee and the Chair of the Editorial Board of the *Biochemical Journal*). The full membership of the Board of Directors of Portland Press Limited is shown on page 24.

## **Management of the Society's business and activities**

The Trustees have delegated the authority to manage the Society to the Chief Executive who reports on the performance of the Society against the strategic and operational plans approved by the Trustees. The senior management team leads particular areas of Society activity and is responsible to the Chief Executive. The members of the Senior Management Team are listed on page 25.

## **Charles Darwin House Limited**

Charles Darwin House Limited (CDHL) holds the legal title to the properties on trust for the beneficial owners of the properties, the beneficial owners being the Biochemical Society, the Royal Society of Biology, the British Ecological Society, the Society for Experimental Biology and the Microbiology Society (previously the Society for General Microbiology). The properties are held in this way in the shares set out in the co-ownership agreement which has been put in place to govern the relationship between the various parties.

In addition, pursuant to the property management agreement, CDHL has been appointed by the societies as facilities manager for the properties (including networking services) as well as managing the Charles Darwin House Conference Venue business.



## Members of the Executive Committee

The following were Members of the Executive Committee (Board of Trustees and Directors of the Society) between 1 July and 31 December 2016:

Professor Sir David Baulcombe	President
Professor Stephen Busby	Chair
Professor Anne Dell	Vice-Chair
Dr Nick Watmough	Honorary Treasurer
Professor Nicola Gray	Honorary Membership Secretary
Professor Sheila Graham	Honorary Meetings Secretary
Professor Richard Reece	Chair, Portland Press Limited Board of Directors
Professor Robert Beynon	Chair, Education Committee
Professor David Carling	Chair, <i>Biochemical Journal</i> Editorial Board
Professor Christopher Cooper	Member Elected from Council
Dr Alan Wallace	Member Elected from Council

## Directors of Portland Press Limited

The following were Directors of Portland Press Limited between 1 July and 31 December 2016:

Professor Richard Reece	Chair, Portland Press Limited Board of Directors
Professor David Carling	Non-Executive Director and Chair, <i>Biochemical Journal</i> Editorial Board
Mr John Cox	Non-Executive Director
Professor Anne Dell	Non-Executive Director and Vice-Chair Biochemical Society
Mr Peter Richardson	Non-Executive Director (as of 1 September 2015)
Ms Sue Thorn	Non-Executive Director
Dr Nick Watmough	Non-Executive Director and Honorary Treasurer Biochemical Society
Ms Kate Baillie	Executive Director and Managing Director/CEO, Biochemical Society
Mr John Misselbrook	Executive Director/Deputy CEO, Biochemical Society and Director of Finance, Biochemical Society and Portland Press
Dr Niamh O'Connor	Executive Director/Director of Publishing Biochemical Society and Portland Press

## Senior Management Team

**Kate Baillie**

CEO, Biochemical Society and Managing Director, Portland Press Ltd  
[kate.baillie@biochemistry.org](mailto:kate.baillie@biochemistry.org)

**John Misselbrook**

Deputy CEO and Director of Finance  
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**Dr Niamh O'Connor**

Director of Publishing  
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**Claire Dowbekin**

Head of Sales and Marketing  
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**Adam Hughes**

Head of Group Projects and Governance  
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**Hannah Russell**

Head of Education and Training  
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**Laura Woodland**

Head of Membership Engagement  
[laura.woodland@biochemistry.org](mailto:laura.woodland@biochemistry.org)

**Elsa Montes**

Acting Head of Scientific Meetings  
[elsa.montes@biochemistry.org](mailto:elsa.montes@biochemistry.org)

## Public Benefit Statement

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

The Biochemical Society is the UK's largest learned society promoting the advancement of molecular bioscience. The Society's activities support the development of individual and collective understanding of biochemistry through dissemination of research and the provision of resources and activities to support the education of students, researchers and the general public. The molecular biosciences impact on many areas of science including biotechnology, agriculture and medicine, helping to play a key role in tackling global issues such as improving lifelong health, treatment of disease, biotechnology and food security.

## Key Contacts

Bankers	Coutts & Co 440 Strand, London. WC2R 0QS
	National Westminster Bank Plc 100 The Crescent, Colchester. CO4 9GN
Solicitors	Mayer Brown International LLP 201 Bishopsgate, London. EC2M 3AF
Auditor	Grant Thornton UK LLP Grant Thornton House, 202 Silbury Boulevard, Central Milton Keynes. MK9 1LW
Investment managers	Newton Investment Management Ltd (part of BNY Mellon) 160 Queen Victoria Street, London. EC4V 4LA
Registered office	Charles Darwin House 12 Roger Street, London. WC1N 2JU
Company secretary	John Misselbrook

## Strategic Report

### Achievements and performance

Aims for Jul-Dec 2015 as outlined in the 2014-15 Annual Report	Our achievements during Jul-Dec 2015
<p><b>Develop Portland Press publishing as the knowledge hub for life sciences; ensure that the Biochemical Society achieves the goals of sharing knowledge to advance biochemistry and molecular biology</b></p> <p><b>Quality, reputation &amp; influence; sharing quality life science research across the community for the benefit of scientists and science</b></p> <ul style="list-style-type: none"> <li>• Increase citations to published articles across our portfolio</li> <li>• Attract the best authors and readers across all segments of our community; increase international footprint with Editorial Board membership reflecting the scientific and geographic spread of our subject(s)</li> <li>• Decrease publication times</li> <li>• Ensure excellent customer service</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• Working to ensure that articles are of interest to the community and easily discoverable has been ongoing through 2015. The opportunities offered by the launch of the new Portland Press publishing platform (in June 2015) was a particular focus of these activities</li> <li>• To attract the best authors and articles of interest to our readership, article commissioning activities have been a focus, with both review articles and primary research articles being invited for publication. Particular increases in submissions (between 10-60%) were noted for <i>Clinical Science</i>, <i>Essays in Biochemistry</i> and <i>Bioscience Reports</i></li> <li>• Times to publication were maintained, while work on new procedures and systems to come on-stream in 2016, including new XML-first production workflows and new peer-review and production tracking systems, was undertaken to enable further reduction of publication times</li> <li>• The needs of our community are at the heart of everything we do. Across editorial,</li> </ul>

<ul style="list-style-type: none"> <li>• Lead in scientific publishing policy, ensuring the health of scientific publishing through knowledge-sharing and openness</li> <li>• Collaboration for reputation, influence and community benefit, continuing to seek opportunities to maintain and develop relationships with a view to growing our business</li> </ul>	<p>production, sales and customer care we aim to ensure queries are resolved rapidly and appropriately</p> <ul style="list-style-type: none"> <li>• Portland Press publishing policies were reviewed during 2015. We have continued to contribute to broader policy discussions through industry representative bodies such as the Publishers Association and Association of Learned and Professional Society Publishers</li> <li>• Work towards collaborative activities has been ongoing during this period and is expected to show results during 2016</li> </ul>
<p><b>Breadth and community engagement; advancing the impact of life sciences in science and society, sharing knowledge to advance biochemistry</b></p> <ul style="list-style-type: none"> <li>• Grow the market share of our existing portfolio and consider new areas for development</li> <li>• Increase the number of full-text article downloads</li> <li>• Develop a strategy for partner publishing focusing on life sciences</li> <li>• Increase engagement through our alerting and update services, and through social media</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• Growth in published articles was seen across <i>Bioscience Reports</i>, <i>Clinical Science</i> and <i>Essays in Biochemistry</i> with the number of publications in <i>Biochemical Journal</i> remaining steady. New areas for development continue to be assessed to ensure engagement across the life science community</li> <li>• Full-text article downloads have grown month-on-month across the portfolio since the launch of the new Portland Press publishing platform in July 2015</li> <li>• Development of a strategy for partner publishing continues to be under consideration</li> <li>• Increasing engagement through social media has been a particular focus through the latter half of 2015. Followers of Portland Press journals on Twitter increased by 40% between June and December, with approximately 12% of followers clicking-through to the journal websites</li> </ul>

<ul style="list-style-type: none"> <li>• Continue to develop <i>The Biochemist</i>, with emphasis on the online magazine</li> </ul>	<ul style="list-style-type: none"> <li>• Review of <i>The Biochemist</i> has begun with a draft strategy due to be prepared in Q2 2016</li> </ul>
<p><b>Sustainability and support for science; in business for scientific benefit, growing our support for the scientific community and reflecting our organizational values</b></p> <ul style="list-style-type: none"> <li>• Grow revenues and profits, through subscription and non-subscription sales</li> <li>• Continue to develop our business while assessing costs and return on investment</li> <li>• Ensure the smooth transition of fulfilment from PCS to Portland Press publishing</li> <li>• Have the most appropriate infrastructure to enable our business</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• 2015 was a relatively challenging year for subscription income, however revision of pricing structures for multi-site and consortia customers, combined with repositioning of products for the 2016 subscription cycle (beginning in July 2015) was a focus of activity through the latter half of 2015</li> <li>• Opportunities to develop our business continue to be assessed both for subscription and non-subscription sales. This has included ensuring that journal articles are made available for Text and Data Mining, through standard industry licences and that we continue to assess our infrastructure to enable reduction of the compliance burden and costs for authors and institutions</li> <li>• Preparations for the transition of publishing fulfilment activities to the sales, marketing and customer care team were ongoing through July-December 2015, in preparation for ceasing the PCS trading style at the end of December 2015</li> <li>• Updates to publishing infrastructure continue to be implemented. The configuration of new submission, peer-review and production tracking systems (due for launch in early 2016) was undertaken through this period, as was assessment of systems to offer greater support to authors of 'Gold' open access articles and their institutions</li> </ul>

<ul style="list-style-type: none"> <li>• Implement and maintain efficient processes across publishing and marketing activities, providing best service and maintaining a sustainable cost base</li> </ul>	<ul style="list-style-type: none"> <li>• In conjunction with assessment of new systems, processes across publishing, sales and marketing have continued to be reviewed to ensure the best service for authors, readers and subscribers and the best value for the Biochemical Society</li> </ul>
<p><b>Increase the profile and influence of the Biochemical Society and Portland Press through building engagement with our diverse audiences</b></p> <ul style="list-style-type: none"> <li>• Ensure that <i>The Biochemist</i> is instrumental in building the reputation, influence and reach of the Biochemical Society and contributes to the achievement of organizational strategic objectives</li> <li>• Ensure that activities across the organization are enabled by appropriate strategic marketing support and that activities are audience-focused</li> <li>• Continue implementation of the outcomes of the editorial review</li> <li>• Finalize and implement the international strategy working with the Head of Membership Engagement</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• Appointment of a new Community &amp; Press Editor, also Editor of <i>The Biochemist</i>, in August 2015 allowed review of the magazine's strategy to begin. Increasing its influence and ensuring its contribution to the achievement of the Biochemical Society's strategic objectives is expected to be an outcome of this review</li> <li>• The approach to marketing across the Biochemical Society and Portland Press changed significantly during 2015. A new, cross-organizational, marketing team is now in place and working collaboratively to ensure that marketing is effective and engaging appropriately with our diverse audiences</li> <li>• Outcomes of phases I and II of the editorial review have been, or are on the way to being, implemented including new systems, procedures and structures to support publication of the Biochemical Society's journals and magazine</li> <li>• Work on the international strategy has continued and the finalized strategy will be delivered during 2016</li> </ul>



