

**BIOCHEMICAL
SOCIETY**

Trustees' Report and Accounts for the year ended 31 December 2019

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OUR MISSION

The [Biochemical Society](#) is the UK's largest single-discipline learned society within the biosciences. Together with our publisher, [Portland Press Limited \(PPL\)](#), the Group promotes the future of the 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.

PUBLIC BENEFIT STATEMENT

The Biochemical Society promotes the advancement of the molecular biosciences. 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 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Registered charity name: Biochemical Society

Charity registered number: 253894

Company number: 00892796

Registered Office: First Floor, 10 Queen Street Place, London EC4R 1BE

Telephone: +44 (0)20 3880 2793

Email: info@biochemistry.org

Website: www.biochemistry.org

Twitter: @BiochemSoc

Company name: Portland Press Limited

Company number: 02453983

VAT No: GB 523 2392 69

Email: editorial@portlandpress.com

Website: www.portlandpress.com

Twitter: @PPPublishing

FOREWORD FROM OUR PRESIDENT AND CHIEF EXECUTIVE

2019 was a time of important challenges and significant change for both the Biochemical Society and its wholly-owned subsidiary, Portland Press. We are proud to report that the Group continued to keep the interests of the community at heart, delivering a stable and engaging programme of activities while innovating amidst a changeable landscape.

In Westminster, discussions around Brexit continued throughout the year, culminating in the UK's General Election in December. Working primarily with the Royal Society of Biology (RSB) and the Campaign for Science and Engineering (CaSE), we ensured the voice of our members was heard on these matters. Working with our partners, including the British Pharmacological Society, Microbiology Society, Royal Society of Chemistry, Society for Applied Microbiology and The Physiological Society, we maintained our engagement on policy issues, sharing relevant and timely information across our community.

Building on momentum from the previous year, we published our new Group strategy for 2019–2021 with Portland Press finalizing its Business Plan for the same period. These documents focus on navigating the changes in research funding policy and the publishing landscape; they develop the Society's ambitions for achieving open scholarship, extending our reach within the molecular biosciences and strengthening our engagement across the breadth of the life sciences community.

Our proactive stance on open scholarship and initial success in piloting new publishing models favouring open access (OA) has positioned us as pioneers in the sector. We have achieved this with great transparency and in close collaboration with key stakeholders including research funders and subscribing institutions. Achieving a sustainable and equitable transition of the publishing sales model is part of our journey towards open scholarship which will continue to be a cornerstone of the Society's strategy over the coming years.

Publishing income remains the Group's largest source of revenue and this year we saw a five-year high in subscriptions, bringing in £3.56M, ahead of our budget of £3.35M. Against the aim of offering a home to every paper in the molecular biosciences, we have also seen a steady increase in published content in our seven journals. The number of submissions to our journals increased by 45%, realizing an increase in published work of 20% compared to 2018. Of the >1500 articles published in 2019, over 60% were published OA.

We have continued to apply our financial resources to meet our charitable objectives in support of the bioscience community, providing over £200,000 to support individuals through grant funding and education projects. Other key activities during the year included: an increased programme of engagement with specific cohorts of our membership through working with our Early Career and Industry Advisory Panels; there has been improved gender balance amongst invited speakers across our scientific meetings programme; an increase in both the number of training events and those participating – in particular, our free Massive Open Online Course (MOOC) – Biochemistry: the Molecules of Life, produced in collaboration with the University of East Anglia (UEA) and FutureLearn, attracted 4,865 participants in 2019 (a 80% increase on the previous year) from over 150 different countries.

International development is an area of significant strategic focus for us. The reach of our journal portfolio is truly global, with over 1,470 corresponding authors from across 49 different countries publishing their work in Portland Press journals. In 2019, we concentrated our efforts in strengthening our presence and activity in the US, China and Europe. China is a competitive

marketplace with increasing importance in the field of scientific research. More than 80% of the authors of papers published in one of our journals, *Bioscience Reports*, are from China, so engaging with researchers based in this part of the world is, and will continue to be, of prime importance.

