



**BIOCHEMICAL  
SOCIETY**

Trustees' Report and  
Accounts for the year  
ended 31 December 2017

Company No. 00892796

Charity No. 253894

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## Our mission

The Biochemical Society promotes the future of molecular biosciences; facilitating the sharing of expertise, supporting the advancement of biochemistry and molecular biology, and raising awareness of their importance in addressing societal grand challenges.

We achieve our mission by:

- Supporting the next generation of biochemists; promoting the opportunities offered by biochemistry and molecular biology through education and training from age 15 upwards;
- Bringing together molecular bioscientists; fostering connections and providing a platform for collaboration and networking across our membership and the wider community to ensure a strong future for molecular biosciences in both academia and industry;
- Promoting and sharing knowledge; enabling the circulation of scientific information through meetings, publications and public engagement to support innovation, inform decision-making and advance biochemistry and molecular biology;
- Promoting the importance of our discipline; highlighting the role of molecular biosciences in interdisciplinary and translational research, while supporting the fundamental research that underpins applied studies.

Connecting and collaborating for the future of the life sciences, we work to open up biochemistry, sharing expertise and advancing the impact of molecular biosciences in science and society.

Registered charity name: Biochemical Society

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## Presidents' and CEO's Review

During 2017 the Society made substantial progress in the achievement of its strategic objectives.

**Bringing together molecular bioscientists is a key driver for the organization.** Inter-society collaboration is central to the success of the Society in achieving this. We are pleased to see many successful collaborations during 2017, as detailed in our Trustees' Report, including an early career scientist workshop on diagnostics for infectious disease in November 2017 as part of the Learned Society Partnership on Antimicrobial Resistance (LeSPAR).

During 2017, the Society began co-funding a Policy Officer role at the Campaign for Science and Engineering (CaSE). This two-year role is designed to allow CaSE to increase its policy-influencing activity around Brexit on behalf of the science and engineering communities. Other funders include the Babraham Institute, British Ecological Society (BES), British Pharmacological Society (BPS), Institute of Physics and Engineering in Medicine (IPEM), Lancaster University, Microbiology Society (MS), The Physiological Society (TPS), Royal Astronomical Society (RAS), Royal Society of Chemistry (RSC), Society for Applied Microbiology (SfAM) and University College London (UCL).

Following the success of the #AntibioticFuture Tweetchat in November 2016, this year we organized an #AMRHeadlines Tweetchat, in partnership with SfAM, BPS and Sense About Science, which explored the science behind the headlines of stories that had been published in the public media. It was supported and promoted by organizations like the Royal Society and Imperial College and was well-received by the community.

In addition to these activities, we are pleased that at the end of December we reached 6,593 paying members, the highest level since our records began in 1999. Our Local Ambassadors continue to represent the Society and reach out to the molecular bioscience community both in the UK and internationally. At the end of 2017 the Society had 84 Local Ambassadors, made up of 23 International Local Ambassadors, 13 Student Ambassadors and three Industry Local Ambassadors.

**Supporting the next generation of biochemists** is at the heart of the Biochemical Society's strategic objectives. This year, the Society developed and launched a new online training portal, allowing us to broaden our training reach across the UK and internationally. The first course "R for Biochemists 101" was launched in October 2017, with the 104 available spaces booked within 24 hours.

In line with our strategic goal of **promoting and sharing knowledge**, we organized 12 Focused Meetings, one Harden Conference and one Workshop, attracting 166 speakers, 1,090 delegates and covering a range of subjects from protein modelling to neuroscience and synthetic biology to infection. Five training events and one online course were developed during 2017, reaching a total number of 259 delegates and covering a diverse range of topics from proteomics to bioinformatics. In addition to the meetings organized by the Society, we offered 14 sponsorships for molecular bioscience components of scientific meetings run by other organizations in 2017, reflecting the increasingly multi-disciplinary nature of the molecular life sciences.

Through our publications, we aim to provide a home for every paper published within the molecular biosciences, growing to encompass the broader life sciences. A key achievement in 2017 was the 7% increase in the number of publications and the 20% increase of submissions across our journal portfolio. We were also delighted to see the completion of the Portland Press post-acceptance article workflow upgrades in June 2017, which was the final step in implementing outcomes of the Society's 2014 Editorial Review.

In the past year we have delivered a broad programme of public engagement events and public debates reaching approximately 750 people and covering topics as diverse as Citizen Science, biohacking, genome editing and ethics.

Additionally, we fed into eleven policy consultations via the Royal Society of Biology (RSB) and CaSE, including the Industrial Strategy.

In order to **ensure sustainable support for the advancement of science**, during 2017, we implemented the major elements of the Finance Review proposals to make the management of the Society's finances more efficient, including the restructure of the Finance Department and improved budget setting, management and review processes.

2017 was the first full year for our revised governance structure in which there is clear differentiation of the operational and strategic oversight of the Society between the Executive Management Committee and the Council of Trustees. The new system is operating well and at the end of the first year we held our biennial strategy retreat, where the main focus was to begin to identify priorities for the Society's next three-year strategy, covering 2019–2021. We assessed the ways in which the Society can best meet members' needs and reach out to new sectors including industry, while ensuring long-term sustainability.

In anticipation of the new General Data Protection Regulation, we developed a strategy to prepare the Society for the new legislation, which was implemented throughout 2017 ahead of May 2018, when it came into effect.

As ever, our work would not be possible without the members who volunteer to sit on our Committees, our Editorial Board members, as well as our Local Ambassadors and scientific meeting Programme Coordinators. We are grateful for your dedication to the Society.

The Council of Trustees and the Society's staff look forward to continuing to work with you all to ensure that the Society continues to be in the best position to support our community.

**Professor Sir David Baulcombe**  
University of Cambridge  
President (to December 2017)  
Date:

**Ms Kate Baillie**  
Biochemical Society, Chief Executive and  
Portland Press Ltd, Managing Director  
Date:

**Professor Sir Peter Downes**  
University of Dundee  
President (from January 2018)  
Date:

## Trustees' Report

During 2017, the Society's Officers and staff have worked to deliver its strategic objectives in support of its three-year strategy. We are pleased to present details of these activities, their results and impact.

### Strategic Report

Bringing together molecular bioscientists	
<i>Ensure a strong future for the molecular biosciences through engaging in strategic collaborative projects with sister societies</i>	<p>Collaborations during 2017 included:</p> <ul style="list-style-type: none"><li>• The following collaborative policy projects:<ul style="list-style-type: none"><li>○ <b>Co-funding a Policy Officer role at CaSE. This two-year role was designed to allow CaSE to increase policy influencing activity around Brexit, on behalf of the science and engineering communities.</b> Other funders include Babraham Institute, BES, BPS, IPEM, Lancaster University, MS, TPS, RAS, RSC, SfAM and UCL;</li><li>○ Parliamentary Links Day – the largest science policy event in the annual parliamentary calendar, organized by RSB. The theme for the 2017 event was UK Science and Global Opportunities;</li><li>○ Policy Lunchbox – continuing to be an active member of Policy Lunchbox, in partnership with RSB, BES, Society for Experimental Biology (SEB), MS and SfAM. In 2017 there were five Policy Lunchbox events covering topics including 'Engaging young people with science: a 'science capital' approach', 'The Nagoya Protocol on Access and benefit sharing' and 'What makes a good consultation response'. In 2017, the Biochemical Society's communications team organized streaming of three Policy Lunchbox events (hosted on the Society's Facebook page<sup>1</sup>), enabling the Society to reach over 600 unique viewers per event compared to maximum attendance of 30 at the face-to-face events;</li><li>○ Holding an early career scientist workshop, in partnership with LeSPAR, on Diagnostics for Antimicrobial Resistance in November 2017 which attracted 73 attendees. 95% of those who responded to the feedback survey rated the event as above average or excellent and 100% said they would</li></ul></li></ul>

<sup>1</sup> Biochemical Society Facebook page: [www.facebook.com/biochemicalsociety](http://www.facebook.com/biochemicalsociety)

	<p>recommend this event to a colleague as well as attend a similar event again.</p> <ul style="list-style-type: none"> <li>• Offering public engagement training in collaboration with RSB, for over 90 Biochemical Society and RSB members at 10 workshops across the UK.</li> <li>• Sponsorship of the Bio Korea in Europe (BiKiE) third symposium, held by the Korean Society of Biochemistry and Molecular Biology (KSBMB) in London on 16 September 2017. The meeting brought together Korean and European scientists working in biomedical science. The event was an opportunity to develop further collaborative relationships between the two Societies.</li> <li>• Holding a conference in collaboration with BPS and TPS on the topic of 'Mitochondria: Form and Function', attended by 115 people.</li> <li>• Organizing Biochemical Society symposia at the British Neuroscience Association's (BNA) Festival of Neuroscience and at Pharmacology 2017.</li> <li>• Arranging a joint themed collection of articles from Biochemical Society, BPS and TPS journals, with input from the American Society for Pharmacology and Experimental Therapeutics (ASPET) and the American Physiological Society (APS), highlighting hot topics across our disciplines.</li> <li>• Holding a mixer in collaboration with the BPS, The Nutrition Society (NS) and TPS at the Experimental Biology conference in Chicago in April 2017. The aim of the event was to raise the profile of each society, particularly in the US, and showcase our collaborative approach to supporting the scientific community.</li> <li>• Organizing an #AMRHeadlines Tweetchat, in November 2017, in partnership with SfAM, BPS and Sense about Science, which explored the science behind the headlines of stories recently published in the public media with the aim of combating misunderstandings about this topic and focusing on the facts about antibiotic resistance in an evidence-based, but informal, discussion with designated experts.</li> </ul> <p>As many of our activities were collaborative, additional activities in specific areas are listed in the appropriate section of this report.</p>
<p><i>Review membership offering to support our members at all stages of their careers</i></p>	<ul style="list-style-type: none"> <li>• The number of paying members was 6,593 at 31 December 2017, which represented an 8% increase on 2016. The total membership of the Society in December 2017 was 7,069, including</li> </ul>

	<p>413 multi-year members in 51 countries outside the UK.</p> <ul style="list-style-type: none"> <li>• A member survey to assess engagement with the Society's current strategy and to seek input into the strategy and future activities from 2019, was carried out in June–July 2017. 604 members responded and their feedback will be considered when formulating the Society's strategy for 2019–2021.</li> <li>• Funding was provided to support members at each stage of their career including: <ul style="list-style-type: none"> <li>○ 217 General Travel Grants awarded in 2017; the total amount awarded was £100,698;</li> <li>○ 20 Sponsored Events Grants awarded; the total amount awarded was £6,500;</li> <li>○ 45 Student, Early Career and Full Member Bursaries awarded; the total amount awarded was £8,567;</li> <li>○ 23 Undergraduate Recognition Awards presented;</li> <li>○ 9 Eric Reid Fund for Methodology grants supported; the total amount awarded was £14,090;</li> <li>○ 2 Sponsored Seminar Series funded; the total amount awarded was £2,500.</li> </ul> </li> </ul>
<p><i>Increase membership engagement through more targeted communications and members' events</i></p>	<ul style="list-style-type: none"> <li>• Our community newsletters were segmented, with a student version of Members' News available since February 2017 (average open rate, 40%; average open rate of 'standard' Members' News over the same period of 43%; the average industry standard is 36%) and a Non-Members' newsletter available since June 2017 (average open rate 27%).</li> <li>• At the end of 2017 we had 84 Local Ambassadors (LAs).</li> <li>• Student Ambassadors increased to 13, compared to four in 2016.</li> <li>• An Emeritus Members' lunch took place in March 2017 and was subscribed to capacity. This event aimed to keep our retired members connected to the molecular biosciences community.</li> <li>• An LA day was held on 16 November with Student Ambassadors and Industry Ambassadors in attendance for the first time.</li> <li>• Ten awards lectures took place in 2017 with a member reception taking place afterwards. The Novartis Award lecture was live streamed through Facebook (reaching 1,019 unique viewers), enabling the Society to reach a wider and more</li> </ul>