<p><b>Promote education, training and outreach in the molecular biosciences from age 15 upwards</b></p> <ul style="list-style-type: none"> <li>• Develop scientific training portfolio.</li>   <li>• Support the understanding of biochemistry and provide careers support from age 15 upwards</li>   <li>• Promote education and development of the molecular biosciences</li>   <li>• Refocus activities to support early career researchers working in the molecular biosciences.</li>   <li>• Increase the public understanding of the molecular biosciences – champion key areas and assist and enable the membership to delivery engagement activities</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• Commissioning a successful workshop on R for Biochemists.</li> <li>• Launching two new teacher placement schemes in partnership with the National STEM Learning Centre, giving secondary and FE teachers the opportunity to spend a week with a local biotechnology employer or university bioscience department</li>   <li>• Attending careers fairs and events as part of the Royal Society of Biology Careers Committee, including a Life Science Careers Conference for undergraduates at the Royal Veterinary College in October 2015 (175 attendees). Publishing the first '<i>Understanding Biochemistry</i>' special issue of <i>Essays in Biochemistry</i>, providing informative and accessible overviews of key topics for 16-19 year olds and teachers. Funding 5 summer lab placements through the In2Science programme (a scheme for gifted A-level students from low income backgrounds)</li> <li>• Working in partnership with the Royal Society of Biology to feed into science education policy activities</li>   <li>• Targeting early career researchers as one of the key audience groups for the Society's new training programme</li>   <li>• Working in partnership with the Royal Society of Biology to develop the new 21<sup>st</sup> Century BioChallenges kits for members to use in delivering outreach activities. Also held a highly successful Synthetic Biology debate at the Royal Institution in October 2015 (440 attendees). Working in partnership with RSB and the Nutrition Society to develop a new public engagement activity ('The Hungry Games') for use at Science clubs, festivals and other events. Working in partnership with the Microbiology Society to hold a successful debate on</li> </ul>
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	<p>antimicrobial resistance as part of the British Science Association Festival in September 2015 (approx. 75 attendees). Awarding 22 Scientific Outreach grants</p>
<p><b>Continue to champion the growth of the Royal Society of Biology and Charles Darwin House by integrating back office services and extending shared activities, particularly in education and science policy, and explore options for eventual federation or integration by 2024</b></p> <ul style="list-style-type: none"> <li>• Reposition the Society's gender equality work as a wider Equality and Diversity</li> <li>• Develop the science policy work of the Biochemical Society</li> <li>• Move to position and develop marketing to enable department agendas and meet wider goals of collaboration</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• We have increased the number of Diversity in Science grants awarded by the Society from three to eight in 2015 and have re-stated our strategic goals around diversity and equal opportunity as follows: 'Foster diversity and equal opportunity for entry and progression in our discipline, including through support of Daphne Jackson Fellowships, Society Grants and Bursaries, and ensuring equality of opportunity in Society-run events and schemes'</li> <li>• The Society continues to champion the molecular biosciences by identifying and acting on key issues in science policy, working in collaboration with the Royal Society of Biology and other learned societies on cross-sector science policy work. This has included consultation responses and contributing to the activities of learned society partnerships including the Drug Discovery Pathways Group and Learned Society Partnership on Antimicrobial Resistance</li> <li>• We have developed our organizational approach to marketing and have in place a team supporting marketing activities across the Biochemical Society and Portland Press, to ensure that our organizational objectives are enabled by appropriate strategic marketing support</li> </ul>

Biochemical Society  
Trustees' Report

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| <ul style="list-style-type: none"><li>• Continue to support the Royal Society of Biology through a subvention of 1% of annual turnover and an additional optional 1.5% for specific projects; and through shared human resources.</li><li>• Continue to collaborate with the Royal Society of Biology, generating visibility for the Biochemical Society</li><li>• Review the governance procedures and policies of the Biochemical Society Group</li></ul> | <ul style="list-style-type: none"><li>• In 2015, as a major supporter of the Royal Society of Biology we provided a subvention of 1% of annual turnover. Within the limits of the 1.5% additional subvention we provided support for the Practical Biology Website; We continued to fund the transition of the SciberMonkey and Gopher Science online educational resources to the Royal Society of Biology; provided a three year grant for the support of the UK Plant Sciences Federation (UKPSF), and in-kind support for the UKPSF conference.</li><li>• We continued to work collaboratively with the Royal Society of Biology through the funding of a Science Policy Advisor role, working for both the Biochemical Society and the Royal Society of Biology, additionally we funded the position of Schools and Education Policy Manager, and contributed towards the position of Director of Parliamentary Affairs, both positions working full time at the Royal Society of Biology</li><li>• A review of the Society's governance procedures and policies is underway and due for completion in 2016</li></ul> |
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<p><b>Continue to grow the membership of the Biochemical Society and explore extension of services to biochemists working in the industrial, biotechnology and academic drug discovery sector</b></p> <ul style="list-style-type: none"><li>• Aim for 8,000 members (across all membership types) by the end of 2015</li><li>• Expand and implement the International Strategy formalised in 2014/2015</li><li>• Increase profile of Biochemical Society Awards portfolio</li></ul> <ul style="list-style-type: none"><li>• Increase Biochemical Society Awards portfolio to encompass more of Society membership and engage partners from industry</li></ul> <ul style="list-style-type: none"><li>• Absorb membership fulfilment function into Membership Department ensuring smoother member experience; greater member engagement and more efficient membership processes</li></ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"><li>• At the end of December 2015 total Society membership was 7,057 (6,968 December 2014)</li><li>• Work on finalizing and implementing the international strategy will continue throughout 2016</li><li>• The 2017 call for nominations opened in August 2015 and was more heavily publicised than previously. This included adverts in <i>The Biochemist</i>, on Biochemical Society journal websites and in Society conference programme books. There was also coverage in Members' News, on social media, the Society website and posters were distributed to Local Ambassadors to display at their institutions. External organisations including IUBMB and FEBS also promoted the call for nominations, however this additional promotion did not lead to an increase in applications for awards</li><li>• Criteria for three new awards were developed throughout 2015 and ratified at the AGM in December 2015. These new awards reflect the Society's strategic objectives and are intended to help the Society to engage with potential new partners and members in education, industry and to support the international strategy. The new awards will be included in the 2018 call for nominations which open in August 2016</li><li>• Meetings and planning for the transition of fulfilment of Biochemical Society membership took place throughout 2015 and was taken 'in-house' in December 2015. Requirements gathering for the new membership fulfilment system took place in 2015 and development work will continue in 2016</li></ul>
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<ul style="list-style-type: none"> <li>• Transform the Group's online presence, including an overhaul of the Group's websites and increased engagement through online resources</li> <li>• Implement a proactive media strategy that results in the Group being a regular, authoritative contributor to relevant discussions in the press</li> <li>• Develop a consistent brand across all marketing activities</li> <li>• To develop a system whereby marketing activity and ROI can be accurately benchmarked and measured</li> <li>• Explore extension of services to biochemists working in the industrial, biotechnology and academic drug discovery sector</li> </ul>	<ul style="list-style-type: none"> <li>• Research and initial work has been done towards the redesign of the Group's online presence which will continue through 2016</li> <li>• A draft organizational Communications Strategy, including media strategy, has been prepared and will be considered by the Society's Executive Committee in early 2016</li> <li>• The launch of the new Biochemical Society and Portland Press brands in Spring 2015 have been followed by work by the marketing team to embed the new brand both visually and with language in all our activities and collateral</li> <li>• The role of Marketing Operations Manager was filled in late November 2015 and work will continue during 2016 to accurately measure and benchmark ROI</li> <li>• The Biochemical Society's industry strategy began implementation from June 2015. Achievements by December 2016 included: <ul style="list-style-type: none"> <li>○ Increasing the number of active industry members from 237 in January 2015 to 323 in August 2015</li> <li>○ Establishing an Industry Advisory Panel (IAP) of 14 individuals in September 2015</li> <li>○ Sponsorship strategy developed for meetings, journals &amp; awards in 2015</li> <li>○ Commissioning a series of training workshops for 2016 for master's level and above</li> <li>○ Developing a Teacher Industrial Partners Scheme (TIPS)</li> <li>○ commencing in February 2016. Placements are being offered at: Syngenta, Biocatalysts and Babraham Institute</li> </ul> </li> <li>• A new Industry and Academic Collaboration Award will be included in the 2018 call for nominations (open August 2016)</li> </ul>
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<p><b>Continue to support the development of a dynamic scientific meetings programme, looking to collaborate with other Societies, wherever possible, both in the UK and internationally</b></p> <ul style="list-style-type: none"><li>• To investigate the possibility of a mid-size (500 delegate) meeting</li><li>• Increase the profile of Harden Conferences</li><li>• With Education Department develop the Training Day model</li><li>• Manage the development of strong sponsorship relationships and increase sponsorship for Biochemical Society Conferences</li><li>• Ensure that a review of meetings team processes is undertaken with a view to streamlining and reducing the number of steps involved in organizing events</li></ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"><li>• Following the decision by the Society's Meetings Board that a meeting of this size would be best approached collaboratively we have been liaising with sister societies to assess potential opportunities</li><li>• One of our organizational objectives, agreed in November 2015, is to evaluate the positioning of Harden Conferences to ensure that their value to the Society and to the advancement of science are maximized. A new Harden Theme Panel is expected to help increase the conferences profile and it is envisioned its members will be brand ambassadors</li><li>• The Conferences Department worked closely with the Education Department to support the commissioned Education Training Days. We are developing a common application form for all training run by the Society. All training will now be overseen by the Training Theme Panel that will be in place by June 2016</li><li>• The Scientific Meetings Team has continued to develop links with companies and organizations that provide valuable support to Society meetings. The Society now offers more tailored packages to sponsors and actively links this to other areas of the Society to cross-promote other opportunities such as advertising and awards and has seen a 30% increase in sponsorship revenue</li><li>• The process and system set-up for the submission and review of abstracts submitted to Biochemical Society/Portland Press meetings, the production process and workflow for publication of abstracts and programme books, marketing and promotion of meetings and sponsorship of meetings have been reviewed with draft recommendations to be presented in early</li></ul>
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<ul style="list-style-type: none"> <li>• Develop a five year strategy for the Meetings Board and Theme Panels by working closely with the Honorary Meetings Secretary</li> <li>• PCO Services strategy</li> </ul>	<p>2016. Review of processes associated with meetings themselves will follow during 2016</p> <ul style="list-style-type: none"> <li>• A review and restructure of the Theme Panels took place in 2015 and is due to be completed by June 2016. We will be working towards developing a five year strategy with the Honorary Meetings Secretary once this is completed</li> <li>• We are currently reviewing our offer and our positioning to make us as competitive as possible. Further review of our PCO services is planned for 2016</li> </ul>
<p><b>Diversifying Revenue, Cutting Costs</b></p> <ul style="list-style-type: none"> <li>• Review IT Department and other back office services in terms of relevance, service standards and cost</li> </ul>	<p><b>These aims have been achieved by:</b></p> <ul style="list-style-type: none"> <li>• Following a thorough review of Biochemical Society business technology commissioned and delivered in 2014 work has been underway to develop a bespoke CRM/Knowledge Management system; consolidate business technology infrastructure; transition all network infrastructure management to Charles Darwin House; and redevelop the Biochemical Society group websites. This project is expected to be completed in 2016.</li> </ul>

## Plans for future periods

Trustees of the Biochemical Society met with the Senior Management Team on 26<sup>th</sup> November 2015 to review progress in the previously stated Five Year Strategy (November 2013), to refocus and restate retained objectives in line with the current sector environment, and to identify potential new objectives to better serve the membership, sector and community at large. The following key action points summarise the outcomes of these discussions.