In support of this objective, in 2019, we were pleased to be able to attend a series of meetings and events in China. The primary aim was to build on the success that our journal portfolio is achieving in the country and reaffirm our connections with the Chinese Society of Biochemistry and Molecular Biology (CSBMB) at the 40th anniversary of their annual conference.

In the summer of 2019, the Group relocated its offices, having sold our co-owned Charles Darwin House (CDH) properties in Roger Street and Gray's Inn Road. The sale of these buildings provided additional flexibility in supporting our property and investment goals, to secure the Society's future. Our successful relocation to serviced offices in Holborn was a considerable undertaking achieved with minimal impact on our 'business as usual' activities. The move has enabled us to offer our team a variety of options to support flexible working, reinforcing our position as an ethical and forward-looking employer.

At the end of 2019, the Council of Trustees made the strategic decision to pursue the purchase of new, permanent Society premises and, in parallel, authorized the extension of the current tenancy to house our offices until this property is found. However, at the time of writing, the world is facing a global pandemic: the UK and several other countries are in 'lockdown', social distancing measures are in place and, in addition to many of those in the community that we serve, our employees and colleagues are also working from home. We will continue to monitor the situation to ensure future decisions on property purchase are based on economic and sociological factors, ensuring the Group remains financially robust. We have incorporated further commentary on the impact of COVID-19 within this document.

Despite the disbanding of the CDH 'Hub', we have strengthened our commitment to collaboration across the life sciences, working with 198 partner organizations in 2019, compared with 137 organizations in the previous year.

To ensure our continuing support for the molecular biosciences, 2019 has seen considerable work to reinforce our operational infrastructure, creating a more agile organization to meet the challenges ahead. In particular, our planned project to migrate all systems to 'the cloud' was completed in 2019 enabling us to offer flexible, remote working. In addition to this, further technology-based projects have been completed, including migrating our journal content to a new online hosting platform (Silverchair), delivering an improved membership database system (Fonteva), and enhancing the look and feel of the Society website.

None of this could be achieved without the on-going support and commitment from our Trustees, Members of PPL Board, Local Ambassadors, Editorial Board members, Society members, peer reviewers, authors, partner organizations and staff team. We are in a fortunate position of working within a close-knit community that strives for excellence and, it is through this collaboration, that we can successfully achieve our goals for the benefit of the molecular biosciences and wider society.



Professor Sir Pete Downes
President, Biochemical Society



Kate Baillie
CEO, Biochemical Society
Managing Director, Portland Press Limited

STRATEGIC REPORT ON GROUP ACTIVITIES

The Group published its three-year strategy last year along with Portland Press finalizing its Business Plan, both of which cover the period 2019–2021. Our goal has been to embed and build on progress made over the previous years, while broadening our reach to fulfil our mission in a rapidly changing world.

The strategy is developed around six core strands of activity. What follows is an assessment of Group business within 2019 against the strategic objectives set for the year, through a review of key projects and performance indicators.

Principal risks and uncertainties on page 28 forms part of the Strategic Report for Companies Act purposes.

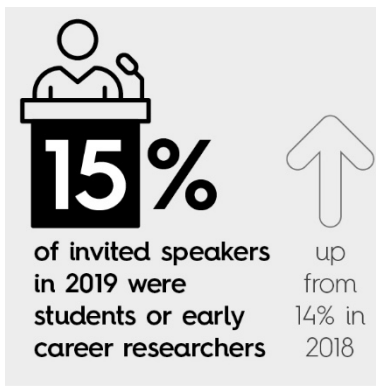
Bringing together molecular bioscientists