	<p>international audience including viewers in Canada, Brazil, Mexico, Belarus, Germany, Finland and Israel.</p> <ul style="list-style-type: none"> <li>• Community engagement was increased through the Society's social media channels. Followers of our three Twitter accounts in 2017 increased relative to 2016 by: 24% (Biochemical Society), 13% (Portland Press), 58% (<i>The Biochemist</i>).</li> <li>• The number of visitors to the Society's website, <a href="http://biochemistry.org">biochemistry.org</a>, per month were between 67,837 (Jan 2017) and 40,522 (Dec 2017). The high level of visitors in January coincided with the busiest period for membership renewals and a number of grant/award application deadlines.</li> </ul>
<p><i>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</i></p>	<ul style="list-style-type: none"> <li>• 299 members self-identified as working in industry during 2017.</li> <li>• Industry Local Ambassadors increased to three compared to two in 2016.</li> <li>• Including the corporate representatives on the Awards Committee, approximately 10% of the governance structure is now occupied by members from 'Industry', against a target of 5%. This is due in part to changes in committee composition made in 2017 following the Society's Governance Review, which aimed to increase engagement with the industry-based sections of our community.</li> <li>• The 'ON Helix' conference, <a href="http://www.onhelix.com">www.onhelix.com</a>, on 13 July 2017 was attended to support the Society's work with its industry strategy.</li> </ul>
<p><i>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</i></p>	<ul style="list-style-type: none"> <li>• During 2017, 17% of the Society's membership was located outside the UK across 95 other countries.</li> <li>• At the end of 2017 the Society had 23 International Local Ambassadors.</li> <li>• The inaugural International Award was awarded in 2017 to Dr Job Dekker, Howard Hughes Medical Institute and the University of Massachusetts Medical School, USA. He presented his award lecture on 7 June 2018 at the 24<sup>th</sup> IUBMB Congress and 15<sup>th</sup> FAOBMB Congress in Seoul, South Korea.</li> <li>• Two Postgraduate Members were sponsored to attend the FEBS Young Scientists' Forum (YSF) and Congress in Jerusalem 2017 from 7–14 September 2017.</li> <li>• The Scientific Outreach Grants attracted 14% of their applications from outside the UK, while 26% of submissions to the Science Communication Competition came from non-UK-based entrants.</li> </ul>

	<ul style="list-style-type: none"><li>• The 82<sup>nd</sup> Harden Conference was held in Germany in July 2017, attracting 71 delegates and 28 speakers.</li><li>• Portland Press journals continued to have a strong international focus with 90% of their readers and 86% of their authors based outside the UK. The journals' Editorial Board members were spread across the UK, non-UK Europe, the Americas, Asia and Oceania, reflecting the geographical diversity of the molecular bioscience community.</li><li>• Poster prizes or sponsorship were offered by the Society's journals to raise the profile of the portfolio, Portland Press and the Biochemical Society, at a range of meetings internationally including:<ul style="list-style-type: none"><li>○ HEPRO Liver Disease and Regeneration meeting, Leuven, Belgium;</li><li>○ MitoPorto 2017, Porto, Portugal;</li><li>○ Gordon Research Conference 'From Molecular Structures and Mechanisms to Cellular Bioenergetics in Health and Disease', Andover, MA, USA;</li><li>○ 10th Molybdenum and Tungsten Enzymes Conference, Santa Fe, NM, USA;</li><li>○ Gordon Research Conference 'Intracellular Calcium Signals: Generation, Function and Therapeutic Intervention', Barga, Italy;</li><li>○ Gordon Research Conference 'Archaea: Ecology, Metabolism and Molecular Biology', Waterville Valley, NH, USA;</li><li>○ 46th SBBq Annual Meeting, Brazil;</li><li>○ International Gap Junction Conference 2017, Glasgow, UK;</li><li>○ FASEB Protein Kinases and Protein Phosphorylation, Cambridge, UK;</li><li>○ 10th Human Peroxidase Meeting, Breckenridge, CO, USA;</li><li>○ Neuroscience Ireland 2017, Galway, Ireland;</li><li>○ Queenstown Molecular Biology Meeting 2017, Queenstown, New Zealand;</li><li>○ European Council on Cardiovascular Research (ECCR) meeting, Lake Garda, Italy;</li><li>○ XI International Symposium on Vasoactive Peptides, Belo Horizonte, Brazil;</li><li>○ 2017 Annual Scientific Meeting of the High Blood Pressure Research Council of Australia, Melbourne, Australia;</li><li>○ NECTAR 2017, Dublin, Ireland.</li></ul></li></ul> <p>The total value of prizes and sponsorship was £7,300.</p>
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	<ul style="list-style-type: none"> <li>• The Society and Portland Press participated in a range of conferences and meetings internationally including: <ul style="list-style-type: none"> <li>○ Biophysical Society Annual Meeting, New Orleans, LA, USA;</li> <li>○ Experimental Biology 2017, Chicago, IL, USA;</li> <li>○ Society for Scholarly Publishing Conference, Boston, MA, USA;</li> <li>○ EuroTox 2017, Bratislava, Slovakia;</li> <li>○ Association of Learned and Professional Society Publishers Annual Meeting, Noordwijk, The Netherlands;</li> <li>○ Frankfurt Book Fair, Frankfurt, Germany;</li> <li>○ Neuroscience 2017, Washington, DC, USA;</li> <li>○ Molecular and Cellular Biology of Membranes (EMBO), Heidelberg, Germany;</li> <li>○ World Congress on Inflammation, London, UK;</li> <li>○ International Congress on Peer Review and Scientific Publication, Chicago, IL, USA;</li> <li>○ American Society for Cell Biology Annual Meeting, Philadelphia, PA, USA;</li> <li>○ Pharmacology 2017, London, UK.</li> </ul> </li> </ul>
<p><i>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</i></p>	<ul style="list-style-type: none"> <li>• The first year of a Biochemical Society-funded Daphne Jackson Trust Fellowship was completed by Dr Helen Thompson. In July 2017, the Council of Trustees decided not to continue this sponsorship after the current fellowship finishes in 2018.</li> <li>• A draft Equality, Diversity and Inclusion strategy was considered by the Society's Trustees in November 2017 and will be fed into the Society's 2019–2021 strategy.</li> <li>• Three Stay Connected bursaries were awarded in 2017. These bursaries cover the cost of registration at Society conferences or training events. Applicants can also apply for support towards accommodation, travel and/or care provision. Any member who is on a career break, or has recently returned to work following a career break, can apply.</li> <li>• 22% of award nominations were for females in the 2018 nominations, compared to 26% in the 2017 nominations.</li> <li>• The 2017 round of the Diversity in Science grants attracted 30 applications, compared to 27 in 2016, with eight grants awarded.</li> <li>• The Society was part of the RSB Equality, Diversity and Inclusion working group, with a number of other Learned Societies, including MS, SfAM and BES.</li> </ul>

	<ul style="list-style-type: none"> <li>• The aspirational gender balance for invited speakers at events was increased to 50:50 (compared to 40:60 in 2016).</li> <li>• Anonymized abstract submission was introduced for the Society's scientific meetings to address the potential for unconscious bias in assessment.</li> </ul>
<b>Supporting the next generation of biochemists</b>	
<p><i>Develop educational events and training days to facilitate the sharing of expertise and ensure a strong skills base</i></p>	<ul style="list-style-type: none"> <li>• Six training events took place in 2017 (five face-to-face and one online).</li> <li>• A new online training portal was developed and launched, allowing the Society to broaden its training reach across the UK and internationally, as well as potentially to new audiences, such as technicians. The portal will also allow the development of a blended offering, with the aim of achieving better engagement and outcomes for participants. The first course (R for Biochemists 101) launched in October 2017; the 104 available spaces were filled within 24 hours.</li> <li>• In addition to Higher Education (HE) Educator training events, three face-to-face training events were organized in 2017, reaching a total of 259 delegates (104 through our online course, 49 through HE Educator events and 106 through other face-to-face technical training events). This compares to 242 delegates reached in 2016.</li> </ul>
<p><i>Support teachers and HE educators to develop their skills and knowledge and foster links between schools, academia and industry</i></p>	<ul style="list-style-type: none"> <li>• Two HE Educator training events were held in 2017, reaching a total of 49 delegates: <ul style="list-style-type: none"> <li>◦ Using e-learning to improve student engagement in the biosciences (20 March, Charles Darwin House (CDH));</li> <li>◦ Effective teaching strategies for Cancer Biology lecturers (29 March, Greenwich University).</li> </ul> </li> <li>• 24 STEM Insight placements were supported in 2017 (compared to 16 in 2016), with industry hosts including Syngenta, Pfizer and the Babraham Institute and academic hosts including Queen Mary University of London as well as the Universities of Birmingham, Coventry, Exeter, Glasgow and Liverpool. An external <a href="#">evaluation of the STEM Insight scheme</a> was published in November 2017. Headline findings included: <ul style="list-style-type: none"> <li>◦ 100% of participants had greater confidence to offer careers information since their placement;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ 88% of teachers were using their STEM Insight experiences as examples in their teaching;</li> <li>○ 100% hosts believed STEM Insight helped them better inform young people re STEM career opportunities.</li> </ul> <p>The Biochemical Society is currently the only bioscience society directly involved in this scheme, alongside a number of Professional Engineering Institutions.</p> <ul style="list-style-type: none"> <li>● Worked with RSB to provide careers support through engagement with trainee teachers. This project reached 1,174 student teachers across the UK through a programme of face-to-face events, plus a further 101 trainees who have received a set of careers resources. Based on the assumption of a 200 pupil reach per teacher in the academic year following their training year, it is anticipated that the project should reach up to 234,800 students in the 2017–2018 academic year. In addition to this activity, legacy resources have been created to enable teacher trainers to run careers training sessions for future cohorts of trainee teachers.</li> </ul>
<p><i>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</i></p>	<ul style="list-style-type: none"> <li>● An article on apprenticeships and technical education appeared in the October 2017 issue of <i>The Biochemist</i>.</li> <li>● Continued to work as part of the RSB Careers Committee to provide careers support and information for students and early career researchers. In 2017 the Society supported five careers-related events: <ul style="list-style-type: none"> <li>○ Three National Careers Guidance Shows – targeted at teachers and careers guidance professionals;</li> <li>○ Vitae Researcher Development Conference – provided literature for this international conference, which is targeted at researcher development practitioners, careers specialists, heads of graduate schools and others working in this area;</li> <li>○ Bioscience Careers Day – organized by RSB which attracted over 440 delegates.</li> </ul> </li> <li>● A new regular 'Day in the Life' careers feature was introduced in <i>The Biochemist</i>.</li> <li>● Our <i>Biochemists in Industry</i> careers booklet was updated.</li> <li>● A Jobs Board was piloted on the Society website, advertising permanent and temporary roles for early career and established professionals, including PhD studentships and internships in academia and</li> </ul>