### Bringing together molecular bioscientists

- Ensure a strong future for the molecular biosciences through engaging in strategic collaborative projects with sister societies
- Review membership offering to support our members at all stages of their careers
- Increase membership engagement through more targeted communications and members' events
- Increase the number of members from the industrial, biotechnology and academic drug discovery sectors, providing a platform for collaboration, facilitating innovation and supporting links between academia and industry
- Continue to develop international links and networks supporting scientists to share their work on a global scale; evaluate our offering for members in geographical areas of strength for the molecular biosciences
- Foster diversity and equal opportunity for entry and progression in our discipline, including through support of Daphne Jackson Fellowships, Society Grants and Bursaries, and ensuring equality of opportunity in Society-run events and schemes

### Supporting the next generation of biochemists

- Develop educational events and training days to facilitate the sharing of expertise and ensure a strong skills base
- Support teachers and HE educators to develop their skills and knowledge and foster links between schools, academia and industry
- Provide careers support and information for students and early career researchers and promote the opportunities offered by biochemistry and molecular biology through education and training from age 15 upwards
- Create online content to support the teaching and understanding of biochemistry

### Promoting and sharing knowledge

- Evaluate the positioning of Society conferences, in particular Harden Conferences and Hot Topic Meetings to offer greatest value to the community and greatest contribution to the advancement of science
- Restructure Theme Panels and review operational procedures and processes in line with scientific meetings strategy, Society goals and promoting synergies
- Seek to engage with meetings in the molecular biosciences where appropriate, with a view to collaboration rather than offering sponsorship
- Review publication of abstracts from Society meetings to maximize the circulation of scientific information



- Ensure that Portland Press is a leading publisher in the life sciences, continuing to publish internationally recognized quality life science research
- Develop the Portland Press portfolio to offer a home for every paper published within the molecular biosciences, growing to encompass the broader life sciences
- Develop a journal portfolio including contract publishing of life science titles
- Develop ambitious targets for promoting and sharing scientific research, providing sustainable support for the advancement of science, including through collaborative activities
- Support students and researchers to communicate their work to the public and promote public engagement with biochemistry and the molecular biosciences

### **Promoting the importance of our discipline and through this, the broader life sciences**

- Establish 'Biochemical Society Strategy for Molecular Biosciences' to be implemented in line with Governance Review outcomes
- Continue to channel expertise from the biochemistry and molecular bioscience community into the policy work of the Royal Society of Biology
- Engage Society members with Biochemical Society and Royal Society of Biology science policy activities
- Support the Royal Society of Biology at the level of a minimum of 1% of turnover per annum for three years with the option to rise to 2.5% if necessary
- Continue to second staff from the Biochemical Society, or fund shared staff with, the Royal Society of Biology over the next three years, including staff in science policy and education
- Encourage the Royal Society of Biology to develop a vision for future collaborative activity including options for shared services, federation and full integration by 2024

### **Ensure sustainable support for the advancement of science**

- Use the Society's reserves policy to pump-prime Biochemical Society and Portland Press projects to the level of £2million over the period 2013 to 2017
- Finalise review of IT infrastructure and staffing
- Within the period of the strategy, following the recent considerable realignment of business processes and structures, including the closure of Portland Customer Services and sufficient completion of all systems and business technology projects, commission an external organisation to undertake a comprehensive review of the Finance and Accounting function of the Biochemical Society
- Review the reserves policy to ensure it is appropriate to the strategic and financial plans of the Society

## Financial review

### Explaining the Society's finances

Following the closure of Portland Customer Services, the Society elected to amend the Group's financial year end from June to December, thereby realigning reporting to its main business activity, publishing. The accounts within this report represent the six month transitional period from July to December 2015.

These accounts have been prepared in accordance with FRS102 and the Charities SORP 2015, with comparative prior year figures restated accordingly as detailed in note 23.

The Society budgets to make an operating deficit, before other recognized gains and losses, to be funded through growth in the Society's investments.

In its 2013 Strategy Retreat, the Trustees of the Society also agreed to designate up to £2m of reserves as a business development fund to finance the realignment and implementation of processes, systems and structures for the ongoing support and financial stability of the Group and its business activities. Many of these reviews are now substantially complete, with a remaining fund balance of £545,000 as identified in the designated funds note 12. Expenditure from this fund has contributed to the planned and budgeted net operating deficits reported since that Retreat. The financial impact resulting from this investment in terms of cost savings and revenue streams is already beginning to feed through within the financial statements.

On an operating basis, and before accounting for other recognized gains and losses, the Group made a deficit for the period of £284,000 (Full year 2014-15: £1,577,000 deficit). This is after accounting for net costs of £147,000 within the period relating to the closure of Portland Customer Services. The prior year deficit included business development and realignment costs of £867,000.

Portland Press Limited, the Society's trading subsidiary, made a pre-tax profit for the period of £600,000 (Full year 2014-15: £927,000), with all profits being gifted to the Society and included in the figures stated above.

The Biochemical Society Staff Pension Scheme, a defined benefit scheme, was closed to new entrants and future accrual from February 2011. The Society currently offers staff the opportunity to be members of the Universities Superannuation Scheme, a multi-employer defined benefit scheme. Actuarial losses for the period on both schemes amounted to £339,000 with a deficit liability to the Society as at 31 December 2015 of £1,587,000. This is explained further in note 19.

The Society's assets include a freehold interest share of 35.6% in Charles Darwin House properties, the London headquarters for the Society and a hub for other life science organisations. The Society accounted for unrealised gains of £784,000 through the revaluation of these properties within the period.

After accounting for these items, the Group made a surplus of £176,000 for the period, with closing reserves of £9.2 million.

## **Reserves policy and going concern**

The Society plans to fund its ongoing charitable activities from its free reserves.

The Society considers free reserves to be the unrestricted funds not designated for other purposes and readily available in the short to medium term. For this purpose, free reserves are calculated as 'Other Charitable Funds' less the value of investment properties. As at 31<sup>st</sup> December 2015 free reserves amounted to £2 million.

The Trustees consider it ideal to maintain a level of reserves representing 12 months of committed Society expenditure, including pension scheme deficit funding, with lower and upper bounds of 6 to 18 months. This policy is intended to provide a sufficient buffer without accumulating unnecessary levels of reserves.

As at 31<sup>st</sup> December 2015 the Society had free reserves sufficient to cover 10 months of expenditure. This is within the level of free reserves as outlined in the policy.

In the opinion of the Trustees the Society has adequate reserves to continue its activities for the foreseeable future.

## **Investment policy**

The Articles of Association give the Trustees the power to invest as necessary for the promotion of the objects of the Society.

The Society's equity investment assets are managed through a pooled fund, the Newton Growth Fund for Charities. This fund allows exposure to investments which would not be economically available to the Society within a segregated fund, and provides a cost efficient means of investment management.

The delegated management of investment assets remains with Newton Investment Management Limited, a subsidiary of BNY Mellon. The overall investment objective is to maximize the total investment return over the longer-term without taking undue risk. This objective is to be achieved principally by investing in the Newton Growth Fund for Charities. Total investment performance is expected at the minimum to exceed, over the medium to long term, the returns to be achieved on cash deposits.

No investments are made into companies predominantly involved in the production of tobacco products or armaments.

Although a reasonable and consistent level of income and growth is expected, the performance of the investment managers is essentially judged on the total return of income plus capital growth minus investment management fees. The performance of the unrestricted fund investments is benchmarked against a parcel of indices. The managers are expected to out-perform these indices.

## **Remuneration policy**

The Trustees, being the Executive Directors of the Society, receive no direct remuneration for the duties they undertake on behalf of the Society. Senior management remuneration is benchmarked against similar positions within the sector and against comparative professional positions where applicable.

## **Principal risks and uncertainties**

The main risk to the Society is that of its income being insufficient to match its expenditure. The Trustees believe that procedures, including regularly updating business and strategic plans, along with close monitoring of management accounts against budget, will address this risk.

## **Financial risk management objectives**

The main financial risks to the Society relate to its dependency on income from publishing activities. Changes in financial models and content dissemination within the journal publishing sector create some uncertainty in the sustainability of certain revenue streams, in particular in the move away from the end-user pays model towards the author pays model. The Society will continue to monitor developments in the journal publishing sector to identify new and alternative revenue models, and to mitigate the impact of market changes.

An additional risk exists in the uncertainty of future deficit funding requirements of defined benefit pension arrangements pertaining to Society staff through both the Biochemical Staff Pension Scheme, closed to new entrants and future accrual from March 2011, and the Universities Superannuation Scheme, currently available to Society employees. Further details of each of these schemes can be found in note 16 of the accounts.

## **Trustee's approval**

In approving the Trustees' report, the Trustees are also approving the Strategic report in their capacity as Trustees of the charitable group.

Signed on behalf of the trustees by

**Professor Steve Busby**

Chair, Executive Committee (Board of Trustees)

26<sup>th</sup> May 2016

## Independent Auditor's Report to the Members of the Biochemical Society

We have audited the group financial statements of Biochemical Society for the period ended 31 December 2015 which comprise the group and Society statements of financial position, the consolidated statement of financial activities, the consolidated summary income and expenditure account, the consolidated statement of cash flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Trustees' Report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Biochemical Society  
Independent Auditor's Report

Matters on which we are required to report by exception

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

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

**William Devitt**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Milton Keynes

Date:

## **Financial Statements for the period ended 31 December 2015**

The financial statements are the first financial statements that have been prepared in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) and follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102) effective 1 January 2015). Previously the financial statements were prepared in accordance with UK Generally Accepted Accounting Practice and the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (the SORP issued March 2005). The last set of financial statements under old UK GAAP was for the year ended 30 June 2015. A full analysis of the impact of the transition to FRS 102 has been provided in note 23 to the consolidated financial statements.

The financial statements are prepared on a going concern basis. In considering going concern, the Trustees have reviewed the Society's future cash requirements and earnings projections and have concluded that the Society will be able to operate without requiring any external funding and therefore believe it is appropriate to prepare the financial statements of the Society on a going concern basis. This is supported by the Society's liquidity position at the year end.

They have been prepared under the historical cost convention except that investments are valued at fair value (see below) and leasehold properties are shown at their revalued amounts. The principal accounting policies of the Group, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below and have been consistently applied to the years presented, unless otherwise stated.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

### **Basis of consolidation**

The Group financial statements consolidate those of the Society and of its principal subsidiary undertaking drawn up to 31 December 2015, which represents a six month period, so that the accounting year is in line with the publishing income received by its principal subsidiary. The previous period comparatives are for a 12 month period. Surpluses or deficits on intra-group transactions are eliminated in full. The results of the trading subsidiary have been incorporated on a line by line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the Society have not been presented because the Society has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The Biochemical Society meets the definition of a public benefit entity under FRS 102.

### **Income recognition**

Income is recognized when the Group has entitlement to the funds, any performance conditions attached to the income has been met, it is probable that the income will be received and the amount can be measured reliably.

Donations, gifts and sponsorship are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to

## Biochemical Society Financial Statements

### Principal accounting policies

the timing of the related expenditure, in which case recognition is deferred until the precondition has been met.