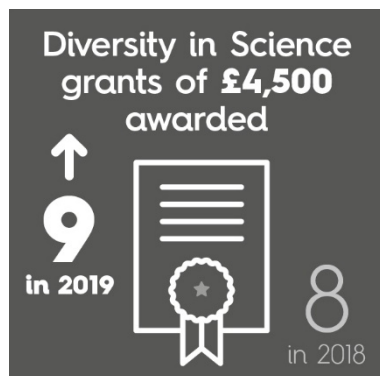
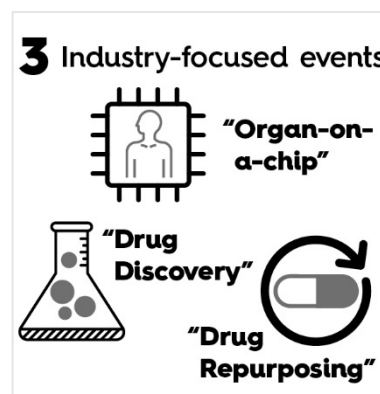
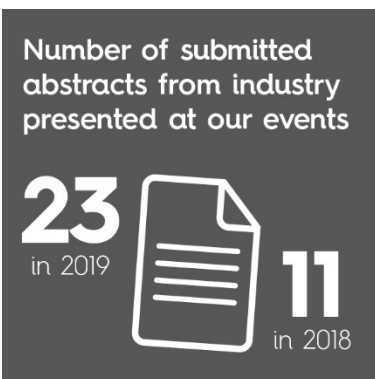
In 2019 we focused on four key objectives to bring together molecular bioscientists.

Key objectives for the year

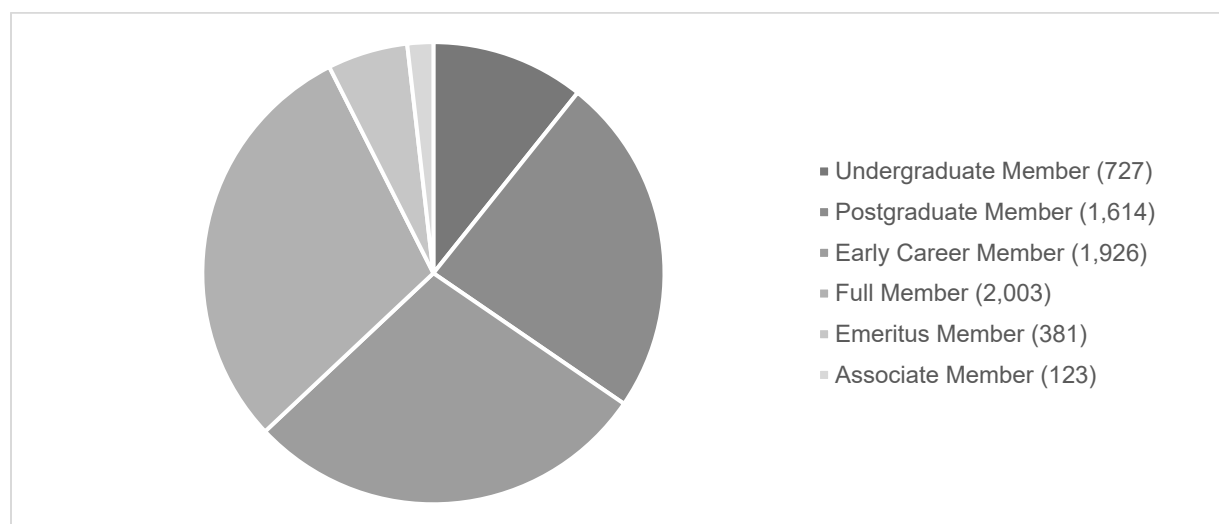
- Expand our offerings for early career bioscientists
- Continue to increase industry involvement across our activities
- Expand our international links and networks
- Continue to foster diversity and equal opportunity for our discipline

Delivery on progress





During 2019, the Biochemical Society reached a peak of 6,774 members¹ including 6,364 paid membership subscriptions. This is slightly lower than comparator figures from 2018 where there were 6,922 members, including 6,516 paid members. The chart below breaks the 2019 figures down by 'Member Category'.