	<p>industry. In 2017, 76 positions were advertised, including: 27 PhD studentships, 25 research positions and 24 other positions.</p> <ul style="list-style-type: none"> <li>• 45 Summer Vacation Studentships were awarded (out of 149 applications).</li> </ul>
<p><i>Create online content to support the teaching and understanding of biochemistry</i></p>	<ul style="list-style-type: none"> <li>• 'Biochemistry: the molecules of life', the Massive Open Online Course (MOOC) developed in collaboration with the University of East Anglia (UEA) and FutureLearn, ran three times in 2017, reaching over 7,500 people. Approximate number of people reached since the course was launched in 2016: 17,000.</li> <li>• The third in the Understanding Biochemistry series in <i>Essays in Biochemistry</i> was published in 2017, focusing on 'Chemistry for Biochemists' (written by Dr Kathryn Scott, Dr Mark Roberts and Professor Amanda Jonsson). This article has been downloaded 1,999 times. The open access series is designed to provide informative and accessible overviews of key topics for 16–19 year olds and teachers. The articles from the first two issues of the Understanding Biochemistry series have been downloaded over 92,000 times.</li> </ul>
<p><b>Promoting and sharing knowledge</b></p>	
<p><i>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</i></p>	<ul style="list-style-type: none"> <li>• The positioning of the meetings was considered during 2017 with the Conferences Committee approving a simplified offering launched in early 2018. This will clarify the aim and scope of different event types, with a view to making events more appealing for potential attendees.</li> </ul>
<p><i>Restructure Theme Panels and review operational procedures and processes in line with scientific meetings strategy, Society goals and promoting synergies</i></p>	<ul style="list-style-type: none"> <li>• In 2017, the following parts of the restructure were implemented: <ul style="list-style-type: none"> <li>○ Formation of Clinical and Translational Research Theme Panel;</li> <li>○ Formation of Basic Biosciences Theme Panel;</li> <li>○ Conferences Committee replaced Meetings Board;</li> <li>○ Membership of the Research Areas reviewed and refreshed.</li> </ul> </li> <li>• Operational procedures were reviewed and updated including: <ul style="list-style-type: none"> <li>○ A new delegate registration system was launched on the Eventsforce platform;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Society keywords now linked to conference proposal forms and abstract submission;</li> <li>○ Modernized programme books;</li> <li>○ Consistent survey questions to allow for better review and analysis.</li> </ul>
<p><i>Seek to engage with meetings in the molecular biosciences where appropriate, with a view to collaboration rather than offering sponsorship</i></p>	<ul style="list-style-type: none"> <li>● Organized “The 1st Biochemical Society and Against Breast Cancer Glyco Oncology Workshop” (April 2017).</li> <li>● The Society continued to organize formerly independent meetings: <ul style="list-style-type: none"> <li>○ Translation UK 2017, 6–7 July 2017;</li> <li>○ Synthetic Biology UK, 27–28 Nov 2017.</li> </ul> </li> <li>● Sponsorship continued to be offered for molecular bioscience components of scientific meetings run by other organizations. During 2017, 14 events received sponsorship to a total of £7,000.</li> </ul>
<p><i>Review publication of abstracts from Society meetings to maximize the circulation of scientific information</i></p>	<ul style="list-style-type: none"> <li>● Following implementation of the new abstract management system, abstracts began to be available to view, linked from each online conference programme.</li> </ul>
<p><i>Ensure that Portland Press is a leading publisher in the life sciences, continuing to publish internationally recognized quality life science research</i></p>	<ul style="list-style-type: none"> <li>● The Portland Press post-acceptance article workflow upgrades were completed in June 2017. This was the final step in implementing recommended outcomes from the Society’s 2014 Editorial Review.</li> <li>● The journals’ median post-acceptance timelines almost halved during 2017. The decrease in the time from article acceptance to publication was due to: <ul style="list-style-type: none"> <li>○ Migration to a continuous publishing workflow for all of the Society’s journals, meaning publication-ready articles are published immediately online without needing to wait for the other articles in the same issue of the journal to be ready for publication;</li> <li>○ Migration of <i>Neuronal Signaling</i> and <i>Clinical Science</i> to an online proof-correction workflow to simplify, improve and speed up the authors’ proof checking, correction and approval processes.</li> </ul> </li> <li>● Integration between the online proofing and article-tracking systems (both of which were implemented in 2016) was achieved in 2017 to ease and improve post-acceptance operations.</li> <li>● Commissioning activity increased by 67% in 2017 compared with 2016, showing direct engagement with a broader spread of potential authors around the world, introducing more scientists to the Society’s publications.</li> </ul>

	<ul style="list-style-type: none"><li>• Following the recommendations of the 2016 Governance Review, the Society convened a Publications Committee to oversee policy and ensure that the journals provide value for the Society and the wider community; the Committee held its first meetings in 2017.</li><li>• Revised publishing policies regarding research data and figures were drafted, with the principle features of the policies approved by the Society's Publications Committee in September 2017. These policies aim to ensure the availability of data, and information about experimental design and materials, in order to aid reproducibility and transparency of research reported in the Society's journals. Consultation with journal Editorial Boards continued through late 2017 and final drafts will be prepared for approval in 2018.</li><li>• <i>The Biochemist's</i> Editorial Board was refreshed in line with the outcomes of Society's 2016 Governance Review. New members attended their first meeting in November 2017. Following the current Science Editor's decision to retire from the Board at the end of 2017, a new Science Editor, Chris Wilmott, University of Leicester, was appointed and took up the role from January 2018. Other developments for the magazine included:<ul style="list-style-type: none"><li>○ 101 non-members signed-up for Table of Contents alerts (compared to 61 in 2016);</li><li>○ Redesign of the magazine's feature articles, retaining the scientific quality while making them more accessible for a wider audience.</li></ul></li><li>• A new blog <a href="http://thebiochemistblog.com">The Biochemist Blog</a>, thebiochemistblog.com, launched in May 2017, replacing the Biochemical Society Blog. The Biochemist Blog is a forum for news, views and opinions on issues of relevance to the molecular bioscience community. Average monthly views of the blog were 3,005 per month during 2017 and have been increasing since launch. Readership is highest in the UK (53%), USA (15%) and India (4%).</li><li>• Press releases highlighting research published in the Society's journals during 2017, were picked up by news sources including <a href="#">The Telegraph</a>, <a href="#">New Scientist Live</a>, <a href="#">NHS Choices</a>, <a href="#">Mail Online</a>, <a href="#">The Times of India</a>, <a href="#">Newsweek</a>, <a href="#">HuffPost UK</a>, <a href="#">Qatar Tribune</a> and <a href="#">Science Newsline</a>, offering visibility to authors choosing to publish in the Society's journals, as well as raising awareness of molecular bioscience research to a wider audience.</li></ul>
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<p><i>Develop the Portland Press portfolio to offer a home for every paper published within the molecular biosciences, growing to encompass the broader life sciences</i></p>	<ul style="list-style-type: none"> <li>• The number of publications across the Biochemical Society's journal portfolio increased by 7% in 2017 compared to 2016. The highest growth in publications came from the fully open access journal <i>Bioscience Reports</i> which published 94% more articles in 2017 than in 2016.</li> <li>• 20% more article submissions were received in 2017 than in 2016.</li> <li>• Article submissions were encouraged from authors working in industry; an issue of <i>Essays in Biochemistry</i>, published in November 2017, focused on 'Structure Based Drug Design' (<a href="#">Essays in Biochemistry, Volume 61, Issue 5, Structure-Based Drug Design: Insights from Academia and Industry, Guest Edited by Rob L.M. van Montfort and Paul Workman, Institute of Cancer Research, London, UK</a>) included contributions from authors based at Astex Pharmaceuticals, Leadxpro AG, and ZoBio. In addition, 2017 issues of the new journal, <i>Emerging Topics in Life Sciences</i>, included articles from authors working at Dow AgroSciences, Agro Paris Tech and Abbvie.</li> <li>• The 'Structure Based Drug Design' issue of <i>Essays in Biochemistry</i> attracted sponsorship of £1,500 from Astex Pharmaceuticals and was promoted at an Astex-hosted meeting.</li> <li>• Inaugural issues of two new journals, <i>Neuronal Signaling</i> and <i>Emerging Topics in Life Sciences</i>, (the latter jointly owned by the Biochemical Society and RSB) were published in spring 2017; these are the first new Biochemical Society-owned titles since the launch of <i>Bioscience Reports</i> in 1981.</li> </ul>
<p><i>Develop a journal portfolio including contract publishing of life science titles</i></p>	<ul style="list-style-type: none"> <li>• Portland Press' position as a potential publishing partner was reviewed and from autumn 2017 it has been pursuing contract publishing opportunities.</li> </ul>
<p><i>Develop ambitious targets for promoting and sharing scientific research, providing sustainable support for the advancement of science, including through collaborative activities</i></p>	<ul style="list-style-type: none"> <li>• Open access revenues to the end of 2017 increased by 33% over 2016, with revenues from full open access up by 107%.</li> <li>• A 17% increase in year-on-year citations was seen for the Society's established titles: <i>Biochemical Journal</i>, <i>Biochemical Society Transactions</i>, <i>Bioscience Reports</i>, <i>Clinical Science</i> and <i>Essays in Biochemistry</i>.</li> <li>• Sign-ups to journal article-alerts increased by 6% over 2016.</li> <li>• Click-throughs from article alerts to journal content increased by 57% in 2017 compared to 2016.</li> <li>• Subscription sales revenue of £3,332,870, including currency gains, was received against a budget of</li> </ul>

	<p>£3,099,600. Arrangements for subscription sales were reviewed and a sales agency agreement signed with the RSC for Portland Press across a range of territories, to complement pre-existing sales agency agreements in China, Japan and Latin America.</p> <ul style="list-style-type: none"> <li>• In 2017, promotional emails were sent to 133,871 recipients, with an open rate of 40% for Society emails and 28% for Portland Press emails, while click-through rates were 8% for Society emails and 3% for Portland Press emails (the average industry results for UK SME email marketing campaigns are 25% and 3% for open rate and click-through rate, respectively)<sup>2</sup>.</li> <li>• In August 2017, marketing output was reviewed leading to renewed emphasis on leveraging and cross promoting the Society's and Portland Press' brands and activities.</li> </ul>
<p><i>Support students and researchers to communicate their work to the public and promote public engagement with biochemistry and the molecular biosciences</i></p>	<ul style="list-style-type: none"> <li>• In 2017, 80 Science Communication Competition entries were received, including 7 video entries (compared to 63 entries in 2016). Judges and mentors included Dr Kat Arney, Dr Steve Cross, Dr Barry Gibb, Professor Steve Busby and Jonathan Sanderson.</li> <li>• 25 Scientific Outreach Grants were awarded (out of 72 applications), supporting a range of different audiences and activities, including school workshops, science roadshows, careers events, and outreach work which spanned the UK, Ireland, Romania, Portugal, and Ghana.</li> <li>• In partnership with the British Society for Gene and Cell Therapy (BSGCT), a new public engagement activity was developed focusing on genome editing (<i>Scientific Scissors</i>).</li> <li>• Our <i>Medicine Makers</i> activity was developed into a downloadable kit available from the Society's website, <a href="http://www.biochemistry.org/Education/PublicEngagement">www.biochemistry.org/Education/PublicEngagement</a>, (developed in partnership with BPS).</li> <li>• A broad programme of public engagement events was attended working as part of the Biology Big Top, a public engagement collaboration between the RSB, Biochemical Society, MS, SfE, TPS, BPS, British Society for Immunology (BSI), SfAM, BSGCT, Anatomical Society, Nesta, and Understanding Animal Research (UAR).</li> <li>• Three public debates were held in 2017 which were attended by a total of 750 people:</li> </ul>

<sup>2</sup> [Email marketing engagement and response statistics 2018](#)

	<ul style="list-style-type: none"><li>○ British Science Festival (Brighton, September 2017) – <i>Biology for everyone</i> (a panel discussion covering topics including Citizen Science and biohacking). Co-badged a talk on inclusivity and diversity in science by Professor Jackie Leach Scully (reached approx. 100 people);</li><li>○ New Scientist Live (London, September 2017) – A panel discussion on biohacking (reached approx. 250 people);</li><li>○ Biology Week Debate at the Royal Institution (London, October 2017) – Panel discussion on genome editing and ethics. This event was held in partnership with RSB (reached approx. 400 people) and was live streamed by the Biochemical Society, reaching an additional 2,937 people, with over 1,000 video views by 906 unique viewers.</li><li>● Through these events and activities, the following was achieved in 2017:<ul style="list-style-type: none"><li>○ 16 public engagement events involving 47 Biochemical Society member volunteers;</li><li>○ &gt;2,500 direct interactions with members of the public (not including the additional audience numbers reached through live streaming);</li><li>○ Five events aimed at a non-science audience;</li><li>○ Six events in areas of high social deprivation;</li><li>○ Worked in collaboration with 17 different scientific organizations;</li><li>○ Held two collaborative events in partnership with the Charles Darwin House (CDH) Co-Ownning Societies as part of World Coffee Day – Evening event approx. 92 attendees; daytime event, 72 attendees, approx. 50% of whom were external visitors.</li></ul></li><li>● Social media quizzes for #PlantDay (568 times taken<sup>3</sup>) and #WorldHeartDay (429 times taken) were created with input from journal Associate Editors</li></ul>
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<sup>3</sup> Terminology used by the online quiz platform [Qzzr](#)