Investment income comprises dividends receivable during the accounting period and interest receivable on listed and unlisted investments. Rent income distributions are recognized in the period to which they relate.

Sales of journals and membership fees are recognized as income in the period to which they relate. Amounts received for future periods are included in creditors as subscriptions in advance (note 16).

Distribution and professional conferences organizing income represents fees chargeable for work performed in the period.

Amounts collected on behalf of external clients and not yet paid over are included in other creditors (note 16).

Meetings and conference income is recognized in the period in which the meeting or conference is held.

### **Expenditure**

Expenditure is recognized once there is a legal or constructive obligation to make a payment to a third party, 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 and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Premises overheads have been allocated on a floor area basis, IT costs on the basis of headcount, and administration and finance costs on the basis of time spent on those areas by staff.

- Costs of generating funds are those costs incurred in attracting voluntary income, in managing the Society's investments, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the core work of the Society in promoting the advancement of biochemistry.
- Governance costs include those incurred in the governance of the Group and its assets and are primarily associated with constitutional and statutory requirements. These costs are shown as part of charitable activities.

### **Allocation of support costs**

Support costs are those functions that assist the work of the Society but do not directly undertake charitable activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Costs are allocated through activity based costing using the most appropriate method e.g. staff time, transaction numbers, floor space.



## Property, plant and equipment depreciation

In general, fixed assets costing less than £500 are not capitalized.

Property plant and equipment are measured at cost, or fair value, less accumulated depreciation and any accumulated impairment losses. The fair value as at the 1<sup>st</sup> July 2014 has been deemed to be the cost of the freehold property in accordance with the transition arrangements permitted by FRS 102.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value, of each fixed asset held for charity use by equal annual instalments over their expected useful economic lives.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The periods generally applicable are:

Freehold property (excluding land)	50 years
Long leasehold properties	Period of lease
Equipment and furniture	3 - 5 years

Freehold property is included in the statement of financial position at deemed cost and long leasehold property is included at fair value.

## Intangible Assets

The costs of developing the membership fulfilment system will be capitalized as intangible assets until the software is available for use, and are valued at cost less any accumulated depreciation and any accumulated impairment losses. When the software is available for use it will be amortized over the estimated life of the system (3 - 5 years).

## Investment Properties

Investment properties are measured at fair value. The surplus or deficit on revaluation is recognized in the statement of financial activities.

No depreciation is provided in respect of the investment properties in accordance with FRS 102 applicable in the UK. Such properties are held for their investment potential and not for consumption within the business. This is a departure from the Companies Act 2006, which required all properties to be depreciated.

## Investments

Investments are measured at fair value at the statement of financial position date. Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities. For those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably are recognized at cost less impairment.

## Leased assets

For leases regarded as operating leases, payments made are charged to the statement of financial activities on a straight line basis over the lease term.

## **Stock**

Inventory of books has been stated at the lower of printing cost, and estimated selling price less cost to sell. No value has been placed on stocks of unsold copies of journals published.

## **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial activities date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. All exchange gains and losses on settled transactions are reported as part of the surplus or deficit for the year.

## **Taxation**

No provision is made for direct taxation on income as the Society is a registered charity and its income is therefore exempted from United Kingdom direct taxation to the extent that it is applied to the Society's charitable purposes.

The profits of Portland Press Limited, which would give rise to a tax charge, are gifted to the Society, and a tax charge does not therefore normally arise in the financial statements, except to the extent that the amount gift aided falls short of the taxable profits.

## **Fund accounting**

Restricted funds are to be used for specific purposes laid down within their objects. Expenditure for these purposes is charged to the fund.

Unrestricted funds are incoming resources received or generated for expenditure on the general objectives of the Group.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

## **Cash and cash equivalents**

Cash and cash equivalents, for the purpose of the statement of cash flows, comprise cash in hand and short term deposits with an original maturity date of three months or less, net of outstanding bank overdrafts.

## **Debtors**

Debtors are recognized initially at fair value. A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Any losses arising from impairment are recognized in the statement of financial activities.

## **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest model.

## **Pensions**

The Society operates defined benefit pension provision through two Schemes, the Biochemical Society Pension Scheme and the Universities Superannuation Scheme.

## **Biochemical Society Pension Fund**

The Biochemical Society Staff Pension Scheme was closed to new entrants and future accrual with effect from 1<sup>st</sup> March 2011, and employees were given the opportunity to join the Universities Superannuation Scheme from this date.

The defined net benefit pension asset or liability in the statement of financial position comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is only recognized to the extent that it is recoverable by the Society.

The cost of providing benefits is determined on an actuarial basis using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations). The current service cost and costs from settlements are charged against operating surplus. Past costs are spread over the period until the benefit vests. Net interest on the net defined liability during the reporting period is included in other finance costs.

Re-measurements, comprising actuarial gains and losses and the return on the net defined benefit liability (excluding amounts included in net interest) are reported as other recognized gains and losses in the statement of financial activities.

## **Universities Superannuation Scheme (USS)**

The Society participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, has made a provision for the present value of the additional contributions required to clear the projected deficit.

## **Amounts received under gift aid from Portland Press Ltd**

Portland Press Limited is a wholly owned subsidiary undertaking of the Society. Portland Press Limited donates substantially all of its profits to the Society under gift aid.

Income received under gift aid is credited to the Society's Income and Expenditure account on the accruals basis.

## **Financial instruments**

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

Biochemical Society Financial Statements

**Consolidated Statement of Financial Activities for the period ended 31 December 2015  
including Consolidated Summary Income and Expenditure account**

All unrestricted and restricted funds							
	Note	6 months period to 31 December 2015			12 months period to 30 June 2015		
		Continuing operations £'000	Discontinued Operations £'000	Total £'000	Continuing operations £'000	Discontinued operations £'000	Total £'000
<b>Income from:</b>							
Income from donations		76	-	76	52	-	52
<i>Income from charitable activities:</i>							
Scientific conferences		245	-	245	214	-	214
Membership		136	-	136	252	-	252
Education		-	-	-	1	-	1
Sales of Journals and Books		1,802	-	1,802	3,626	-	3,626
<i>Income from other trading activities:</i>							
Distribution division		-	87	87	-	669	669
Professional conference organisation		17	-	17	-	-	-
Advertising		1	-	1	4	-	4
Investment income	3	120	-	120	225	-	225
<b>Total income</b>		<b>2,397</b>	<b>87</b>	<b>2,484</b>	<b>4,374</b>	<b>669</b>	<b>5,043</b>
<b>Expenditure</b>							
<i>Expenditure on Raising funds</i>							
Cost of sales: Distribution division		-	234	234	-	1,079	1,079
Cost of sales: Professional conferences organisation		10	-	10	-	-	-
Investment properties operating costs		40	-	40	38	-	38
<i>Expenditure on Charitable activities</i>							
Membership recruitment costs		44	-	44	71	-	71
Membership		308	-	308	674	-	674
Grants and awards		153	-	153	252	-	252
Scientific conferences		538	-	538	813	-	813
Policy, Education, Professional Journals and Books: Production		168	-	168	469	-	469
Journals and Books: Distribution		793	-	793	1,969	-	1,969
Administration: Portland Press Ltd		45	-	45	80	-	80
Development: Portland Press		297	-	297	651	-	651
USS Pension scheme prior year deficit		-	-	-	96	-	96
Governance costs		-	-	-	187	-	187
Governance costs		115	-	115	194	-	194
<i>Other expenditure</i>							
Onerous lease costs		-	-	-	38	-	38
Interest on defined benefit pension schemes		23	-	23	9	-	9
<b>Total expenditure</b>		<b>2,534</b>	<b>234</b>	<b>2,768</b>	<b>5,541</b>	<b>1,079</b>	<b>6,620</b>
<i>Net gains/ (losses) on investments</i>							
Realised		85	-	85	35	-	35
Unrealised	13	714	-	714	836	-	836
<b>Net surplus / (deficit) before other gains and losses carried forward</b>		<b>662</b>	<b>(147)</b>	<b>515</b>	<b>(296)</b>	<b>(410)</b>	<b>(706)</b>

# Biochemical Society Financial Statements

## Consolidated Statement of Financial Activities for the period ended 31 December 2015

All Unrestricted and restricted funds						
Note	6 month period to 31 December 2015			12 month period to 30 June 2015		
	Continuing operations £'000	Discontinued Operations £'000	Total £'000	Continuing operations £'000	Discontinued operations £'000	Total £'000
<b>Net surplus / (deficit) before other gains and losses brought forward</b>	<b>662</b>	<b>(147)</b>	<b>515</b>	(296)	(410)	(706)
<i>Other recognised gains and losses</i>						
Gain on revaluation of tangible fixed assets	-	-	-	22	-	22
Actuarial losses on defined benefit pension schemes	19 (339)	-	(339)	(909)	-	(909)
Other gains	10 -	-	-	5	-	5
<b>Net movement in funds relating to the period carried forward</b>	<b>323</b>	<b>(147)</b>	<b>176</b>	(1,178)	(410)	(1,588)
Fund balances brought forward 1 July 2015	9,059	-	9,059	10,647	-	10,647
<b>Fund balances carried forward 31 December 2015</b>	<b>9,382</b>	<b>(147)</b>	<b>9,235</b>	9,469	(410)	9,059
<b>Analysis of fund balances:</b>						
Revaluation reserve			339			604
Restricted funds			980			955
Unrestricted funds			7,916			7,500
			<u>9,235</u>			<u>9,059</u>

The financial activities above include £1,174,000 of net incoming and £1,458,000 of outgoing resources relating to the charity. Further details are included in Note 20.

The distribution division (PCS) has been discontinued and the income and the costs relating to this decision have been disclosed separately above.

Total income including interest receivable comprises £2,450,000 for unrestricted funds and £34,000 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

Detailed analyses of expenditure are provided in the statement of financial activities and note 4.

Net income before other recognised gains and losses for the year of £515,000 comprises £490,000 net income for unrestricted funds and a £25,000 net income in restricted funds, as shown in the statement of financial activities.

The accompanying accounting policies and notes form an integral part of the financial statements.

# Biochemical Society Financial Statements

## Statement of Financial Position as at 31 December 2015

	Note	Group		Society	
		31 December 2015 £'000	30 June 2015 £'000	31 December 2015 £'000	30 June 2015 £'000
<b>Fixed Assets</b>					
Tangible assets	6	1,872	3,036	1,872	3,036
Intangible assets	7	23	-	23	-
Investments	8	4,498	5,832	4,498	5,
832					
Investment Property	9	<u>5,080</u>	<u>3,036</u>	<u>5,080</u>	<u>3,036</u>
		<u>11,473</u>	<u>11,904</u>	<u>11,473</u>	<u>11,904</u>
<b>Current Assets</b>					
Stock	14	13	11	-	-
Debtors	15	327	483	187	354
Cash at bank and in hand	10	<u>1,791</u>	<u>1,041</u>	<u>490</u>	<u>431</u>
		<u>2,131</u>	<u>1,535</u>	<u>677</u>	<u>785</u>
<b>Creditors:</b> amounts falling due within one year	16	<u>2,782</u>	<u>3,046</u>	<u>1,329</u>	<u>2,297</u>
<b>Net current liabilities</b>		<u>(651)</u>	<u>(1,511)</u>	<u>(652)</u>	<u>(1,512)</u>
<b>Net assets excluding pension liability</b>		<u>10,822</u>	<u>10,393</u>	<u>10,821</u>	<u>10,392</u>
<b>Defined benefit pension liability</b>	19	<u>1,587</u>	<u>1,334</u>	<u>1,587</u>	<u>1,334</u>
<b>Total net assets</b>		<u>9,235</u>	<u>9,059</u>	<u>9,234</u>	<u>9,058</u>
<b>The Funds of the Charity</b>					
Restricted Funds	11	980	955	980	955
Unrestricted Funds					
Designated Funds	12	2,417	5,596	2,417	5,596
Other charitable Funds	12	7,085	3,237	7,085	3,237
Revaluation Reserve	12	339	604	339	604
Non-charitable trading Funds		<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
		<u>9,842</u>	<u>9,438</u>	<u>9,841</u>	<u>9,437</u>
Pension Reserve	19	<u>(1,587)</u>	<u>(1,334)</u>	<u>(1,587)</u>	<u>(1,334)</u>
Total Unrestricted Funds		<u>8,255</u>	<u>8,104</u>	<u>8,254</u>	<u>8,103</u>
<b>Total Charity Funds</b>		<u>9,235</u>	<u>9,059</u>	<u>9,234</u>	<u>9,058</u>

The financial statements were approved and authorised for issue by the Executive Committee of the Biochemical Society on 26<sup>th</sup> May 2016.