¹ The Biochemical Society operates 'anytime start' membership subscriptions, meaning that membership numbers fluctuate during the year. These figures show the highest figures throughout the year for both 2018 and 2019.

Our Early Career Advisory Panel plays an important role in guiding the Society's future activities and supporting a strong future for molecular bioscientists. In 2019, we have continued to provide grant funding, targeting those members in the early stages of their career², along with recognizing exceptional individuals as part of our Early Career Research Awards. Other initiatives have included launching reduced registration fees for scientific meetings for this cohort and building on our engagement with Early Career members through our communications and blogs. Additionally, a new 'Junior Editorial Board' was approved by our Publications Committee for development in 2020 as an initiative for early career researchers to receive mentoring in editorial processes. These activities all contribute to our strategic objective of expanding our offerings and building engagement with these members, to provide career-long membership and dedicated support for those specific individuals in the first 10 years after gaining their postgraduate qualification.

During the first half of 2019, at a 'Policy Twilight' event organized by the Royal Society of Biology (RSB), we received useful validation of our progress in industry engagement. Our Director of Operations presented the conclusions of the first 3 years of our 'Industry Engagement Strategy', summarizing that focusing on engaging industry through membership recruitment was too reductionistic and, if used as a sole metric for success, would not provide useful data. Instead, the Society's focus on engaging with industry through all of its activities and ensuring an industry presence within its governance delivered greater success. These conclusions were mirrored by those of the other societies presenting and have fed directly into the considerations included within the 2019 Membership Review.

In the latter half of 2019, a review of the Membership Department and related functions was conducted, which included a comprehensive look at all of the activities of the team, resource capacity, our future requirements and benchmarking with other learned societies. The review concluded that it is important for the Biochemical Society to engage with the whole of the molecular bioscience community, across members and non-members. It was with this in mind that the role of Community Engagement Manager was developed. This new centralized function brings together initiatives, information and resources from across the entire organization to allow for greater engagement and a more holistic experience for our members, key stakeholders and wider community.

In terms of expanding our international presence, our focus in 2019 has concentrated on the US, China and Europe. In October, a small delegation travelled to China to visit a number of institutions and individuals, including Editorial Board members of the [Biochemical Journal](#), [Bioscience Reports](#) and [Essays in Biochemistry](#), and also met with early career researchers who had signed up to a publishing workshop that the staff team delivered while in Beijing. The delegation also met with senior members of the Council of the [Chinese Society of Biochemistry and Molecular Biology \(CSBMB\)](#). China represents a competitive marketplace and has increasing importance in the field of scientific research, so we were keen to build on our pre-existing relationships and our previous strategic engagement with key institutions and individuals within the country.

² Early Career membership covers the first 10 years after gaining a postgraduate qualification

Our President, Professor Sir Pete Downes, represented the Society at the 40th anniversary conference of the CSBMB. At this event, we were able to meet with several eminent figures in the Chinese scientific community and re-establish our connection with them. As a result of this visit, the Publishing team have been actively commissioning content from around 100 speakers and poster presenters featured at these events. Through this engagement, we hope to see increased submissions from researchers based in China. As of end April 2020, China is easing out of COVID-19 lockdown conditions, and submissions to the journals from researchers based in China (versus the same period in 2019) have increased. While copy flow and pipeline impacts are anticipated for 2021, at present, editorial and scientific consideration of submissions continues via remote working and online connectivity. This is possible as journal editors (external subject-matter experts) and staff alike are able to continue publishing-oriented work despite physical barriers and travel-related constraints.

Across the US, the Group continued to maintain its presence at the [Experimental Biology conference](#) held annually (in Florida in 2019), to connect with researchers in this field and encourage submissions to our journal portfolio. Additionally, regular marketing communication campaigns were sent, targeting researchers in China, the US and Europe, predominantly to share details about publishing opportunities, scientific meetings and training events.