<b>Promoting the importance of our discipline and through this, the broader life sciences</b>	
<p><i>Establish 'Biochemical Society Strategy for Molecular Biosciences' to be implemented in line with Governance Review outcomes</i></p>	<ul style="list-style-type: none"> <li>• The framework for the Biochemical Society Strategy for the Molecular Biosciences was finalized. Subject and keyword taxonomies as outlined in the framework were implemented across the Society's activities.</li> <li>• Assessment of the breadth of Society's current scientifically-focussed activities, as well as identification of potential opportunities in each area, was begun. Assessments from each area will be considered by the Scientific Activities Committee in early 2018.</li> </ul>
<p><i>Continue to channel expertise from the biochemistry and molecular bioscience community into the policy work of the Royal Society of Biology</i></p>	<ul style="list-style-type: none"> <li>• In 2017, the Society fed into eleven consultations via RSB and CaSE, including: <ul style="list-style-type: none"> <li>○ Industrial Strategy, BEIS (April 2017);</li> <li>○ 2<sup>nd</sup> Research Excellence Framework, HEFCE (March 2017);</li> <li>○ Bioeconomy, BEIS (March 2017);</li> <li>○ Research Integrity Inquiry, Science and Technology Committee (March 2017);</li> <li>○ Genomics and Genome-Editing Inquiry, Science and Technology Committee (February 2017);</li> <li>○ House of Lords Science and Technology Committee Inquiry on Life Sciences and the Industrial Strategy (September 2017)</li> <li>○ House of Lords Call for Evidence on Economics of Higher Education, Further Education and Vocational Training (September 2017)</li> <li>○ Migration Advisory Committee: Call for Evidence and Briefing Note: EEA Workers in the UK Labour Market (October 2017).</li> </ul> </li> <li>• 13 policy-related news stories were published on our <a href="#">website</a>.</li> </ul>
<p><i>Engage Society members with Biochemical Society and Royal Society of Biology science policy activities</i></p>	<ul style="list-style-type: none"> <li>• In 2017, a new Policy Network was set up, providing members (from all membership categories and in both the UK and internationally) with an opportunity to feed into the Society's policy activities. 101 members joined the group, ahead of the target for 2017 of 20 members. 21 (of the 101) members of the Policy Network were based outside the UK and 12 (of the 101) members of the Policy Network were based in industry, contributing to addressing the objective to increase the representation of molecular</li> </ul>

	<p>bioscientists working in industry across the Society's committees and networks.</p> <ul style="list-style-type: none"> <li>• Other policy engagement activities in 2017 included: <ul style="list-style-type: none"> <li>○ Policy Lates: As part of 2017's Biology Week activities, the Society partnered with the RSB, BES and TPS to run a Policy Lates discussion and reception on mental health, 'A meeting of minds: the biology of mental health'. The event was attended by approximately 50 delegates. The presentations were also live streamed through the Biochemical Society Facebook page and attracted over 1,350 unique viewers;</li> <li>○ Voice of the Future: this annual parliamentary event was organized by RSB on behalf of the science and engineering community and provided an opportunity for young scientists from across the UK to question MPs and other Government officials on science policy topics. Six Student or Early Career Members (from 13 applications) attended this event.</li> </ul> </li> </ul>
<p><i>Support the Royal Society of Biology at the level of 1% turnover per annum for three years</i></p>	<ul style="list-style-type: none"> <li>• In response to feedback from the Biochemical Society and other Member Organizations, RSB restructured the funding support structure for 'enhanced funders' (now called Strategic Partners) moving away from a proportional 1% of annual turnover to a set fee of £15,000 from 2019 onwards. In 2017, as part of the transition to the new funding model, a support fee of £50,000 was paid.</li> </ul>
<p><i>Continue to fund shared staff in science policy with the Royal Society of Biology over the next three years</i></p>	<ul style="list-style-type: none"> <li>• A shared Science Policy Officer role continued to be funded, allowing the Society to benefit from increased access to RSB policy expertise and networks, while enabling the Society to retain our own in-house capacity to engage members with key policy issues.</li> <li>• The Society fully funded the position of 'Schools and Education Policy Manager' at RSB for the first six months of 2017. Between July and December, the Society continued to support 50% of the position costs, with RSB match-funding the remainder. In 2018 the Society will cease providing financial support for this role.</li> </ul>

<b>Ensure sustainable support for the advancement of science</b>	
<p><i>Continue the review of IT infrastructure and staffing, overseen by an external consultant and chaired by a Trustee</i></p>	<ul style="list-style-type: none"> <li>• Implementation of the IT infrastructural changes continued during 2017, in particular:               <ul style="list-style-type: none"> <li>○ Completion of departmental restructure. The Business Technology department restructure was completed with the appointment of a Business Technology Manager, shared with SfAM, to focus on the strategic elements of Society and Portland Press Business Technology infrastructure and encourage operational inter-society collaboration.</li> <li>○ Membership Fulfilment System. The decision was made to move away from the production of a bespoke membership fulfilment system following a detailed assessment of the Society's requirements. The Executive Management Committee agreed that standard 'off the shelf' options would be considered. A suitable system will be identified in 2018.</li> <li>○ Additional engagement with shared CDH networking services. The Society has taken a leading position in critically evaluating the network infrastructure services provided by CDH, developing a plan for a competitive tender process, in collaboration with MS, which took place in early 2018.</li> <li>○ Proposal of new continuous improvement approach to Business Technology strategy accepted at the Society's November Strategy Retreat.</li> <li>○ Preparation for General Data Protection Regulation. Development and continuing implementation of a strategy to prepare the Society for the far-reaching impacts of the new data protection legislation, which came into effect in May 2018. Particular focus in 2017 was given to an audit of Society and Portland Press data; the development of a 'data protection by design' policy; and a review of the data policies third party suppliers.</li> </ul> </li> </ul>

<p><i>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, utilize existing external organizational contacts to complete implementation of the proposals presented by the comprehensive review of the Finance and Accounting function of the Biochemical Society</i></p>	<ul style="list-style-type: none"><li>• The major elements of the Finance Review were completed during 2017, with the aim of increasing efficiency and transparency in internal financial management procedures and systems, including:<ul style="list-style-type: none"><li>○ Restructure of Finance Department;</li><li>○ Creation of a new policy regarding financial management information, to ensure departmental leads take greater ownership of their finances;</li><li>○ Improved budget setting, management and review processes;</li><li>○ Mapping of financial processes and creation of updated financial governance documentation in the interests of business continuity and compliance;</li><li>○ Termination of all contracts to provide accounting services to external organizations;</li><li>○ Additional internal operational changes, including transfer to new payroll provider.</li></ul></li></ul>
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## Governance and Management

At the Biochemical Society Annual General Meeting on 6 July 2016, the membership approved the recommendations made by the Governance Review commissioned as part of the Three Year Strategy, and the related amendments to the *Articles of Association* (a copy of this document and the recommendations of the review can be found [here](#)<sup>4</sup>). These recommendations were fully implemented by mid-2017 and are reflected in the below.

### Governance Committee Structure

During 2017, the Biochemical Society delivered its mission and charitable objectives through its members, who were represented on the Council of Trustees and its contributing thematic sub-committees, as well as the Executive Management Committee.

### Council of Trustees

The Council of Trustees is the governing body of the Biochemical Society. It meets four times a year and addresses Society Strategy and matters reserved for consideration by Directors/Trustees. It comprises the President (its Chair); the Chair of the Executive Management Committee; the Honorary Treasurer; the Honorary Meetings Secretary; the Honorary Membership Secretary; the Honorary Policy Officer; the Chair of the Education, Training and Public Engagement Committee; the Chairs of the Society's three Theme Panels<sup>5</sup>, a Local Ambassador; an Early Career Member and two optional 'balance' positions which are appointed only when additional skills/experience not otherwise included within the

<sup>4</sup> Biochemical Society Committees & Governance: [www.biochemistry.org/AboutUs/CommitteesGovernance](http://www.biochemistry.org/AboutUs/CommitteesGovernance)

<sup>5</sup> Basic Bioscience; Clinical and Translational Research, and Training

Committee's Terms of Reference are required. In 2017 one balance position vacancy was filled by a Trustee from 'Industry'.

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 of Trustees and has a usual term of service of five years. This can be amended or extended at the discretion of the Trustees following guidance from members of Portland Press Limited Board. The term of office of the current Chair was extended by two years (bringing the end of term to 1 January 2020) by the Trustees of the Society on 6 October 2016.

During the period there were 8 Trustees, increasing to 13 Trustees from 20 July 2017, as shown on page 28.

### ***Executive Management Committee***

The Executive Management Committee has the remit of overseeing the implementation of Society Strategy, as set by the Council of Trustees. It meets a minimum of five times a year, and met ten times in 2017. It comprises the Chair of the Executive Management Committee; the Honorary Treasurer; the Chair of Portland Press Limited Board; an Independent Member (not otherwise appointed to a Society Committee) and the Chief Executive Officer.

### ***Audit Committee***

All audit activity is initially managed by the Audit Committee, which is chaired by an independent appointee from outside the Society membership with demonstrable skills in compliance and audit related matters. The Honorary Treasurer attends by request. The President of the Society may not attend these meetings.

### ***Finance Committee***

The Finance Committee has delegated authority to oversee financial matters on behalf of the Council of Trustees and make recommendations for action. Final authority remains with the Trustees. It meets four times a year and comprises the Honorary Treasurer; Chair of the Executive Management Committee; Honorary Membership Secretary and Chair of the Portland Press Limited Board. An independent member, from outside the membership, was appointed in 2017 to provide additional expert advice.

### ***New committees***

In addition to the above, the Council of Trustees has convened the following sub-committees, which focus on specific thematic areas of the Societies activities: Grants Committee; Membership and Nominations Committee; Scientific Activities Committee (into which feed the Conferences Committee; Education, Training and Public Engagement Committee, and the new Publications Committee).

In 2017 a Publications Committee was convened for the first time, with the remit of keeping under review the Society's publishing products and services to ensure that they are relevant, serve the community and provide value for the Society and the molecular bioscience community.

The Policy Committee was abolished as a result of the Governance Review, and was replaced with a Policy Advisory Panel. This panel is formed of a core of five members, who draw on the particular policy expertise of the Policy Network, a group of volunteers who have put themselves forward to assist the Society in matters relating to scientific, educational and governmental policy. Initial estimates assumed that volunteer numbers for the network would



be in the region of 10–30 members, however interest has been exceptional and the Network now numbers some 101 members.

### **Elections and Appointment of Trustees**

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 delivered by email, or via post if no valid email address is held. During 2017, the Society began to use the MiVoice election and nomination management system, which streamlines the process for members to both nominate and vote, and adds a new layer of external scrutiny. Where appropriate, and supported by the Society's governing documents, direct appointments to vacant roles that have not received nominations are made by the Executive Management Committee, with delegated authority from the Council of Trustees and under guidance from the Membership and Nominations Committee. These Committees are mindful of the particular skills of existing Trustees and Committee members and areas of Trustee skills that might be strengthened. The Audit Committee undertakes a biennial assessment of the consolidated Trustee skill set, and will advise on the acquisition of skills it considers to be missing. The next assessment will be completed in 2018.

### **Corporate Status and Constitutional Documentation**

The Society is a Charity registered in England and Wales and was incorporated by guarantee on 25 November 1966. It has no share capital and the liability of each member is limited to £1.00. The governance document is the [Articles of Association](#) (2016), which can be found on the Society's website, on Companies House, or by request.

The Society's Trustees 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.

### **Risk Management**

In addition to overseeing the annual audit, the Audit 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 Trustees and inform their deliberations when making decisions affecting the Society.

On 25 May 2018, the General Data Protection Regulation came into force. A key requirement of this EU directive is to ensure that any processing of personal or sensitive data may only be undertaken where there is a strong 'legal basis'. As of 2018, the Society will produce a register of the data that it stores and processes, and the reasons it does this. This document will be held with the Risk Register, reviewed on at least an annual basis and will be available for inspection if necessary.

### **Statement of Trustees' 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), 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 for the charitable company and of the

incoming resources and the application of resources of the charitable Company 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, FRS 102;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial 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 are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- Insofar as each Trustee is aware, there is no relevant audit information for which the charitable company's Auditor is unaware;
- 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 (in particular in England and Wales) governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Trustee Induction and Access to Training**

New Trustees receive, on appointment, an induction pack consisting of all key Society governance documents (including the *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 receive copies of the minutes from any appropriate meetings that have taken place within the last twelve months.