**Professor Steve Busby**  
Chairman

**Professor Anne Dell**  
Vice-Chairman

Company number: 00892796

The accompanying accounting policies and notes form an integral part of the financial statements.

**Consolidated Statement of cash flows for the period ended 31 December 2015**

	Note	6 months to 31 December 2015 £'000	12 months to 30 June 2015 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(566)</b>	<b>(1,318)</b>
Cash flows from investing activities			
Dividends, Interest and rents from investments		120	225
Purchase of property, plant and equipment		-	(1)
Purchase of intangible asset		(23)	-
Proceeds from sale of investments		1,350	599
Purchase of investments		(131)	(789)
Investment impairment release		<u>-</u>	<u>5</u>
Net cash provided by investing activities		<u>1,316</u>	<u>39</u>
Change in cash and cash equivalents in the reporting period		750	(1,279)
Cash and cash equivalents at the beginning of the reporting period		<u>1,041</u>	<u>2,320</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>B</b>	<b><u>1,791</u></b>	<b><u>1,041</u></b>

**Notes to the Statement of Cash flows**

**A. Reconciliation of net expenditure to net cash outflow from operating activities**

	December 2015 £'000	June 2015 £'000
Net income / (expenditure) for the reporting period	515	(706)
Depreciation	35	91
Increase in stocks	(2)	(2)
Gains on investments	(799)	(871)
Interest and rents from investments	(120)	(22)
5) Decrease in debtors	(2)	(2)
Decrease in debtors	156	238
(Decrease) / increase in creditors	(264)	258
Pension scheme contribution paid	(110)	(110)
Pension schemes interest	23	9
Net cash outflow from operating activities	<u>(566)</u>	<u>(1,318)</u>

**B. Analysis of cash and cash equivalents**

	Current Period £'000	Prior Period £'000
Cash at bank and in hand	<u>1,791</u>	<u>1,041</u>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 1. Statutory information

The Biochemical Society is a Private company limited by guarantee without share capital, domiciled in England and Wales, registration number 00892796. The registered office is Charles Darwin House, 12 Roger Street, London WC1N 2JU.

## 2. Income from subsidiary company

The charity has one wholly owned trading subsidiary, which is incorporated in England and Wales, Portland Press Limited. It is principally engaged in the publication and distribution of scientific journals and books, and the provision of membership and distribution services. Portland Press pays substantially all of its profit to the Biochemical Society.

A summary of Portland Press Limited's results is shown below. Audited financial statements are filed with the Registrar of Companies.

### Statement of income and retained earnings for the period ended 31 December 2015

	<b>6 months to 31 December 2015 £'000</b>	<b>12 months to 30 June 2015 £'000</b>
Turnover: Journal and book publication	1,770	3,548
Fee income-Distribution	<u>84</u>	<u>609</u>
Total Turnover	1,854	4,157
Cost of Sales: Journals and books	726	1,433
Distribution	<u>111</u>	<u>569</u>
Gross Profit	837	2,002
	1,017	2,155
Administrative expenses	<u>473</u>	<u>1,368</u>
Operating profit	544	787
Exchange gains	56	138
Interest received	<u>-</u>	<u>2</u>
Profit for the financial period	600	927
Amount gifted to the Biochemical Society	<u>(600)</u>	<u>(927)</u>
Retained in Subsidiary	<u><u>-</u></u>	<u><u>-</u></u>

The turnover and profit is attributable to the publication and distribution of scientific journals and books and the provision of membership and distribution services.

An analysis of turnover by geographical market is given below:

	<b>6 months to 31 December 2015 £'000</b>	<b>12 months to 30 June 2015 £'000</b>
United Kingdom	236	983
North America	694	1,306
Japan	228	452
China	77	184
Europe	401	800
Other	<u>218</u>	<u>432</u>
	<u>1,854</u>	<u>4,157</u>

Portland Press Limited's Statement of Financial Position is summarized as follows:

Current assets	2,060	2,193
Current liabilities	<u>2,059</u>	<u>2,192</u>
Represented by Shareholders' surplus	<u><u>1</u></u>	<u><u>1</u></u>



# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 3. Investment income

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
Listed investments (including unit trusts)	82	167
Rent income	37	55
Interest receivable from banks and financial institutions	<u>1</u>	<u>3</u>
<b>Total</b>	<b><u>120</u></b>	<b><u>225</u></b>

## 4. Analysis of total resources expended

	<b>Staff Costs £'000</b>	<b>Support Costs £'000</b>	<b>Other £'000</b>	<b>December 2015 Total £'000</b>	<b>June 2015 Total £'000</b>
<i>Cost of generating funds</i>					
Cost of sales: Distribution division	171	37	26	234	1,079
Cost of sales: PCO	7	1	2	10	-
Cost of investment	5	-	35	40	38
<i>Charitable expenditure</i>					
Membership recruitment costs	-	-	44	44	71
Membership	165	38	105	308	674
Grants payable:					
Grants to individuals	-	-	56	56	107
Daphne Jackson Trust	-	-	-	-	29
Royal Society of Biology	-	-	62	62	116
TIPS and TAPS	-	-	35	35	-
Scientific conferences	162	27	349	538	813
Policy, Education, Professional	73	11	84	168	469
Journals and Books: Production costs	345	94	354	793	1,969
Journals and Books: Distribution costs	-	-	45	45	80
Administration: Portland Press Ltd	186	65	46	297	651
Governance	65	16	34	115	194
IT Projects, Portland Press Ltd	-	-	-	-	96
USS pension scheme provision	-	-	-	-	187
Pension schemes interest	-	-	23	23	9
Other	-	-	-	-	38
<b>Total outgoing resources</b>	<b><u>1,179</u></b>	<b><u>289</u></b>	<b><u>1,300</u></b>	<b><u>2,768</u></b>	<b><u>6,620</u></b>

The breakdown of support costs is as follows:

	<b>Administration and Finance £'000</b>	<b>IT support £'000</b>	<b>December 2015 Total £'000</b>	<b>June 2015 Total £'000</b>
Cost of sales: distribution division	10	27	37	91
Cost of sales: PCO	-	1	1	-
Membership	10	28	38	41
Scientific conferences	13	14	27	56
Policy, Educational, Professional	6	5	11	32
Journals and books, Production costs	16	78	94	140
Administration: Portland Press Ltd	45	20	65	110
Governance costs	12	4	16	30
<b>Total support costs</b>	<b><u>112</u></b>	<b><u>177</u></b>	<b><u>289</u></b>	<b><u>500</u></b>

Expenditure which is incurred by Portland Press Limited is included above, and is itemised in note 2.

## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

### Analysis of total resources expended (cont.)

Expenditure amounting to £14,000 (2014-15: £46,000) in respect of restricted funds is included in other costs above. Membership expenditure includes £40,000 (2014-15: £162,000) for the cost of publishing and distributing *The Biochemist*.

Total resources expended include:-

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
Academic Support Grants	<u>17</u>	<u>34</u>

Academic Support Grants were paid to the university departments of the following Officers:

A Dell £nil (2014-15: £4,750); N Watmough £nil (2014-15: £4,750); S Busby £nil (2014-15: £3,750); N Gray £nil (2014-15: £4,750); D Fell £nil (2014-15: £4,750); R Beynon £4,812 (2014-15: £4,750). The grants were paid as partial compensation to the department for the time spent on Society business by the Officer concerned.

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
Payments to Grant Thornton: for audit	30	28
Payments to Grant Thornton: for taxation services	3	6
Irrecoverable VAT	1	55
Operating lease rentals – land and buildings	3	7
Depreciation of tangible fixed assets	<u>35</u>	<u>101</u>

### Lease commitments

Total commitments under non-cancellable operating leases in respect of land and buildings are due as follows:

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
Amount due within one year	7	7
Amount due later than one year and not later than five years	27	27
Amount due later than five years	<u>331</u>	<u>334</u>
Total leases expiring in greater than five years	<u>365</u>	<u>368</u>

Lease payments amounting to £3,000 (2014-15: £7,000) are recognised as expenditure in the reporting period.

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

<b>5. Employees</b>	<b>6 months to December 2015 £'000</b>	<b>12 months to June 2015 £'000</b>
Staff costs during the period were as follows:		
Wages & salaries	962	2,112
Social security costs	90	197
Pension costs	<u>129</u>	<u>291</u>
Staff costs before redundancy and termination	1,181	2,600
Redundancy and termination	<u>(2)</u>	<u>411</u>
Staff costs including redundancy and termination	1,179	3,011
Closed pension scheme deficit funding	<u>110</u>	<u>110</u>
Total staff costs	<u><u>1,289</u></u>	<u><u>3,121</u></u>

Included in pension costs is £129,000 (2014-15 £291,000) in respect of the defined benefit Universities Superannuation Scheme, and included in closed pension scheme deficit funding is £110,000 (2014-15 £110,000) in respect of the defined benefit Biochemical Society Staff Pension Scheme.

Further details on Pension Scheme costs are shown in note 19.

The average number of employees of the Society during the period was 46 (2014-15: 53).

12 trustees (2014-15: 16) have received a total of £11,000 (2014-15: £34,000) in respect of reimbursed travel and accommodation costs incurred in attending Society meetings. Trustees do not receive remuneration. Salaries paid during the period together with accrued redundancy and termination costs, but excluding pension contributions, exceeding an annual equivalent remuneration of £60,000 were in the following bands. Relevant redundancy payments for employees included within these bands amounted to £246,000 and have been accrued and disclosed in the year ending 30 June 2015:

<b>Salaries including redundancy payments</b>	<b>December 2015</b>	<b>June 2015</b>
£60,001 to £70,000	-	3
£70,001 to £80,000	2	2
£80,001 to £90,000	-	2
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
£130,001 to £140,000	1	2

Salaries paid during the period, **excluding** redundancy payments and pension contributions, exceeding an annual equivalent remuneration of £60,000 were in the following bands:

<b>Salaries excluding redundancy payments</b>	<b>December 2015</b>	<b>June 2015</b>
£70,001 to £80,000	2	2
£110,001 to £120,000	-	1
£120,001 to £130,000	1	-
£130,001 to £140,000	1	1

The highest paid employee received a salary of £66,000 for the six months reporting period (2014-15: £131,000) together with pension contributions amounting to £11,000 (2014-15: £21,000).