Portland Press took on direct liaison with the California Digital Library (CDL) that signed up to a new journal subscription-plus-archive deal. We also engaged in discussion around the evolution of publishing models with several international librarian contacts, including the German-based Max Planck Digital Library over the course of the year.

The Society is a member of '[Equality, Diversity and Inclusion in Science and Health](#)' (EDIS) and actively supports initiatives to promote these principles across our activities.

In 2019, we have focused largely on promoting equality on our committees and *via* our speakers across our scientific meetings programme. We are proud to have seen an increased proportion of female invited speakers (52% in 2019 vs. 37% in 2018), in line with our strategy of bringing event representation to a 50:50 gender balance. On 5 July, the Group also showed its support for 'LGBTSTEM Day'. This day coincided with our annual 'Translation UK' conference and we provided rainbow ribbons on delegate badges along with optional pronoun stickers. This received a very positive response and opened further conversations regarding equality and diversity. The Society has continued to offer optional pronoun stickers at all other events.

Plans for the future

- Work towards growing paid membership to 7,000 members by 2021 by increasing engagement with our community, to promote career-long membership
- Develop an online community group for Early Career members by harnessing the expertise of the Society's Early Career Advisory Panel (ECAP)
- Engage with early career researchers to support publishing innovations and new offerings from the Group through the creation of a taskforce and focus group style meetings and communications to be developed by the Chair of ECAP and the Publishing team

- Utilize our Industry Advisory Panel to develop opportunities around mentoring and apprenticeships to strengthen our connection with industry
- Increase engagement and collaboration across China, to provide the best service to researchers via translation services, language-editing offerings, publishing webinars and continued communication with journal Editorial Board members and authors from the region
- Develop targeted campaigns to promote diversity in the molecular biosciences, to improve our gender balance across activities including scientific meetings and award nominations and encourage a wider diversity of representation amongst our external communications

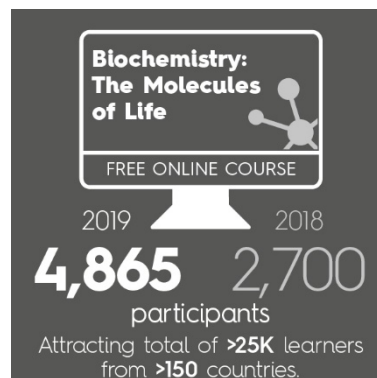
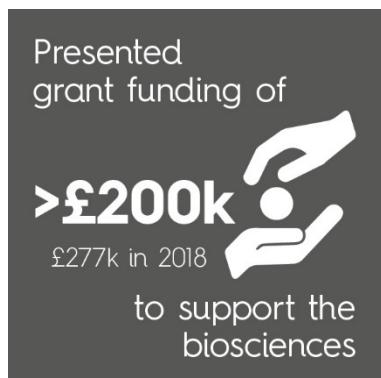
Supporting career development and lifelong learning

Supporting continued career development is a fundamental element of what the Group offers to the bioscience community. This is achieved through face-to-face and online training, attendance at scientific meetings and *via* our journals. As part of the Society's strategic aims, we are also committed to supporting teachers at all levels, as well as their students, and providing career resources to bioscientists at every stage of their working life.

Key objectives for the year

- Provide learning and networking opportunities
- Support teachers at all levels
- Support the future pipeline of molecular bioscientists
- Continue to offer grants and bursaries to support members in accessing continuing professional development

Delivery on progress





One of the most practical and direct ways in which the Society is able to support its members with career development and lifelong learning is through its [grants programme](#). In 2019, a total of £107,723 was awarded to support members with the cost of registration fees, travel and accommodation expenses associated with attending scientific meetings and training events. This resulted in a total of >£200,000 of charitable grant funding provided by the Society which included our Summer Vacation Studentships and additional grants to support diversity in science and scientific outreach projects in 2019.