At appointment, Trustees are required to sign-up to the *Code of Conduct* containing a confidentiality agreement, and register any applicable interests upon the Society's *Interests Register*, which is available for review on request. This information is managed and maintained by the Company Secretary, and is reviewed at the beginning of all Trustee meetings.

All Trustees are invited to attend an induction day comprising introductory sessions on charity management; charity law; 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 additional skills, or enhancements to pre-existing skills, requests are managed in-house and external training is provided. As of late 2018, it is intended that a number of online courses will be made available to the Trustees via the Society's learning portal. These will initially cover the General Data Protection Regulation and Unconscious Bias.

All inductions are managed and conducted by the Director of Operations (until 11 June 2017, Acting Chief Operating Officer).

### **Portland Press Limited**

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

In May 2016, Portland Press agreed to cease provision of Professional Conference Organization services to third party clients at the end of current contracts. These contracts were completed in 2017.

Portland Press Limited has its own Board of Directors, on which sit four Trustees of the Society. The full membership of the Board of Directors of Portland Press Limited in 2017, is listed on page 29.

### **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.

In June 2017, the Society introduced a new Senior Management Team comprising the Director of Operations; the Director of Society Programmes, and the Director of Publishing, who support the Chief Executive in progressing the Society's activities and strategy, and deputize for her in her absence. All Heads of Department report to a member of this Senior Management Team.

### **Charles Darwin House Limited**

Charles Darwin House Limited (CDH Ltd) holds the legal title to the properties on trust for the beneficial owners of the properties, the beneficial owners being the Biochemical Society, RSB, BES, SEB, MS and SfAM. 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. Charles Darwin House Limited is not consolidated into the accounts of the Biochemical Society group as neither majority ownership is held nor dominant influence exercised.

In addition, pursuant to the *Property Management Agreement*, CDH Ltd has been appointed by the societies as the facilities manager for the properties (including networking and HR services).

In March 2016, the Biochemical Society Trustees agreed to sell a 6.2% share in CDH Ltd, and its associated properties, to SfAM. This sale completed in May 2017, with a final sale value of £1,364,000.

In June 2017, Charles Darwin House Ltd ceased the provision of commercial conference venue services, due to an increase in local business rates which rendered these unprofitable.

## Biochemical Society Trustees

The following are Members of the Council of Trustees (Board of Trustees and Directors of the Society) or were members of the Board of Trustees for the year under review:

Professor Sir David Baulcombe	President (to 31 December 2017)
Professor Sir Charles Peter Downes	President (from 1 January 2018)
Professor Anne Dell	Chair of the Executive Management Committee
Dr Nick Watmough	Honorary Treasurer (to 31 December 2017)
Professor Frank Sargent	Honorary Treasurer (from 1 January 2018)
Professor Nicola Gray	Honorary Membership Secretary
Professor Stefan Roberts	Honorary Meetings Secretary
Professor Richard Reece	Chair, Portland Press Limited Board of Directors
Professor Robert Beynon	Chair, Education, Training and Public Engagement Committee
Dr David Pye	Honorary Policy Officer
Dr Helen Watson	Chair, Training Theme Panel
Professor Michelle West	Chair, Basic Biosciences Theme Panel (from 20 July 2017)
Dr Joanne Edwards	Chair, Clinical and Translational Theme Panel (from 20 July 2017)
Dr Martin Pool	Local Ambassador Representative (from 20 July 2017)
Dr Dominika Gruszka	Early Career Researcher Representative (from 20 July 2017)
Dr Malcolm Weir	Industry Representative (from 20 July 2017)

## Directors of Portland Press Limited

The following were Directors of Portland Press Limited for the year under review:

Professor Richard Reece	Chair, Portland Press Limited Board of Directors
Dr Matthew Cockerill	Non-Executive Director (from 28 February 2017)
John Cox	Non-Executive Director (to 31 December 2017)
Philip Garner	Non-Executive Director (from 28 February 2017)
Professor Anne Dell	Non-Executive Director
Peter Richardson	Non-Executive Director
Sue Thorn	Non-Executive Director (to 31 December 2017)
Dr Nick Watmough	Non-Executive Director and Honorary Treasurer, Biochemical Society (to 31 December 2017)
Professor Frank Sargent	Non-Executive Director and Honorary Treasurer, Biochemical Society (from 1 January 2018)
Professor David Carling	Chair, <i>Biochemical Journal</i> Editorial Board (to 18 January 2017)
Kate Baillie	Executive Director and Managing Director Portland Press/CEO, Biochemical Society
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)

### **Adam Hughes**

Director of Operations (from 12 June 2017)  
[adam.hughes@biochemistry.org](mailto:adam.hughes@biochemistry.org)

### **Dr Niamh O'Connor**

Director of Publishing  
[niamh.oconnor@biochemistry.org](mailto:niamh.oconnor@biochemistry.org)

### **Hannah Russell**

Director of Society Programmes (from 12 June 2017)  
[hannah.russell@biochemistry.org](mailto:hannah.russell@biochemistry.org)

A senior team restructure took place during 2017 whereby the 9-person Senior Management Team (SMT) comprising 7 Heads of Department and 2 Directors, was replaced with a 4-person SMT comprising CEO/MD and 3 Directors (see above). These changes applied from 12 June 2017.

For the period up to 12 June, the SMT structure was:

<b>Kate Baillie</b>	-	CEO, Biochemical Society and MD, Portland Press Ltd
<b>Dr Niamh O'Connor</b>	-	Director of Publishing
<b>Adam Hughes</b>	-	Acting Chief Operating Officer
<b>Claire Dowbekin</b>	-	Head of Sales & Marketing (to 13 April 2017)
<b>Hannah Russell</b>	-	Head of Education, Training and Policy
<b>Anna Labuz</b>	-	Head of Finance
<b>Lorraine Reese</b>	-	Head of Conferences and Events
<b>Laura Woodland</b>	-	Head of Membership Engagement
<b>Malavika Legge</b>	-	Head of Journals (from 13 March 2017)

## Public Benefit Statement

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.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

## Key Contacts

### Bankers

#### **Coutts & Co**

440 Strand, London. WC2R 0QS

#### **National Westminster Bank Plc**

100 The Crescent, Colchester. CO4 9GN

### Solicitors

#### **Mayer Brown**

201 Bishopsgate, London. EC2M 3AF

### Auditor

#### **Grant Thornton UK LLP**

The Colmore Building, 20 Colmore Circus,  
Queensbury, Birmingham. B4 6AT

### 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

Adam Hughes

## Plans for future periods

2018 will be year three of the Society's current three-year strategy. Strategic objectives for the three-year period, updated as outlined in '2017 achievement against objectives' to take account of changes in the landscape, with specific points relating to 2018 are given below.

### ***Bringing together molecular bioscientists***

- Ensure a strong future for the molecular biosciences through engaging in strategic collaborative projects with sister societies; these will include a third collaborative mixer at the Experimental Biology conference in collaboration with BPS, TPS and NS as well as collaborative scientific meetings with sister societies.
- Review membership offering to support our members at all stages of their careers; this will be facilitated by implementation of a new membership fulfilment system during 2018.
- Increase membership engagement through more targeted communications and members' events; grow paid membership to 7,000 by the end of 2021, with an interim goal of 6,650 in 2018.
- 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; 2018 will be the fourth year of the Society's Industry Strategy, increasing representation from, and engagement with, this group will contribute to growing membership; a collaborative Drug Discovery Training Event aimed at early career bioscientists will be developed during 2018.
- Continue to develop international links and networks supporting scientists to share their work on a global scale.
- Foster diversity and equal opportunity for entry and progression in our discipline, including through support of Society Grants and Bursaries, and ensuring equality of opportunity in Society-run events and schemes; an Athena SWAN best practice event will be organized in 2018 as a part of the RSB Equality, Diversity and Inclusion working group.

### ***Supporting the next generation of biochemists***

- Develop educational events and training days to facilitate the sharing of expertise and ensure a strong skills base; In 2018 this will include 'Evolving molecular bioscience education', 'Proteomics and related metabolomics of oxidative damage and glycation: a technical workshop' and 'Experimental techniques for studying proteins and lipids in biological membranes'.
- 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; a series of newly-developed careers posters for teachers and educators were launched at the Association for Science Education Annual Conference in January 2018; a new 'Undergraduate biochemistry curriculum' booklet will be published in 2018, providing an overview of topics students can expect to learn about and skills they can expect to develop as part of a degree in biochemistry.
- Create online content to support the teaching and understanding of biochemistry; the Society will develop new courses for the online training portal; new content covering pre-implantation genetic diagnosis and IVF will be added to Sciberbrain; the fourth Understanding Biochemistry themed issue of *Essays in Biochemistry* is planned for October 2018.



***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; new positioning of the Society meetings approved by the Conferences Committee will be launched in 2018.
- Seek to engage with meetings in the molecular biosciences where appropriate, with a view to collaboration rather than offering sponsorship; work towards a Joint Life Sciences 2019 conference in collaboration with BPS and TPS, will continue during 2018.
- Ensure that Portland Press is a leading publisher in the life sciences, continuing to publish internationally recognized quality life science research; during 2018 introduce new policies relating to research data underpinning journal articles will be introduced and we will continue to build our network in key geographic regions; implementation of the strategy for *The Biochemist* will continue with the aim of ensuring the magazine is an engaging source of news and views on issues of relevance to the molecular bioscience community.
- Develop the Portland Press portfolio to offer a home for every paper published within the molecular biosciences, growing to encompass the broader life sciences; the breadth of high-quality articles published will continue to grow through 2018.
- 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; growing revenue will continue to be a focus, as will growing readership as measured by full-text downloads of articles.
- Support students and researchers to communicate their work to the public and promote public engagement with biochemistry and the molecular biosciences; in 2018 we will organize a hands-on event in collaboration with Central Saint Martins to investigate the differences and similarities in how artists and scientists approach their work.

***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; the strategy will be finalized and implemented with oversight from the Scientific Activities Committee during 2018.
- Continue to channel expertise from the biochemistry and molecular bioscience community into the policy work of RSB.
- Engage Society members with Biochemical Society and RSB science policy activities; contributing to a Policy Officer position at CaSE; participating in parliamentary events such as Voice of the Future and Parliamentary Links Day.
- Support the RSB with a set fee of £37,500.
- Continue to fund shared staff in science policy with RSB.

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

- Continue the review of IT infrastructure and staffing, overseen by an external consultant and chaired by a Trustee; a full Business Technology Strategy is expected to be developed in 2018; a competitive tender process for network infrastructure services provided by CDH, will take place in early 2018 in collaboration with MS.
- 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, utilize existing external organizational contacts to complete implementation of the proposals presented by the comprehensive review of the Finance and Accounting function of the Biochemical Society; the remaining work to finalize the Finance Review is expected to be completed during 2018.

## Financial review

The Group's results for the year are set out in detail in the Statement of Financial Activities on page 46. The financial statements have been prepared in accordance with FRS102 and the Charities SORP 2015.

### Treasurer's report

On an operating basis, and before accounting for other recognized gains and losses, the Group made a surplus for the year of £129,000 (2016: £639,000 deficit).

Portland Press Limited, the Society's trading subsidiary, made a pre-tax profit for the period of £1,845,000 (2016: £1,231,000 profit), effectively achieving its surplus target three years early. These profits will be distributed to the Society during 2018 under gift aid and are included in the figures stated above. Subscription income fell slightly compared with 2016, but this was more than offset by gains relating to currency conversion rates and the continued growth in Open Access revenues, increasing by 107% compared with 2016.

Other principal funding sources comprise income from membership subscriptions, conferences registration fees and sponsorship, totalling £679,000 (2016: £828,000) and investment income of £230,000 (2016: £244,000). Conferences income was lower than in 2016 due to fewer events taking place in the year, with an equivalent reduction in associated variable costs.

The Society's charitable expenditure, excluding Portland Press trading activities, amounted to £2,624,000 (2016: £3,059,000). Cost savings activity discussed in 2016 and implemented within this financial year was a contributor to this.