<b>Key management compensation</b>	<b>6 months to December 2015 £'000</b>	<b>12 months to June 2015 £'000</b>
Salaries and short term employee benefits (including pension contributions)	<u>415</u>	<u>655</u>
The figures above include members of senior management		

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 6. Tangible assets

### The Society and the Group

	Freehold Property £'000	Leasehold Property £'000	Equipment & Furniture £'000	Total £'000
Cost or Valuation				
At 1 July 2015	2,627	400	430	3,457
Additions	-	-	-	-
Disposals	-	-	(67)	(67)
Transfer to investments	(1,151)	-	-	(1,151)
At 31 December 2015	<u>1,476</u>	<u>400</u>	<u>363</u>	<u>2,239</u>
Depreciation				
At 1 July 2015	34	7	380	421
Charge for the year	17	4	14	35
Disposals	-	-	(67)	(67)
Transfer to investments	(22)	-	-	(22)
At 31 December 2015	<u>29</u>	<u>11</u>	<u>327</u>	<u>367</u>
Net book value at 31 December 2015	<u>1,447</u>	<u>389</u>	<u>36</u>	<u>1,872</u>
Net book value at 30 June 2015	<u>2,593</u>	<u>393</u>	<u>50</u>	<u>3,036</u>

Included within freehold property is land of £590,000 (2014-15: £1,051,000), which is not depreciated.

The net book value at 31 December 2015 represents Property Plant and Equipment used for:

	Freehold Property £'000	Leasehold Property £'000	Equipment & Furniture £'000	Total £'000
Cost of sales: Distribution division	207	-	6	213
Cost of sales: PCO	9	-	-	9
Charitable expenditure:				
Membership	166	-	4	170
Conferences	198	-	5	203
Policy, Education, Professional	108	-	2	110
Journals and books production and distribution	416	-	11	427
Other costs	343	-	8	351
Other non-operating costs	-	389	-	389
	<u>1,447</u>	<u>389</u>	<u>36</u>	<u>1,872</u>

Depreciation charged on the assets is charged to the relevant department having the benefit.

The Society has elected to treat the fair value as at the date of transition to FRS 102 as the deemed cost.

The company's Freehold was valued on 15 December 2015 by an External valuer, Mr. R. Soneji BSc Hons, MRICS of Lambert Smith Hampton as at 1 July 2014. The valuation was in accordance with the requirements of the RICS Valuations Standards and FRS 102. The valuation was on the following bases and assumptions:

For Owner Occupied Property: Valued to Fair Value (FV) assuming that the property would be sold as part of the continuing business. The property was also part leased at the valuation date.

The Valuer's opinion of Market Value and Fair Value was primarily derived using comparable recent market transactions on arms' length terms.

The critical assumptions made relating to the valuations are set out below:

Net initial yield	0.93%
Reversion yield	6.65%
True equivalent yield	6.48%
Equivalent yield	6.24%

## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

If the freehold property had not been revalued, it would have been included on the historical cost basis at the following amounts:

	<b>£'000</b>
Cost	2,224
Accumulated depreciation	(160)
Transfer to investments	<u>(904)</u>
Net book amount at 31 December 2015	<u>1,160</u>
Net book amount at 30 June 2015	<u>1,979</u>

The leasehold property is reported at fair value. The property was valued by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued was revalued on an existing use basis by a qualified surveyor, Mr L C Chambers MRICS of Fenn Wright, in July 2014, on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

The leasehold property has not been revalued as at 31 December 2015 as the Trustees have considered that the carrying amount does not differ materially from that which would be determined using fair value at that date.

If the leasehold property had not been revalued, it would have been included on the historical cost basis at the following amounts:

	<b>£'000</b>
Cost	153
Accumulated depreciation	<u>(70)</u>
Net book amount at 31 December 2015	<u>83</u>
Net book amount at 30 June 2015	<u>84</u>

### 7. Intangible Assets

#### The Society and the Group

	<b>Software Development £'000</b>
Cost or Valuation	
At 1 July 2015	-
Additions	23
Disposals	<u>-</u>
At 31 December 2015	<u>23</u>
Amortisation	
At 1 July 2015	-
Charge for the year	-
Revaluation	-
Disposals	<u>-</u>
At 31 December 2015	<u>-</u>
Net book value at 31 December 2015	<u>23</u>
Net book value at 30 June 2015	<u>-</u>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 8. Investments

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
<b>The Society and the Group</b>		
<b>Equity investments at fair value</b>		
Fair value at start of period	5,832	6,126
Less: disposals at cost	(1,265)	(5,846)
Add: acquisitions at cost	1	5,283
Net gain / (loss) on revaluation	<u>(70)</u>	<u>269</u>
Fair value at end of period	<u>4,498</u>	<u>5,832</u>
Historical cost as at end of period	<u>4,138</u>	<u>5,401</u>

Equity investments are managed through a pooled fund, the Newton Growth Fund for Charities, listed in the UK, and are valued at fair value through the statement of financial activities.

The Society holds 100% of the Ordinary shares in Portland Press Limited, the cost of investment is £100, and is valued at cost less impairment.

The Society holds an investment in shares to the value of £356 in Charles Darwin House Limited, a private company formed to manage Charles Darwin House properties, the London headquarters in which the Society holds a proprietary share. This shareholding represents a holding of 35.6% and is accounted for as a fixed asset investment at cost less impairment.

## 9. Investment Properties

	<b>£'000</b>
Fair value at 1 July 2015	3,036
Add: capital expenditure	131
Add: transfer from fixed assets	1,129
Net gain on revaluation	<u>784</u>
Fair value at 31 December 2015	<u>5,080</u>
Historical cost of properties held at fair value	<u>3,728</u>

The Society owns a 35.6% interest in CDH properties. The non-operational proportion is accounted for as investment properties.

The investment properties are reported at fair value. The properties were valued by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued was revalued by a qualified surveyor, Mr. Tim Powell-Harper MRICS of Kinney Green, in January 2016, on the basis of both fair value and market value in accordance with the requirements of the RICS Valuations Standards and FRS 102.

The critical assumptions made relating to the valuations are set out below:

Yields	4.75% and 5.75%
Current rents	£42.50 per sq ft (full vacant possession for 12 Roger Street)

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 10. Cash and Bank

In 2008 the Society had cash holdings for a value of £529,000 within the Icelandic investment bank Kaupthing Singer & Friedlander (KSF). The monies were held on deposit for their investment potential and did not form part of the day to day working capital.

KSF was placed in administration on 8<sup>th</sup> October 2008 following an FSA determination that the bank no longer met its threshold conditions, and was likely to be unable to continue to meet its obligations to depositors.

The Society has been unable to ascertain how much of this deposit may be recoverable, and therefore provided for 100% impairment within the 2008 financial statements.

During the period to December 2015 the Society did not receive any dividend payment from the administrators (2014-15: £5,000). A total balance of £437,000 has been recovered to the date of these financial statements. An outstanding balance of £92,000 remains as at 31 December 2015 for which a provision has been maintained in full.

## 11. Restricted Funds

The Society and the Group	Balance	Movement in Funds			Balance
	1 July 2015 £'000	Incoming Resources £'000	Expenditure & Transfers £'000	Investment Gains £'000	31 December 2015 £'000
Keilin Memorial Lecture	49	-	(1)	1	49
Morton Memorial Lecture	49	-	-	1	50
Harden Legacy Fund	140	-	(4)	3	139
Centenary Award Fund	98	-	-	1	99
Krebs Memorial Scholarship Fund	309	-	(5)	8	312
Eric Reid Fund for Methodology	294	-	(5)	3	292
Randle Lecture Fund	16	-	-	-	16
Synthetic Biology Fund	-	23	-	-	23
	<u>955</u>	<u>23</u>	<u>(15)</u>	<u>17</u>	<u>980</u>

### Keilin Memorial Lecture Fund

The Keilin Fund was instituted in 1964 by means of an appeal to commemorate the late David Keilin, and income is used to pay for the costs of the speaker in giving a lecture, generally every other year.

### The Morton Memorial Lecture Fund

The fund was instituted in 1978 following an appeal at which some £3,400 was received in donations. Income from the fund is used to pay for the speaker's costs in giving a lecture biennially at a main meeting of the Society and at the University of Liverpool. The lecture commemorates R.A. Morton.

### Harden Legacy Fund

In his will in 1940 Sir Arthur Harden left funds to support publication of original scientific research. The income from the fund can be applied to assisting scientists with their travel and accommodation costs incurred in attendance of Harden meetings.

### Centenary Award Fund

In recognition of the Society's centenary in 2011, this fund was created through the merger of the former Jubilee Lecture and the Hopkins Memorial Lecture funds. The Centenary Award Fund facilitates an annual award to a biochemist of distinction from any part of the world, with the award winner presenting a Sir Frederick Gowland Hopkins Memorial Lecture.

### Krebs Memorial Scholarship Fund

The Krebs fund resulted from an appeal launched in December 1982 to commemorate the life and work of Sir Hans Krebs. Income from the fund is used to fund a postgraduate scholarship in biochemistry or allied biomedical science, tenable at any British university. The Scholarship, awarded every year, is primarily intended to help candidates whose careers have been interrupted for non-academic reasons beyond their own control and/or who are unlikely to qualify for a grant.

### Eric Reid Fund for Methodology

This fund has been renamed from the Guilford Bench Methodology Fund in memory of the late Dr Eric Reid, and was set up through funds provided by him from a trust which he co-founded in 1981. It was set up with the aim of assisting 'non big league' investigators in bypassing benchwork bottlenecks. The fund's Capital is sufficient to award about eight grants each year. The fund is akin to the Royal Society of Chemistry's Research Fund, but extends to paying for vacation help.

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Restricted Funds (continued)

### Randle Lecture Fund

This fund was instituted in honour of the late Professor Sir Philip Randle who was one of the world's foremost researchers into mammalian metabolism. Income from the fund is used to finance a biennial award lecture by globally selected nominated scientists on the basis of their contribution to the understanding of mammalian metabolism.

### Synthetic Biology Fund

This fund has been created by the organisers of Synthetic Biology UK 2015 conference to underwrite future years events.

In the opinion of the Executive Committee, all funds have adequate resources to fulfil their ongoing obligations.

## 12. Designated and Other Charitable funds

The Society and the Group	Balance 1 July 2015 £'000	Net Utilised £'000	Transfers £'000	Balance 31 December 2015 £'000
Society Activities Funds				
Meetings Fund	2,338	(202)	(2,136)	-
Policy, Professional and Education	1,988	(181)	(1,807)	-
Grants and Communication	877	(81)	(796)	-
Fixed Assets Fund	393	(4)	1,483	1,872
Business Investment Fund	-	-	545	545
Total Designated Funds	5,596	(468)	(2,711)	2,417
Other Charitable Funds	3,237	872	2,976	7,085
Revaluation reserve	604	-	(265)	339
Total Unrestricted Charitable Funds	9,437	404	-	9,841

The formation of the Designated Funds has been aligned with the revised Reserves Policy and comprise of tangible fixed assets held for the Society's operational use, amounts for planned business investment spending, and any other funds that may be designated by the Trustees from time to time. Funding of Society Activities is provided through Other Charitable Funds.