There were 14 scientific meetings and one Harden Conference organized in 2019. With our eight training courses included, we delivered a total of 23 events last year, maintaining our activity compared with 2018. All our scientific meetings provide opportunities to submit abstracts for poster presentations and oral communications, which is particularly useful to students and early career researchers enabling them to share their research to progress their career. These activities, along with our training events, are all CPD accredited by the Royal Society of Biology (RSB) to further support attendees with their professional development and recognition.

As part of its on-going commitment to education, the Society works to support teachers at all levels. In 2019, we worked with the Scottish Schools Education Research Centre (SSERC), committing to support five 3-year teacher placements, per year, run by SSERC, at a total annual cost of £5,000. We also supported teacher placements in Northern Ireland through Deliberate Learning, which provides a similar level of commitment, supporting five teacher placements. Additionally, the Society has developed its own pilot set of placements in England hosted or organized by members of its Education Committee. Funding of £10,000 covered up to ten teacher placements, with each placement providing extra funding of £250 to support a joint student-focused activity with the host university or employer after the placement. These placements and the resources we provide to teachers help the Group contribute toward the continued development of teaching in biochemistry and molecular biology.

To ensure continued growth within the biosciences community, the Society provides a variety of careers resources to promote and showcase the opportunities available for those interested in working within the molecular biosciences. In 2019, we developed a new career poster, in collaboration with the Gatsby Charitable Foundation, to promote work on microalgae. We continue to publish new case study profiles and 'A day in the life of' articles in [The Biochemist](#), which highlight the variety of roles available across the sector, profiling research scientists,

bioethicists, lecturers and research technicians.

In our 9th year of the Science Communication Competition, there were six winners: three with written pieces and three with video pieces. The winners received prize money of up to £300 and publication of their entry in [The Biochemist](#) or on our [blog](#). This competition engages those with a burgeoning interest in communicating science and aims to inspire young people to learn about the molecular biosciences and consider a future in this field.

Plans for the future

- Introduce professional registration as an option for Society members, working in partnership with the RSB and the Science Council
- Launch a new online training course to explore Public Engagement and Science Policy
- Investigate further opportunities for developing online learning and networking, to include a new series of webinars and virtual conferences
- Broaden our careers offering to pre-16 and postgraduate students with the introduction of new resources on gaining teaching qualifications and experience, and developing a classroom resource connecting the national curriculum with bioscience careers
- Explore new ways to support careers-related activities and promote opportunities through our Jobs Board
- Review and develop the Society's grants and bursary portfolio through analysis of under-utilized funds and ensuring they remain relevant to the biosciences community

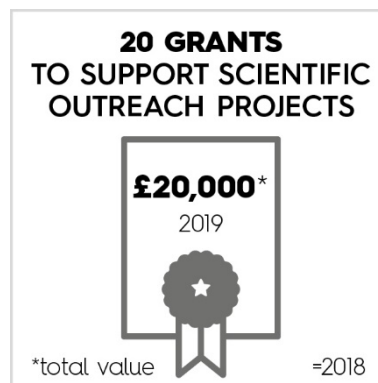
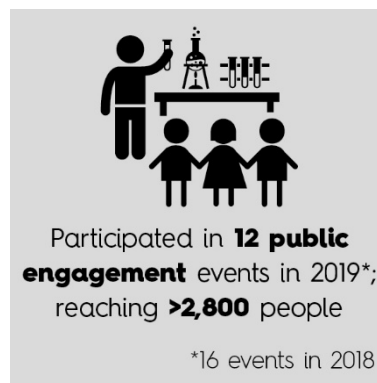
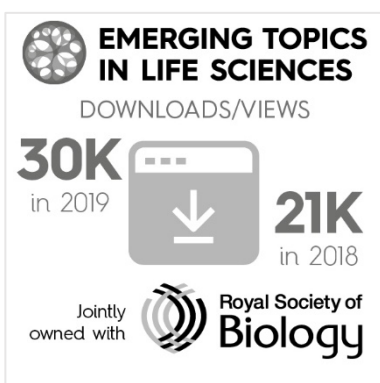
Encouraging wider dialogue and working collaboratively across and beyond our community