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. In line with Pensions regulations this is the scheme in which all Society employees are initially 'auto-enrolled'. Actuarial losses for the period on both schemes amounted to £189,000 with a deficit liability to the Society as at 31 December 2017 of £1,515,000. This is explained further in note 17.

The Society accounted for net gains on investments of £332,000 from the equity investments and the Charles Darwin House investment properties.

After accounting for these items, the Group made a net surplus of £279,000 (2016: £386,000 deficit) for the period, with closing reserves of £9.1 million (31 December 2016: £8.8 million).

In response to actual funding levels in 2017, a breakeven budget has been prepared for 2018.

The leasehold property at Commerce Way, Colchester sold for £500,000 on 25 May 2018. The book value of the property at this time was £374,775, resulting in a gain on disposal of £125,225 that will be recognised in the 2018 accounts.

### 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 2017 free reserves amounted to £3.6 million (2016: £1.9 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 December 2017 the Society had free reserves sufficient to cover 16 months of charitable 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 outperform these indices, as was the case in 2017.

### **Remuneration policy**

The Trustees, being the Non-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.

### **Dr Nick Watmough**

Honorary Treasurer (to 31 December 2017)

Date:

### **Professor Frank Sargent**

Honorary Treasurer (from 1 January 2018)

Date:

## 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 continue to 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.

There is risk associated with the future deficit funding requirements of the 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. The Society engages proactively with both schemes to ensure sustainable recovery plans are in place enabling greater security within the pension schemes without hindering the Society's ability to develop and grow. Further details of these schemes can be found in note 17 of the accounts.

The volatility of equity returns is an identified financial risk that is closely monitored by the Finance Committee and Trustees of the Society who give due consideration to a variety of investment models both to minimize exposure to losses and maximize returns on assets. An additional financial risk concerns exposure to adverse exchange rate movements, this is mitigated through the Society group product pricing model.

## Trustees' 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 Sir David Baulcombe**  
President (to 31 December 2017)

**Professor Anne Dell**  
Chair

**Professor Sir Peter Downes**  
President (from 1 January 2018)

26 July 2018

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

## Opinion

We have audited the financial statements of the Biochemical Society (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Principal Accounting Policies, Consolidated Statement of Financial Activities (including the consolidated income and expenditure account), the Group and Society Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Who we are reporting to

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

## Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, set out on pages 3 to 36 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' 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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 25 to 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

William Devitt  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham

Date:

## Financial Statements for the year ended 31 December 2017

### Principal Accounting Policies

The financial statements 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). The financial statements reflect the early adoption of FRS 102 paragraph 29.14A.

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 2017. 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.

### Use of judgements and estimates

In preparing these consolidated financial statements, management has made certain judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Information about assumptions used and estimation uncertainties which carry a significant risk of resulting in a material misstatement in the year ending 31 December 2018 is included in the following note:



- Note 17 – Pensions

Certain of the Group's accounting policies and disclosures require the measurement of fair values. Where third party information, such as broker quotes or pricing services, is used to measure fair values, then evidence is obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS and FRS 102.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 6 – Tangible Assets
- Note 9 – Investment Properties

### **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 and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to 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. Rental income is recognized in the period to which it relates.

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 14).

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 14).

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.

## Biochemical Society Financial Statements Principal Accounting Policies

- 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. For the freehold property, the fair value as at the 1<sup>st</sup> July 2014 has been deemed to be the cost 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 a membership fulfilment system were capitalised as an intangible asset. Due to the impairment of this asset the entire balance was written off in September 2017.

### **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 the 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 requires 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. Those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably are recognized at cost less impairment.

### **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 position 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.

Due to the early adoption of FRS 102 paragraph 29.14A, no tax charge arises on the profits of Portland Press Limited where these profits are distributed to the Society under gift aid within 9 months of the period end. 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. These gift aid payments are recognized in the Portland Press financial statements as distributions through equity rather than as an expense through the statement of comprehensive income. The gift aid payments are recognized on the accrual basis where a legal obligation to make a distribution exists at year end.

### **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.

### **Termination and redundancy pay**

In addition to statutory redundancy payments, enhanced redundancy pay is determined on a case-by-case basis and is conditional upon the completion of term to notice and settlement agreement. In addition to any agreed lump-sum payment, enhanced redundancy pay can also cover other items such as costs relating to specific learning and development.

### **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**

Biochemical Society operates a pension scheme for all qualifying employees. The assets of the Scheme are held in a separate trustee administered 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). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31

## Biochemical Society Financial Statements

### Principal Accounting Policies

March 2016 which was 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 Biochemical Society 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 Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognizes a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

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

Portland Press Limited is a wholly owned subsidiary undertaking of the Biochemical Society, Charles Darwin House, 12 Roger Street, London, WC1N 2JU. Portland Press Limited distributes 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, where a legal obligation to make the distribution exists at year end.

#### **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.

#### **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.

# Consolidated Statement of Financial Activities for the year ended 31 December 2017

including Consolidated Income and Expenditure account

		2017 Total £'000	2016 Total £'000
<b>Income from:</b>			
Income from donations and sponsorship		87	99
<i>Income from charitable activities:</i>			
Scientific conferences income		299	469
Membership fees		266	256
Policy, Education, Professional		21	-
Sales of Journals and Books		3,881	3,579
Other income		6	4
<i>Income from other trading activities:</i>			
External events income		26	17
Advertising income		1	1
Investment income (incl. rent)	3	230	244
<b>Total income</b>		<b>4,817</b>	<b>4,669</b>
<b>Expenditure</b>	<b>4</b>		
<i>Expenditure on Raising funds</i>			
Cost of sales: External Events		-	14
Investment properties operating costs		78	49
<i>Expenditure on Charitable activities</i>			
Membership recruitment costs		37	80
Membership		515	523
Grants and awards		299	348
Scientific Meetings		756	1,043
Policy, Education, Professional		488	406
Journals and Books: Production		1,792	1,847
Journals and Books: Distribution		42	214
Administration: Portland Press Ltd		359	563
Governance costs		267	283
<i>Other expenditure</i>			
Interest on defined benefit pension schemes		55	58
Taxation		-	(120)
<b>Total expenditure</b>		<b>4,688</b>	<b>5,308</b>
<i>Net gains on investments</i>			
Realised	8 & 9	6	197
Unrealised		326	212
Other gains		7	9
<b>Net income / (expenditure) before other gains and losses carried forward</b>		<b>468</b>	<b>(221)</b>

**Consolidated Statement of Financial Activities for the year ended 31 December 2017 including Consolidated Income and Expenditure account (cont.)**

		2017	2016
	Note	Total £'000	Total £'000
<b>Net income / (expenditure) before other gains and losses brought forward</b>		<b>468</b>	(221)
<i>Other recognised gains and losses</i>			
Actuarial losses on defined benefit pension schemes	17	<b>(189)</b>	(45)
<b>Net movement in funds relating to the period carried forward</b>		<b>279</b>	(266)
Fund balances brought forward as previously reported		<b>8,849</b>	9,115
<b>Fund balances carried forward as at 31 December</b>		<b>9,128</b>	8,849
<b>Analysis of fund balances:</b>			
Revaluation reserve		<b>339</b>	339
Restricted funds		<b>1,098</b>	1,046
Unrestricted funds		<b>7,691</b>	7,464
		<b>9,128</b>	8,849

The financial activities above include £3,085,000 of net incoming and £2,624,000 of outgoing resources relating to the charity. Further details are included in Note 19.

Total income including interest receivable comprises £4,798,000 for unrestricted funds and £19,000 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 expenditure before other recognised gains and losses for the year of £461,000 comprises £409,000 net income for unrestricted funds and a £52,000 net income in restricted funds.

There were no other gains or losses in the financial year.

The accompanying accounting policies (on pages 40 to 45) and notes (on pages 50 to 64) form an integral part of the financial statements.

## Statement of Financial Position as at 31 December 2017

	Note	Group		Society	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed Assets</b>					
Tangible assets	6	1,913	1,957	1,913	1,957
Intangible assets	7	-	32	-	32
Investments	8	5,380	3,755	5,380	3,755
Investment Property	9	3,688	5,052	3,688	5,052
		<u>10,981</u>	<u>10,796</u>	<u>10,981</u>	<u>10,796</u>
<b>Current Assets</b>					
Stock	12	-	7	-	-
Debtors	13	577	490	370	294
Cash at bank and in hand		1,963	2,075	77	414
	11	<u>2,540</u>	<u>2,572</u>	<u>447</u>	<u>708</u>
<b>Creditors:</b> amounts falling due within one year	14	2,878	3,039	2,630	1,176
<b>Net current liabilities</b>		<u>(338)</u>	<u>(467)</u>	<u>(2,183)</u>	<u>(468)</u>
<b>Net assets excluding pension liability</b>		<u>10,643</u>	<u>10,329</u>	<u>8,798</u>	<u>10,328</u>
<b>Defined benefit pension liability</b>	17	1,515	1,480	1,515	1,480
<b>Total net assets</b>	11	<u>9,128</u>	<u>8,849</u>	<u>7,283</u>	<u>8,848</u>
<b>The Funds of the Charity</b>					
Restricted Funds	10	1,098	1,046	1,098	1,046
Unrestricted Funds					
Designated Funds	11	1,913	1,989	1,913	1,989
Other charitable Funds	11	7,292	6,954	5,448	6,954
Revaluation Reserve	11	339	339	339	339
Non-charitable trading Funds	11	1	1	-	-
		9,545	9,283	7,700	9,282
Pension Reserve	17	(1,515)	(1,480)	(1,515)	(1,480)
Total Unrestricted Funds	11	<u>8,030</u>	<u>7,803</u>	<u>6,185</u>	<u>7,802</u>
<b>Total Charity Funds</b>	11	<u>9,128</u>	<u>8,849</u>	<u>7,283</u>	<u>8,848</u>

The financial statements were approved and authorised for issue by the Trustees of the Biochemical Society on 26 July 2018

Professor Sir Peter Downes  
President

Professor Anne Dell  
Chair

Company number: 00892796

The accompanying accounting policies (on pages 40 to 45) and notes (on pages 50 to 64) form an integral part of the financial statements.



# Consolidated Statement of cash flows for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(411)</b>	<b>(988)</b>
Cash flows from investing activities			
Dividends from investments		76	87
Interest from investments		1	1
Rents from investments		153	156
Purchase of property, plant and equipment		(9)	(152)
Purchase of intangible asset		(1)	(9)
Proceeds from sale of investments		1,372	1,200
Purchase of investments		(1,300)	(20)
Investment impairment release		<u>7</u>	<u>9</u>
Net cash provided by investing activities		<u>299</u>	<u>1,272</u>
Change in cash and cash equivalents in the reporting period		(112)	284
Cash and cash equivalents at the beginning of the reporting period		<u>2,075</u>	<u>1,791</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>B</b>	<b><u>1,963</u></b>	<b><u>2,075</u></b>

## Notes to the Statement of Cash flows

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

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Net income / (expenditure) for the reporting period	461	(230)
Depreciation	53	66
Disposal of intangible asset	33	-
Decrease in stocks	7	6
Gains on investments	(332)	(409)
Interest and rents from investments	(230)	(244)
(Increase) in debtors	(87)	(163)
(Decrease / increase in creditors	(162)	137
Closed pension scheme deficit funding	(110)	(110)
Pension scheme costs charged	(99)	(99)
Pension schemes interest	55	58
Net cash outflow from operating activities	<u>(411)</u>	<u>(988)</u>

### B. Analysis of cash and cash equivalents

	Current Period £'000	Prior Period £'000
Cash at bank and in hand	<u>1,963</u>	<u>2,075</u>

## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2017

### 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, Charles Darwin House, 12 Roger Street, London, company number 02453983. 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 comprehensive income and retained earnings for the year ended 31 December 2017

	Year to 31 December 2017 £'000	Year to 31 December 2016 £'000
Turnover	3,904	3,507
Cost of Sales	<u>(1,544)</u>	<u>(1,558)</u>
Gross Profit	2,360	1,949
Administrative expenses	<u>(521)</u>	<u>(811)</u>
Operating profit	1,839	1,138
Exchange gains	6	92
Interest received	<u>-</u>	<u>1</u>
Profit before taxation	1,845	1,231
Tax	<u>-</u>	<u>120</u>
Profit for the financial period	<u><u>1,845</u></u>	<u><u>1,351</u></u>
Retained profits brought forward	<u><u>1</u></u>	<u><u>481</u></u>
Profit for the financial period	1,845	1,351
Distribution to the Biochemical Society under gift aid	<u>-</u>	<u>(1,831)</u>
Retained in Subsidiary	<u><u>1,846</u></u>	<u><u>1</u></u>

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

Current assets	4,067	2,367
Current liabilities	<u>2,221</u>	<u>2,366</u>
Represented by Shareholders' surplus	<u><u>1,846</u></u>	<u><u>1</u></u>

The turnover and profit is attributable to the publication and distribution of scientific journals and books, and the provision of professional conferences organizing services.