### Society Activities Funds

The purpose of these funds was to provide sufficient income, in excess of that provided by Portland Press Limited, to finance the charitable activities of the Society. These funds have been undesignated as planned expenditure on the general objectives of the Society is now funded through Other Charitable Funds.

### Fixed Assets Fund

The Fixed Assets Fund represents the net book values of the Group's fixed assets as shown in note 6.

### Business Investment Fund

This fund aims to support the Group's projects to invest in business processes and structures in line with the objectives set within the five year strategy.

### Revaluation reserve

This reserve relates to the freehold property revaluation gain on transition to FRS 102 as shown in note 23. During the year, and in line with FRS102, the decision was taken to reclassify non-operational property holdings as investment assets.



# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 13. Analysis of Net Assets of the Group's Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 December 2015 are represented by:			
Property Plant and Equipment	1,872	-	1,872
Intangible Assets	23	-	23
Investment Properties	5,080	-	5,080
Investments	3,761	737	4,498
Current assets	1,858	243	2,101
Current liabilities	(2,752)	-	(2,752)
Net pension liability	<u>(1,587)</u>	<u>-</u>	<u>(1,587)</u>
Total net assets	<u>8,255</u>	<u>980</u>	<u>9,235</u>
Reconciliation of movements in unrealised gains on investments:			
Unrealised gains at 30 June 2015	953	44	997
Net gains arising on revaluations and movements in the period	<u>709</u>	<u>5</u>	<u>714</u>
Total unrealised gains at 31 December 2015	<u>1,662</u>	<u>49</u>	<u>1,711</u>

## 14. Stock

	The Group	
	December 2015 £'000	June 2015 £'000
Finished goods & goods for resale	<u>13</u>	<u>11</u>

## 15. Debtors: amounts falling due within one year

	The Group		The Society	
	December 2015 £'000	June 2015 £'000	December 2015 £'000	June 2015 £'000
Trade debtors	75	100	-	-
Other debtors	129	173	129	173
Prepayments and accrued income	<u>123</u>	<u>210</u>	<u>58</u>	<u>181</u>
	<u>327</u>	<u>483</u>	<u>187</u>	<u>354</u>

## 16. Creditors: amounts falling due within one year

	The Group		The Society	
	December 2015 £'000	June 2015 £'000	December 2015 £'000	June 2015 £'000
Trade creditors	217	274	215	272
Amounts owed to group undertakings	-	-	607	1,403
Social security and other taxes	62	56	62	56
Other creditors	590	383	9	26
Pension contributions	-	30	-	30
Subscriptions in advance	1,325	1,654	73	107
Accruals and deferred income	<u>588</u>	<u>649</u>	<u>363</u>	<u>403</u>
	<u>2,782</u>	<u>3,046</u>	<u>1,329</u>	<u>2,297</u>

## 17. Capital commitments

Capital commitments as at 31 December 2015 include:

- Membership fulfilment software £9,000 (June 2015: £32,000)

## 18. Contingent liabilities

There were no contingent liabilities at 31 December 2015 (June 2015: £nil). All known liabilities have been accounted for in the financial statements.

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 19. Pensions

The Biochemical Society operates defined benefit pension provision through two Schemes, the Biochemical Society Staff Pension Scheme and the Universities Superannuation Scheme.

The amounts recognised in the statement of financial position are as follows:

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
Biochemical Staff Pension scheme (See note 19A)	1,112	868
Universities Superannuation Scheme (See note 19B)	<u>475</u>	<u>466</u>
Liability recognised in the statement of financial position	<u>1,587</u>	<u>1,334</u>

### A. The Biochemical Staff Pension Scheme

The Biochemical Society Staff Pension Scheme provides final salary defined benefits for service up to and including 28 February 2011. The scheme is now closed to new entrants and future accrual. The assets of the scheme are held in a separate trustee-administered fund and subject to triennial independent actuarial valuations.

The level of benefits provided by the Scheme depends on a member's length of service and their salary at their date of leaving the scheme.

The last funding valuation of the scheme was carried out by a qualified actuary as at 31 December 2013 and contributions of £110,000 (2014-15: £110,000) are expected to be paid by the Society to the Scheme during the year ending on 31 December 2016.

The results of the latest funding valuation at 31 December 2013 have been adjusted to the statement of financial position date taking into account of experience over the period since 31 December 2013, changes in market conditions and differences in the financial and demographic assumptions. The present value of the defined benefit obligation was measured using the Projected Unit Credit Method.

The principal assumptions used to calculate the liabilities under FRS102 are set out below:

#### Main financial assumptions

	<b>31 December 2015</b>	<b>30 June 2015</b>
	<b>%pa</b>	<b>% pa</b>
RPI Inflation	3.2	3.3
CPI inflation	2.1	2.2
Maximum of RPI and CPI	3.4	3.5
Pension increases RPI inflation up to 7%	3.2	3.3
Discount rate for Scheme Liabilities	3.8	3.8

#### Main demographic assumptions

	<b>31 December 2015</b>	<b>30 June 2015</b>
Mortality	Males: S2PxA tables with scaling factors of 100% for deferred and 120% for pensioner members.  Females: S2PxA_L tables with a scaling factor of 100% for all members.	Males: S2PxA tables with scaling factors of 100% for deferred and 120% for pensioner members.  Females: S2PxA_L tables with a scaling factor of 100% for all members.
	Future improvements are in line with the CMI 2014 projections and a long term rate of improvement of 1.25% pa	Future improvements are in line with the CMI 2014 projections and a long term rate of improvement of 1.25% pa
Life expectancy for male currently aged 65	20.9 years (age 85.9)	20.9 years (age 85.9)
Life expectancy for female currently aged 65	24.7 years (age 89.7)	24.7 years (age 89.7)
Life expectancy at 65 for male currently aged 45	24.1 years (age 89.1)	24.1 years (age 89.1)
Life expectancy at 65 for female currently aged 45	26.5 years (age 91.5)	26.5 years (age 91.5)

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Pensions (continued)

Cash commutation	50% of members take the maximum cash sum available at retirement based on the current commutation	50% of members take the maximum cash sum available at retirement based on the current commutation
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## Scheme asset allocation:

	December 2015		June 2015	
	£'000's	%	£'000's	%
Equities	8,394	72%	8,749	71%
Bonds including insured pensioners)	1,128	10%	1,205	10%
Swaps/Gilts (including cash)	<u>2,161</u>	18%	<u>2,380</u>	19%
Closing fair value of scheme assets	<u>11,683</u>		<u>12,334</u>	

None of the Scheme assets are invested on the Society's financial instruments or in property occupied by, or other assets used by, the Society.

## Reconciliation of funded status to Statement of Financial Position:

	December 2015 £'000	June 2015 £'000
Fair value of assets	11,683	12,334
Present value of funded defined benefit obligations	<u>(12,795)</u>	<u>(13,202)</u>
Funded status	<u>(1,112)</u>	<u>(868)</u>
Liability recognised on the Statement of Financial Position	<u>(1,112)</u>	<u>(868)</u>

## Amounts recognised in Other Comprehensive Income (OCI):

	6 months to December 2015 £'000	12 months to June 2015 £'000
Asset gains/(losses) arising during the year	(854)	(337)
Liability gains/(Losses) arising during the year	<u>515</u>	<u>(572)</u>
Liability recognised on the Statement of Financial Position	<u>(339)</u>	<u>(909)</u>

## Amounts recognised in Statement of Financial Activities (SOFA):

	6 months to December 2015 £'000	12 months to June 2015 £'000
Interest on defined benefit liability / (asset)	<u>15</u>	<u>-</u>
Pension expense recognised in the Statement of Financial Activities	<u>15</u>	<u>-</u>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Pensions (continued)

### Changes to the present value of the defined benefit obligation during the year:

	6 months to December 2015 £'000	12 months to June 2015 £'000
Opening defined benefit obligation (DBO)	13,202	12,376
Interest expense on DBO	248	514
Actuarial losses / (gains) on scheme liabilities	(515)	572
Net benefits paid	<u>(140)</u>	<u>(260)</u>
Closing defined benefit obligation	<u>12,795</u>	<u>13,202</u>

### Changes to the fair value of scheme assets during the year:

	6 months to December 2015 £'000	12 months to June 2015 £'000
Opening fair value of scheme assets	12,334	12,307
Interest income on scheme assets	233	514
Gain / (loss) on scheme assets	(854)	(337)
Contributions by the employer	110	
Net benefits paid out	<u>(140)</u>	<u>(260)</u>
Closing fair value of scheme assets	<u>11,683</u>	<u>12,334</u>

### Actual return on Scheme Assets:

	6 months to December 2015 £'000	12 months to June 2015 £'000
Interest income on Scheme assets	233	514
Gains/(Losses) on scheme assets	<u>(854)</u>	<u>(337)</u>
Actual return on Scheme assets	<u>(621)</u>	<u>177</u>

## B. Universities Superannuation Scheme

The Society participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The Society is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Society's employees. In 2015, the percentage was 16% (June 2015: 16%).

The Society employer contributions for the period ended 31<sup>st</sup> December 2015 amounted to £131,000 (2014-15: £291,000). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. It is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £35.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings. As at 31 March 2015 the assets of the scheme had increased to £49.0 billion and the value of the scheme's technical provisions was £57.3 billion indicating a shortfall of £8.3 billion.

As required by FRS102 the society has recognised a liability for the present value of contributions payable that result from the terms of the agreement with the multi-employee plan. This has resulted in an additional charge of £10,000 (2014-15: £196,000).

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Pensions (continued)

FRS 102 liability numbers have been produced using the following assumptions:

	<b>December 2015</b>	<b>June 2015</b>
Discount rate	3.3%	3.3%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	3.5% in the first year and 4.0% thereafter
Price inflation (CPI)	2.2%	2.2%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	S1NA ["light"] YoB tables – No age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	<b>December 2015</b>	<b>June 2015</b>
Males currently aged 65 (years)	24.2	24.2
Females currently aged 65 (years)	26.3	26.3
Males currently aged 45 (years)	26.2	26.2
Females currently aged 45 (years)	28.6	28.6

<b>Existing benefits</b>	<b>December 2015</b>	<b>June 2015</b>
Scheme assets	£49.0 bn	£49.0bn
FRS 17 liabilities	£67.6 bn	£67.6bn
FRS 17 deficit	£18.6 bn	£18.6bn
FRS 17 funding level	72%	72%

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 20. Excess of expenditure over income

The Society has taken advantage of section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The net expenditure for the year, being consolidated net income and expenditure less the profit retained in the subsidiary, amounts to £ 000 (2014-15 net income: £1,402,000) which is dealt with in the financial statements of the Society.

An analysis of the differences in movements in resources between the Group and the Society is set out below:

	Unrestricted Funds £'000	Restricted Funds £'000	6 months to 31 December 2015 Total Funds £'000	Year to 30 June 2015 Total Funds £'000
Incoming and endowments per consolidated statement of financial activities	2,450	34	2,484	5,043
Deduct: income of trading subsidiary	(1,910)	-	(1,910)	(4,297)
Add: gifted payments from trading subsidiaries	600	-	600	927
Incoming resources - Society	<u>1,140</u>	<u>34</u>	<u>1,174</u>	<u>1,673</u>
Deduct:				
Total expenditure per consolidated statement of financial activities	2,754	14	2,768	6,620
Deduct: expenditure of trading subsidiary	(1,310)	-	(1,310)	(3,370)
Outgoing resources - Society	<u>1,444</u>	<u>14</u>	<u>1,458</u>	<u>3,250</u>
Net gains on investments	794	5	799	871
Net income / (expenditure) – Society before other gains and losses as per consolidated statement of financial activities	<u>490</u>	<u>25</u>	<u>515</u>	<u>(706)</u>
Investment impairment release	-	-	-	5
Gain on property plant and equipment	-	-	-	22
Actuarial loss on defined benefit Pension Scheme	(339)	-	(339)	(909)
Net movement in funds relating to the period	<u>151</u>	<u>25</u>	<u>176</u>	<u>(1,588)</u>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 21. Transactions with related parties

The Society has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared.