The Society gives a voice to our community to influence the changing culture of science through communicating the sector's work to policymakers, *via* public engagement and through our publishing activities. In 2019, the key foci of this work were on Brexit; the UK General Election; and, delivering our plans for a sustainable transition to open access (OA) and open scholarship. Through our [Policy Network](#) and collaboration with other learned societies, we continue to offer bioscientists a variety of opportunities to engage with parliamentarians, the wider scientific community and the general public.

Key objectives for the year

- Ensure a strong future for the molecular biosciences, maximizing opportunities for impact, engagement and innovation through working in strategic collaboration
- Deliver and implement plans for a sustainable transition to open access and open scholarship
- Continue to engage our members with key policy issues relating to science and science education
- Support students and researchers to communicate their work to policymakers and the public
- Give a voice to our community to influence the changing culture of science

Delivery on progress



We have continued to work with learned societies, research institutions and funders, and other organizations in and beyond the STEM sectors and across all our areas of activity. In 2019, the Group worked with a total of 198 organizations, an increase on the 137 collaborator organizations we identified in 2018, reflecting the increasingly multidisciplinary nature of our community and the Society's work.

In the Autumn, we published our [2019 position statement on open scholarship](#) that was developed in close collaboration with the Policy Advisory Panel and Publications Committee, and with oversight from Portland Press Board and the Council of Trustees. This statement underpins our ambition to achieve a sustainable transition to open scholarship and covers OA, open data, metrics, research integrity and public engagement.

The Society and Portland Press also joined the [Society Publishers' Coalition \(SocPC\)](#) to participate on wider conversations around open scholarship and changes to the publishing landscape. Our involvement in the SocPC has turned out to be one of the most impactful collaborations with external organizations in 2019. In February, the Group joined twelve other signatories on the SocPC's consultation response to the implementation of [Plan S](#). Self-publishing learned societies within the SocPC also formed a working group. This group came together to share principles and develop thinking around favouring OA publishing and commencing a transition of the publishing business model away from paywalls. Our Director of

Publishing was elected to the Council of this coalition in September and assumed the role of Vice Chair in October 2019.

The Society continues to be a member of the [Campaign for Science and Engineering \(CaSE\)](#), alongside over 100 other institutions and individuals. We also co-fund a joint Policy Officer at CaSE with 12 other organizations, whose role is focused on Brexit and research investment. We agreed to continue jointly funding this position for a further 2 years, alongside a number of institutions, including universities, the Astronomical Society and the Royal Society of Chemistry. The Biochemical Society is not a 'registered campaigning organization', therefore it has been key within this period of considerable political change for us to maintain our close relationship with CaSE, enabling us to engage with policymakers at a campaigning level, ensuring that the voice of the molecular biosciences is heard.

Brexit negotiations continued to dominate UK politics, particularly in the latter half of 2019, resulting in a snap General Election in December 2019. At this time, the Society encouraged members to join its Policy Network to receive its dedicated election bulletin where we shared analysis, commentary, key policy issues, party manifestos and pre-election guidelines for scientists.

In 2019, the Society responded to a total of seven consultations; four of which we contributed to as part of a wider RSB response. These consultations covered future funding frameworks for international collaboration, Ofsted's education inspection framework, Brexit, Higher Technical Qualifications, equity in STEM education, commercial genomics, and the Teaching Excellence Framework (TEF).