Portland Press Ltd taxable profit for the year was £1,845,400 (2016: £1,230,835). An amount of £1,845,400 will be distributed to the Biochemical Society under gift aid in 2018.

### 3. Investment income

	Year to 2017 £'000	Year to 2016 £'000
Listed investments (including unit trusts)	95	106
Rent income	135	137
Interest receivable from banks and financial institutions	-	1
Total	<u>230</u>	<u>244</u>

### 4. Analysis of expenditure

	Staff Costs £'000	Support Costs £'000	Other £'000	Year to December 2017 Total £'000	Year to December 2016 Total £'000
<i>Cost of generating funds</i>					
Cost of sales: external events	(5)	1	4	-	14
Cost of investment	11	-	67	78	49
<i>Charitable expenditure</i>					
Membership recruitment costs	-	-	37	37	80
Membership	284	61	170	515	523
Grants payable:					
Grants to individuals	-	-	114	114	127
Daphne Jackson Trust	-	-	31	31	30
Royal Society of Biology	-	-	34	34	77
Summer Vacation Studentship	-	-	69	69	64
Scientific Outreach	-	-	25	25	24
TIPS and TAPS	-	-	25	25	25
In2science UK	-	-	1	1	1
Scientific conferences	289	97	370	756	1,043
Policy, Education, Professional	254	44	190	488	406
Journals and Books: Production costs	604	328	860	1,792	1,847
Journals and Books: Distribution costs	-	-	42	42	214
Administration: Portland Press Ltd	171	109	79	359	563
Governance	122	25	120	267	283
Pension schemes interest	-	-	55	55	58
Taxation	-	-	-	-	(120)
Total outgoing resources	<u>1,730</u>	<u>665</u>	<u>2,293</u>	<u>4,688</u>	<u>5,308</u>

The breakdown of support costs is as follows:

	Administration and Finance £'000	IT support £'000	Year to December 2017 Total £'000	Year to December 2016 Total £'000
Cost of sales: external events	-	1	1	1
Membership	45	16	61	53
Scientific Meetings	80	17	97	47
Policy, Educational, Professional	31	13	44	23
Journals and books, Production costs	34	294	328	238
Administration: Portland Press Ltd	101	8	109	78
Governance costs	25	-	25	19
Total support costs	<u>316</u>	<u>349</u>	<u>665</u>	<u>459</u>

Expenditure that was 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 2017

**Analysis of expenditure (cont.)**

Expenditure amounting to £30,000 (2016: £34,000) in respect of restricted funds is included in other costs above. Membership expenditure includes £102,000 (2016: £111,000) for the cost of publishing and distributing *The Biochemist*.

Total resources expended include:

	<b>Year to December 2017 £'000</b>	<b>Year to December 2016 £'000</b>
Academic Support Grants	<u>37</u>	<u>43</u>

Academic Support Grants were paid to the following university departments to cover time spent by Company Officers on Society business:

University of East Anglia £4,812 (2016: £4,812); University of Liverpool £4,812 (2016: £4,812); University of Salford £4,812 (2016: £4,812); Imperial College £4,812 (2016: £9,624); University of Edinburgh £4,812 (2016: £9,624); University of Manchester £8,104 (2016: £nil); University of Bristol £4,812 (2016: £nil). These grants contributed towards research activities that are in alignment with the objects of the organisation.

Net income / (expenditure) is stated after charging:

	<b>Year to December 2017 £'000</b>	<b>Year to December 2016 £'000</b>
Payments to Grant Thornton UK LLP: audit – Biochemical Society	17	15
Payments to Grant Thornton UK LLP: audit – Portland Press Ltd	14	14
Payments to Grant Thornton UK LLP: audit of FRS102 transition	-	5
Payments to Grant Thornton UK LLP: taxation services	5	5
Payments to Grant Thornton UK LLP: pension advice	-	12
Irrecoverable VAT	26	23
Operating lease rentals – land and buildings	7	7
Depreciation of tangible fixed assets	53	66
Impairment write-off of intangible assets	<u>33</u>	<u>-</u>
Gains on currency revaluations	<u>(6)</u>	<u>(92)</u>

**Lease commitments**

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

	<b>December 2017 £'000</b>	<b>December 2016 £'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>317</u>	<u>324</u>
Total leases	<u>351</u>	<u>358</u>

Lease payments amounting to £7,000 (2016: £7,000) are recognised as expenditure in the reporting period.

## 5. Employees

	Year to December 2017 £'000	Year to December 2016 £'000
Staff costs during the period were as follows:		
Wages & salaries	1,540	1,652
Social security costs	168	173
Pension costs	<u>111</u>	<u>146</u>
Staff costs before redundancy and termination	1,819	1,971
Redundancy and termination	<u>53</u>	<u>246</u>
Staff costs including redundancy and termination	1,872	2,217
Closed pension scheme deficit funding	<u>110</u>	<u>110</u>
Total staff costs	<u><u>1,982</u></u>	<u><u>2,327</u></u>

Included in pension costs is £111,000 (2016: £146,000) in respect of the defined benefit Universities Superannuation Scheme, and included in closed pension scheme deficit funding is £110,000 (2016: £110,000) in respect of the defined benefit Biochemical Society Staff Pension Scheme.

Further details on Pension Scheme costs are shown in note 17.

Included within Redundancy and termination costs are £42,653 (2016: £182,955) of enhanced costs relating to redundancies.

The average number of employees of the Society during the period was 37 (2016: 39).

12 trustees (2016: 12) have received a total of £22,887 (2016: £24,000) 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 amount to £43,269 (2016: £178,000):

Salaries including redundancy payments	December 2017	December 2016
£60,001 to £70,000	2	1
£70,001 to £80,000	1	-
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
£220,001 to £230,000	-	1

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

Salaries excluding redundancy payments	December 2017	December 2016
£60,001 to £70,000	3	2
£70,001 to £80,000	1	-
£80,001 to £90,000	1	2
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-

Key management compensation	December 2017 £'000	December 2016 £'000
Salaries and short-term employee benefits (incl. employer NIC and pension contribs)	<u>602</u>	<u>918</u>

The figures above include members of senior management.

**6. Tangible assets**  
**The Society and the Group**

	<b>Freehold Property £'000</b>	<b>Leasehold Property £'000</b>	<b>Equipment &amp; Furniture £'000</b>	<b>Total £'000</b>
Cost or Valuation				
At 1 January 2017	1,585	400	297	2,282
Additions	6	-	3	9
Disposals	-	-	(74)	(73)
At 31 December 2017	<u>1,591</u>	<u>400</u>	<u>226</u>	<u>2,218</u>
Depreciation				
At 1 January 2017	55	18	253	325
Charge for the year	22	7	23	53
Disposals	-	-	(74)	(73)
At 31 December 2017	<u>77</u>	<u>25</u>	<u>202</u>	<u>305</u>
Net book value at 31 December 2017	<u>1,514</u>	<u>375</u>	<u>24</u>	<u>1,913</u>
Net book value at 31 December 2016	<u>1,531</u>	<u>382</u>	<u>44</u>	<u>1,957</u>

Included within freehold property is land of £590,000 (2016: £590,000), which is not depreciated.

The net book value at 31 December 2017 represents Property Plant and Equipment used for:

	<b>Freehold Property £'000</b>	<b>Leasehold Property £'000</b>	<b>Equipment &amp; Furniture £'000</b>	<b>Total £'000</b>
Charitable expenditure:				
Membership	152	-	2	154
Meetings	262	-	3	265
Policy, Education, Professional	182	-	2	184
Journals and books production and distribution	511	-	12	523
Other costs	407	-	5	412
Other non-operating costs	-	375	-	375
	<u>1,514</u>	<u>375</u>	<u>24</u>	<u>1,913</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, 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.

**Tangible assets (continued)**

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	2,339
Accumulated depreciation	(224)
Transfer to investments	<u>(927)</u>
Net book amount at 31 December 2017	<u>1,188</u>
Net book amount at 31 December 2016	<u>1,201</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. The property was revalued on an existing use basis by a qualified surveyor, L. C. Chambers MRICS of Fenn Wright Limited, 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 2017 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>(73)</u>
Net book amount at 31 December 2017	<u>80</u>
Net book amount at 31 December 2016	<u>82</u>

The leasehold property at Commerce Way, Colchester sold for £500,000 on 25 May 2018. The book value of the property at this time was £374,775, resulting in a gain on disposal of £125,225 that will be recognized in the 2018 accounts.

**7. Intangible Assets**

**The Society and the Group**

	<b>Software Development £'000</b>
Cost	
At 1 January 2017	32
Additions	1
Impairment write-off	(33)
Disposals	<u>-</u>
At 31 December 2017	<u>-</u>
Amortisation	
At 1 January 2017	-
Charge for the year	-
Disposals	<u>-</u>
At 31 December 2017	<u>-</u>
Net book value at 31 December 2017	<u>-</u>
Net book value at 31 December 2016	<u>32</u>

The intangible asset balance of £33,300 represented the costs associated with the development of a new membership fulfilment system. Due to the impairment of this asset the entire balance was written off in September 2017. The value of the write-off has been charged to Membership in the Statement of Financial Activities.

**8. Investments**

<b>The Society and the Group</b>	<b>December 2017 £'000</b>	<b>December 2016 £'000</b>
<b>Equity investments at fair value</b>		
Fair value at start of period	3,754	4,497
Less: disposals at cost	-	(1,003)
Add: acquisitions at cost	1,300	-
Net gain on revaluation	<u>326</u>	<u>260</u>
Fair value at end of period	<u><u>5,380</u></u>	<u><u>3,754</u></u>
Historical cost as at end of period	<u><u>4,434</u></u>	<u><u>3,135</u></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 £294 (2016: £356) 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. This shareholding represents a holding of 29.4% (2016: 35.6%) and is accounted for as a fixed asset investment at cost less impairment. On 12<sup>th</sup> May 2017 there was a disposal of 6.2% of the CDH holding to the Society for Applied Microbiology (SfAM).

**9. Investment Properties**

<b>The Society and the Group</b>	<b>December 2017 £'000</b>	<b>December 2016 £'000</b>
<b>Investment properties at fair value</b>		
Fair value at start of period	5,052	5,080
Add: capital expenditure	-	20
Less: disposals	(1,364)	-
Net (loss) on revaluation	<u>-</u>	<u>(48)</u>
Fair value at end of period	<u><u>3,688</u></u>	<u><u>5,052</u></u>
Historical cost as at end of period	<u><u>2,843</u></u>	<u><u>3,748</u></u>

The Society owns a 29.4% (2016: 35.6%) interest in 107 Gray's Inn Road and 12 Roger Street, London. The 107 Gray's Inn Road property is held as an investment property and a 9.4% (2016: 15.6%) interest in 12 Roger Street is classified as an investment property.

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. The property was revalued by a qualified surveyor, R. Leggett MRICS of Lambert Smith Hampton, in September 2016, on the basis of both fair value and market value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors using recent comparable market transactions.



## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2017

### 10. Restricted Funds

The Society and the Group	Balance	Movement in Funds			Balance
	1 January 2017 £'000	Incoming Resources £'000	Expenditure & Transfers £'000	Investment Gains £'000	31 December 2017 £'000
Keilin Memorial Lecture	53	1	-	2	56
Morton Memorial Lecture	55	1	-	2	58
Harden Legacy Fund	148	3	(2)	10	159
Centenary Award Fund	106	1	(3)	5	109
Krebs Memorial Scholarship Fund	334	9	(14)	31	360
Eric Reid Fund for Methodology	303	4	(9)	13	311
Randle Lecture Fund	18	-	(2)	-	16
Synthetic Biology Fund	29	-	-	-	29
	<u>1,046</u>	<u>19</u>	<u>(30)</u>	<u>63</u>	<u>1,098</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.