The Society holds a non-controlling interest in Charles Darwin House Limited, a private company formed to manage Charles Darwin House, the London headquarters in which the Society holds a proprietary share. Details of transactions between the Group and Charles Darwin House Limited are disclosed below:

	<b>December 2015 £'000</b>	<b>June 2015 £'000</b>
<b>Income</b>		
Accounting	8	15
IT services	2	5
Association Management	6	11
Other	<u>9</u>	<u>17</u>
<b>Total income</b>	<u><u>25</u></u>	<u><u>48</u></u>
<b>Expenditure</b>		
HR Services	24	46
Conference facilities	<u>38</u>	<u>40</u>
<b>Total expenditure</b>	<u><u>62</u></u>	<u><u>86</u></u>

As at 31<sup>st</sup> December 2015, a debtor balance of £11,000 (June 2015: £8,000) and a creditor balance of £14,000 (June 2015: £5,000) were outstanding with Charles Darwin House Limited. These balances will be settled in cash.

Details of transactions between the Group and the co-owners of Charles Darwin House Limited for the year to December 2015 are disclosed below:

	<b>SEB £'000</b>	<b>BES £'000</b>	<b>RSB £'000</b>	<b>MS £'000</b>	<b>Total £'000</b>
<b>Income</b>					
Accounting	7	-	-	-	7
IT Services	1	2	4	5	12
External Events	-	-	3	-	3
Other	<u>3</u>	<u>5</u>	<u>7</u>	<u>8</u>	<u>23</u>
<b>Total income</b>	<u><u>11</u></u>	<u><u>7</u></u>	<u><u>14</u></u>	<u><u>13</u></u>	<u><u>45</u></u>
<b>Expenditure</b>					
Grant	-	-	43	-	43
Grant – Sponsored Staff	-	-	31	-	31
Other	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>2</u>
<b>Total expenditure</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>76</u></u>	<u><u>-</u></u>	<u><u>76</u></u>
<b>Benefits in kind</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3</u></u>	<u><u>-</u></u>	<u><u>3</u></u>
<b>Balances as at 31 December 2015</b>					
Debtors	<u>4</u>	<u>7</u>	<u>5</u>	<u>5</u>	<u>21</u>
Creditors	<u>-</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>63</u>

### Benefits in kind

As part of support to RSB, the Society agreed to provide events organising services to RSB for a total value of £10,000, of which £3,000 relates to the reporting period December 2015 (2014-15: £nil).

The Society provided events organising services for the Synthetic Biology UK 2015 meeting for a total value of £10,000.

During the period the Society provided bookkeeping services for a value of £1,000 (2014-15: £1,000) to the Campaign for Science and Engineering (CaSE), an organisation of which the Society is a member. The Society paid CaSE a membership subscription fee of £2,500 (2014-15: £2,500).

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 22. Financial instruments

	The Group		The Society	
	December 2015 £'000	June 2015 £'000	December 2015 £'000	June 2015 £'000
<b><i>Financial assets at fair value through statement of financial activities</i></b>				
Equity investments	4,497	5,831	4,497	5,831
<b><i>Financial assets that are debt instruments measured at amortised cost</i></b>				
Trade and other debtors	189	273	146	173
<b><i>Financial liabilities measured at amortised cost</i></b>				
Trade creditors	(217)	(274)	(215)	(272)



# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## 23. Transition to FRS 102

The group and society transitioned to FRS 102 from previously extant UK GAAP as at 1 July 2014.

The impact from the transition to FRS 102 is as follows:

### Reconciliation of Equity

#### Group

Note	At 1 July 2014			At 30 June 2015		
	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
<b>Fixed assets</b>						
Property, plant and equipment	2,501	604	3,105	2,422	614	3,036
Investments	7,806	-	7,806	8,868	-	8,868
	<u>10,307</u>	<u>604</u>	<u>10,911</u>	<u>11,290</u>	<u>614</u>	<u>11,904</u>
Current assets	3,050	-	3,050	1,535	-	1,535
Creditors: amounts falling due within one year	(2,975)	-	(2,975)	(3,046)	-	(3,046)
<b>Net current assets/(liabilities)</b>	<u>75</u>	<u>-</u>	<u>75</u>	<u>(1,511)</u>	<u>-</u>	<u>(1,511)</u>
<b>Total assets less current liabilities</b>	10,382	604	10,986	9,779	614	10,393
Provision for liabilities	(69)	(270)	(339)	(868)	(466)	(1,334)
<b>Total net assets</b>	<u>10,313</u>	<u>334</u>	<u>10,647</u>	<u>8,911</u>	<u>148</u>	<u>9,059</u>

#### Society

Note	At 1 July 2014			At 30 June 2015		
	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
<b>Fixed assets</b>						
Property, plant and equipment	2,501	604	3,105	2,422	614	3,036
Investments	7,806	-	7,806	8,868	-	8,868
	<u>10,307</u>	<u>604</u>	<u>10,911</u>	<u>11,290</u>	<u>614</u>	<u>11,904</u>
Current assets	1,353	-	1,353	785	-	785
Creditors: amounts falling due within one year	(1,279)	-	(1,279)	(2,297)	-	(2,297)
<b>Net current assets/(liabilities)</b>	<u>74</u>	<u>-</u>	<u>74</u>	<u>(1,512)</u>	<u>-</u>	<u>(1,512)</u>
<b>Total assets less current liabilities</b>	10,381	604	10,985	9,778	614	10,392
Provision for liabilities	(69)	(270)	(339)	(868)	(466)	(1,334)
<b>Total net assets</b>	<u>10,312</u>	<u>334</u>	<u>10,646</u>	<u>8,910</u>	<u>148</u>	<u>9,058</u>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Transition to FRS 102 (continued)

### Reconciliation of Consolidated Statement of Financial Activities

	Note	Year ended 30 June 2015		
		All Unrestricted and restricted funds		
		As previously stated	Effect of Transition	FRS 102 (as restated)
	£'000	£'000	£'000	
<b>Income from:</b>				
Income from Donations and legacies		52	-	52
<i>Income from other trading activities:</i>				
Distribution division income		669	-	669
Advertising income		4	-	4
Investment income		225	-	225
<i>Income from charitable activities:</i>				
Scientific meetings and conferences income		214	-	214
Membership fees		252	-	252
Education income		1	-	1
Sales of Journals and Books		3,626	-	3,626
<b>Total income and endowments</b>		<b>5,043</b>	<b>-</b>	<b>5,043</b>
<b>Expenditure</b>				
<i>Expenditure on Raising funds</i>				
Cost of sales: Distribution division		1,079	-	1,079
Investment property operating costs		38	-	38
<i>Expenditure on Charitable activities</i>				
Membership recruitment costs		71	-	71
Membership		674	-	674
Grants and awards		252	-	252
Scientific Meetings		813	-	813
Policy, Education, Professional		469	-	469
Journals and Books: Production		1,969	-	1,969
Journals and Books: Distribution		80	-	80
Administration: Portland Press Ltd		651	-	651
Development: Portland Press		96	-	96
Pension finance (income)		(220)	220	-
USS pension prior year provision		-	187	187
<i>Governance costs</i>		204	(-10)	194
<i>Other expenditure</i>				
Onerous lease costs		38	-	38
Interest on USS defined benefit pension scheme		-	9	9
<b>Total expenditure</b>		<b>6,214</b>	<b>406</b>	<b>6,620</b>
<i>Net gains on investments</i>				
Realised		-	35	35
Unrealised		-	836	836
<b>Net expenditure before other gains and losses carried forward</b>		<b>(1,171)</b>	<b>465</b>	<b>(706)</b>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Transition to FRS 102 (continued)

### Reconciliation of Consolidated Statement of Financial Activities (continued)

	Year ended 30 June 2015			
	All Unrestricted and restricted funds			
	As previously stated	Effect of Transition	FRS 102 (as restated)	
Note	£'000	£'000	£'000	
<b>Net expenditure before other gains and losses brought forward</b>		<b>(1,171)</b>	<b>465</b>	<b>(706)</b>
<i>Other recognised gains and losses</i>				
Gain on revaluation of tangible fixed assets		22	-	22
Gain/Loss on investment Assets:				
Realised		35	(35)	-
Unrealised		836	(836)	-
Actuarial losses on defined benefit pension schemes		(1,129)	220	(909)
Other gains		5		5
<b>Net movement in funds relating to the period carried forward</b>		<b>(1,402)</b>	<b>(186)</b>	<b>(1,588)</b>
Fund balances brought forward 1 July 2015		10,313	334	10,647
Fund balances carried forward 31 December 2015		<u>8,911</u>	<u>148</u>	<u>9,059</u>

### Reconciliation of Summary Income and Expenditure account

	Year ended 30 June 2015		
	As previously stated	Effect of Transition	FRS 102 (as restated)
	£'000	£'000	£'000
Income	5,041	(225)	4,816
Gains on investments	-	871	871
Interest and investment income	-	227	227
<b>Gross income in the reporting period</b>	<b>5,041</b>	<b>873</b>	<b>5,914</b>
Expenditure in the reporting period	(6,434)	(186)	(6,620)
Operating deficit	(1,393)	687	(706)
Interest receivable	2	(2)	-
Pension scheme finance income	220	(220)	-
<b>Net expenditure before tax for the reporting period</b>	<b>(1,171)</b>	<b>465</b>	<b>(706)</b>

# Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2015

## Transition to FRS 102 (continued)

### Defined benefit pension schemes

#### Biochemical Society Pension Fund

There is a presentation change under FRS 102 whereby net interest on the net defined pension liability is presented in the Statement of Financial activities using the liability discount rate. Under previous UK GAAP the interest on the expected return on net assets was calculated using an expected rate of return discount rate. This had no impact on total fund income but has resulted in an increase in net expenditure before other gains and losses which was offset by a corresponding increase in other recognised gains and losses.

#### Universities Superannuation Scheme (USS)

The society contributes to a multi-employer defined benefit pension plan where its share on an actuarial deficit cannot be identified. Under previous UK GAAP this scheme was accounted for as a defined contribution scheme. Under FRS 102, however, where an agreement is in place to make additional contributions based on current and past service of employees a liability must be recognised for the present value of outstanding additional contributions. The difference between the contributions paid and the defined benefit liability recorded in the Statement of Financial Activities is an additional charge of £195,684 for the year ending 30 June 2015.

#### Investment properties

Under FRS 102, changes in the fair value of investment properties are recorded in net expenditure before other gains and losses whereas under UK GAAP these changes were recorded in the Statement of Recognised Gains and Losses.

#### Freehold property

The society has elected to treat the fair value as at the date of transition as the deemed cost on transition to FRS 102. This has resulted in an increase of £ 603,726 in the value of the property and a reduction in the charge for depreciation of £9,828 for the year ending 30 June 2015.