#### 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 to underwrite future years' conferences.

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

## 11. Designated and Other Charitable funds

The Society and the Group	Balance as previously reported £'000	Net Utilised £'000	Transfer £'000	Balance 31 Dec 2017 £'000
Fixed assets	1,989	(53)	(23)	1,913
Total Designated Funds	1,989	(53)	(23)	1,913
Other Charitable Funds	6,954	315	23	7,292
Revaluation reserve	339	-	-	339
Non-charitable trading funds	1	-	-	1
Total Unrestricted Funds	9,283	262	-	9,545

The formation of the Designated Funds has been aligned with the revised Reserves Policy and comprise of fixed assets held for the Society's operational use 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.

### Fixed Assets Fund

The Fixed Assets Fund represents the net book values of the Group's fixed assets as shown in notes 6 and 7.

### Revaluation reserve

This reserve relates to the freehold property revaluation gain on transition to FRS 102. In 2015, and in line with FRS102, the decision was taken to reclassify non-operational property holdings as investment assets.

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 December 2017 are represented by:			
Property Plant and Equipment	1,913	-	1,913
Investment Properties	3,688	-	3,688
Investments	4,504	876	5,380
Current assets	2,318	222	2,540
Current liabilities	(2,878)	-	(2,878)
Net pension liability	(1,515)	-	(1,515)
Total net assets	8,030	1,098	9,128
Reconciliation of movements in unrealised gains on investments:			
Unrealised gains at 31 December 2016	1,798	126	1,924
Net gains arising on revaluations and movements in the period	(196)	63	(133)
Total unrealised gains at 31 December 2017	1,602	189	1,791

## 12. Stock

	2017 £'000	2016 £'000
Finished goods & goods for resale	-	7

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

	The Group		The Society	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade debtors	146	119	-	-
Other debtors	150	146	150	146
Prepayments and accrued income	281	225	221	148
	577	490	371	294

**14. Creditors: amounts falling due within one year and deferred income**

	The Group		The Society	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	156	249	151	249
Amounts owed to group undertakings	-	-	1,973	503
Social security and other taxes	45	47	45	47
Other creditors	635	443	37	20
Subscriptions in advance	1,432	1,854	114	99
Other deferred income	93	35	31	14
Accruals	517	411	279	244
	<u>2,878</u>	<u>3,039</u>	<u>2,630</u>	<u>1,176</u>

	The Group		The Society	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Analysis of deferred income</b>				
At 1 January	1,889	1,371	113	88
Amount recognised in the year	(1,889)	(1,371)	(113)	(88)
Amount deferred in the year	1,525	1,889	145	113
At 31 December	<u>1,525</u>	<u>1,889</u>	<u>145</u>	<u>113</u>

Deferred income primarily arises from journal subscription receipts received in advance, which is then unwound through the year.

**15. Capital commitments**

There were no capital commitments as at 31 December 2017 (2016: £nil).

**16. Contingent liabilities**

There were no contingent liabilities at 31 December 2017 (2016: £nil). All known liabilities have been accounted for in the financial statements.

**17. 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:**

	2017 £'000	2016 £'000
Biochemical Staff Pension scheme (See note 17A)	1,209	1,089
Universities Superannuation Scheme (See note 17B)	306	391
Liability recognised in the statement of financial position	<u>1,515</u>	<u>1,480</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 results of the 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. It is this funding valuation, carried out by a qualified actuary as at 31 December 2013, which forms the basis of the information presented here, and which formed the basis of the pre-existing recovery plan, including annual contributions of £110,000 to be paid by the Society to the Scheme.

## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2017

### Pensions (continued):

The Pension Scheme undertakes an actuarial valuation assessment every three years with the most recent - as at 31 December 2016 - published in January 2018. The outcome of this valuation resulted in an estimated deficit value of £5.02m. Consequently, a recovery plan has been agreed whereby a contribution of £200,000 per annum will be made over 11 years, with the initial 3 years (£600,000) paid up front in 2018 along with an additional £100,000 lump sum payment. No payments will be made in years 2 and 3.

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

#### Main financial assumptions

	31 December 2017	31 December 2016
	%pa	% pa
RPI Inflation	3.4	3.5
CPI inflation	2.3	2.4
Maximum of RPI and CPI	3.6	3.7
Pension increases RPI inflation up to 7%	3.4	3.5
Discount rate for Scheme Liabilities	2.4	2.8

#### Main demographic assumptions

	31 December 2017	31 December 2016
<b>Mortality</b>		
- Base table	100% of S2PxA_L	S2PxA*
- Future improvements	CMI 2016	CMI 2015
- Long term rate	1.25% pa	1.25% pa
	<i>*120% of base table probabilities for male pensioners. Light version of table for female members</i>	

#### Expected future lifetime from age 65:

- Male currently aged 65	23.3 years	20.8 years
- Female currently aged 65	24.3 years	24.5 years
- Male currently aged 45	24.6 years	24.0 years
- Female currently aged 45	25.8 years	26.4 years

#### Scheme asset allocation:

	31 December 2017		31 December 2016	
	£'000's	%	£'000's	%
Equities	11,285	66%	10,110	65%
Bonds including insured pensioners)	2,814	17%	1,613	10%
Swaps/Gilts (including cash)	<u>2,946</u>	17%	<u>3,802</u>	25%
Closing fair value of scheme assets	<u>17,045</u>		<u>15,525</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.

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

	Year to December 2017	Year to December 2016
	£'000	£'000
Opening defined benefit obligation (DBO)	16,614	12,795
Interest expense on DBO	462	480
Actuarial losses on scheme liabilities	1,418	3,651
Net benefits paid	<u>(240)</u>	<u>(312)</u>
Closing defined benefit obligation	<u>18,254</u>	<u>16,614</u>

**Pensions (continued):**

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

	Year to December 2017 £'000	Year to December 2016 £'000
Opening fair value of scheme assets	15,525	11,683
Interest income on scheme assets	431	438
Gain on scheme assets	1,229	3,606
Contributions by the employer	110	110
Net benefits paid out	(240)	(312)
Administration expenses	<u>(10)</u>	<u>-</u>
Closing fair value of scheme assets	<u>17,045</u>	<u>15,525</u>
Actual return on Scheme assets	<u>1,660</u>	<u>4,044</u>

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

	2017 £'000	2016 £'000
Fair value of assets	17,045	15,525
Present value of funded defined benefit obligations	<u>(18,254)</u>	<u>(16,614)</u>
Funded status	<u>(1,209)</u>	<u>(1,089)</u>
Liability recognised on the Statement of Financial Position	<u>(1,209)</u>	<u>(1,089)</u>

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

	Year to December 2017 £'000	Year to December 2016 £'000
Interest on defined benefit liability	<u>41</u>	<u>42</u>
Pension expense recognised in the Statement of Financial Activities	<u>41</u>	<u>42</u>

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

	Year to December 2017 £'000	Year to December 2016 £'000
Asset gains arising during the year	1,229	3,606
Liability (losses) arising during the year	<u>(1,418)</u>	<u>(3,651)</u>
Liability recognised in Other Comprehensive Income	<u>(189)</u>	<u>(45)</u>

**B. Universities Superannuation Scheme**

The Society participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016, which was 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. From April 2016, the employer contribution percentage is 18% (2015: 16%).

**Pensions (continued):**

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 Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

The Society employer contributions for the year ended 31<sup>st</sup> December 2017 amounted to £209,973 (2016: £245,195). 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. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	<b>2017</b>	<b>2016</b>
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.41%	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	98% of S1NA ["light"] YoB tables – No age rating
Female members' mortality	99% of 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 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	<b>2017</b>	<b>2016</b>
Males currently aged 65 (years)	24.4	24.3
Females currently aged 65 (years)	26.6	26.5
Males currently aged 45 (years)	26.5	26.4
Females currently aged 45 (years)	29.0	28.8

	<b>2017</b>	<b>2016</b>
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS 102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%

## 18. Financial instruments

	The Group		The Society	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Financial assets at fair value through statement of financial activities</b>				
Equity investments	5,380	3,755	5,380	3,755
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Trade and other debtors	296	265	150	146
<b>Financial liabilities measured at amortised cost</b>				
Trade creditors	(156)	(249)	(151)	(249)

## 19. The Society's income and expenditure

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 income for the year for the Group, being consolidated net income and expenditure less the profit retained in the subsidiary, amounts to £461,000 (2016: net expenditure £230,000) 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	Year to 31 December 2017 Total Funds £'000	Year to 31 December 2016 Total Funds £'000
Incoming and endowments per consolidated statement of financial activities	4,798	19	4,817	4,669
Deduct: income of trading subsidiary	(3,910)	-	(3,910)	(3,600)
Add: gifted payments from trading subsidiaries	1,846	-	1,846	1,831
Incoming resources - Society	<u>2,734</u>	<u>19</u>	<u>2,753</u>	<u>2,900</u>
Deduct:				
Total expenditure per consolidated statement of financial activities	4,658	30	4,688	5,308
Deduct: expenditure of trading subsidiary	(2,064)	-	(2,064)	(2,249)
Outgoing resources - Society	<u>2,594</u>	<u>30</u>	<u>2,624</u>	<u>3,059</u>
Net gains on investments	269	63	332	409
Investment impairment released	7	-	7	9
Net income – Society				
Before other gains and losses as per consolidated statement of financial activities	<u>416</u>	<u>52</u>	<u>468</u>	<u>259</u>
Actuarial loss on defined benefit Pension Scheme	(189)	-	(189)	(45)
Net movement in funds relating to the year	<u>227</u>	<u>52</u>	<u>279</u>	<u>214</u>

## Biochemical Society Financial Statements

Notes to the Consolidated Financial Statements for the period ended 31 December 2017

### 20. Transactions with related parties

The Society has taken advantage of the exemption in the 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:

	2017 £'000	2016 £'000
<b>Income</b>		
Accounting	6	15
IT services	(2)	(1)
Association Management	-	-
Other	1	7
<b>Total income</b>	<u>5</u>	<u>21</u>
<b>Expenditure</b>		
HR Services	42	47
Conference facilities	27	53
Other	4	4
<b>Total expenditure</b>	<u>73</u>	<u>104</u>

As at 31<sup>st</sup> December 2017, debtor balances totalling £2,000 (2016: £16,000) and a creditor balance of £Nil (2016: £1,000) were outstanding with Charles Darwin House Limited. These balances will be settled in cash.

A loan of £36,000 was made to Charles Darwin House Ltd in May 2017. The full balance of this loan remains outstanding as at 31<sup>st</sup> December 2017.

Details of transactions between the Group and the co-owners of Charles Darwin House Limited for the year to December 2017 are disclosed below:

	SEB £'000	BES £'000	RSB £'000	MS £'000	SfAM £'000	TOTAL £'000
<b>Income</b>						
Accounting	4	-	-	-	-	4
IT / Admin Service	-	-	-	-	8	8
External Events	-	-	13	-	-	13
Other	1	-	1	-	-	2
<b>Total Income</b>	<u>5</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>8</u>	<u>27</u>
<b>Expenditure</b>						
Subscriptions	-	-	50	-	-	50
Grant	-	-	20	-	-	20
Grant – Sponsored Staff	-	-	60	-	-	60
Other	-	1	5	-	-	6
<b>Total Expenditure</b>	<u>-</u>	<u>1</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>136</u>
<b>External client income</b>	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>16</u>
<b>Balances as at 31 Dec 2017</b>						
Debtors	-	2	16	-	1	19
Creditors	-	-	13	-	-	13

There are no other related party transactions to disclose.

### 21. Part disposal of interest in Charles Darwin House

On 15 March 2016, the Trustees of the Biochemical Society agreed to sell a 6.2% share in Charles Darwin House Ltd, and its associated properties, to SfAM. This sale was completed on 12 May 2017 for the value of £1,364,000 (value at cost, £905,000).