Through our Policy Network and collaboration with other learned societies, we continued to offer Early Career members and students a variety of opportunities to engage with parliamentarians. In March 2019, six of our Early Career members represented the Society at the Voice of the Future event in Westminster, where four of them were able to put questions relating to science policy directly to MPs.

Other activities to engage both the molecular biosciences community and policymakers on relevant science policy issues included our attendance at the annual [Parliamentary Links Day](#) and [STEM for Britain](#). We also participated at an event, hosted by Sense about Science, held during Evidence Week. At this event, the Society partnered with CompBioMed and UCL to present 'The Virtual Human: a case study in collaborative data'. This interactive presentation was delivered at the Houses of Parliament to showcase the importance of international collaboration and the use of data in biomedical research.

In terms of public engagement, the Society built on the success of its pilot Art & Science workshop in 2018 by embedding Art & Science into its activities for 2019. A UK-wide series of workshops, bringing 57 molecular bioscientists and artists together, was held in collaboration with the Glasgow School of Art, Northumbria University, the Liverpool School of Art and Design and the Cardiff School of Art and Design. This project provided the Society with a unique activity to foster collaborations between the Society's members and art and design institutions with significant potential for scientific outreach and to inspire interest in the biosciences.

Plans for the future

- At the time of writing, there is a COVID-19 global pandemic. The Group will develop resources and share expertise on how this will impact the research landscape, liaising with strategic partner organizations
- Maintain collaboration with research funders, institutions, like-minded society publishers as well as other organizations and stakeholders on matters relating to open scholarship and transition of the publishing model to OA
- Implement a revised data policy for research journals in support of open science
- Respond to the UK Research and Innovation (UKRI) consultation on open scholarship
- Develop our Policy Network through an online community group
- Continue to add to our portfolio of downloadable public engagement resources

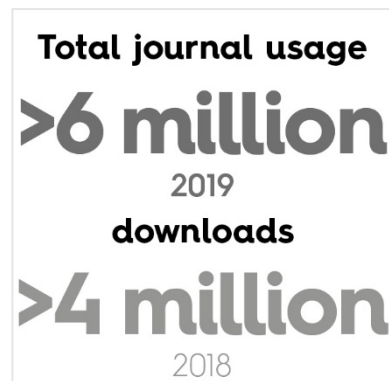
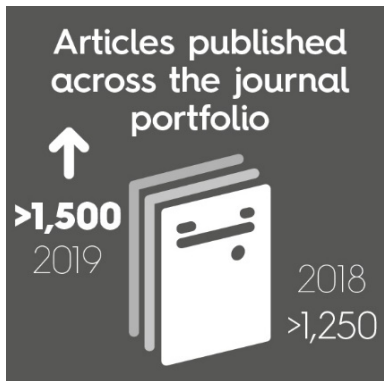
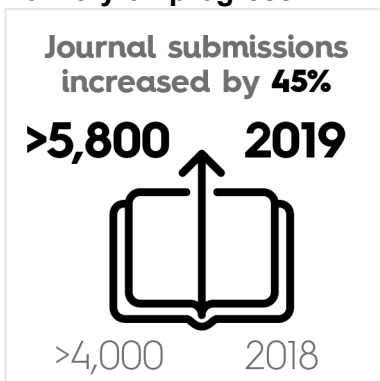
Promoting and sharing knowledge

Publication and dissemination of research is an important way in which the Group circulates knowledge amongst the molecular biosciences community. Our focus is to increase the quality, quantity and breadth of articles published across the portfolio, whilst improving accessibility to scientific papers and offering a more engaging experience for users. The Society's scientific meetings and training events programme is another way in which we provide opportunities for sharing scientific information and expertise.

Key objectives for the year

- Develop the Portland Press portfolio to offer a home for every paper published within the molecular biosciences
- Support and serve our publishing communities
- Continue to evaluate the positioning of the Society's scientific meetings and training programme
- Continue to create online content to support the teaching and understanding of biochemistry

Delivery on progress





A core objective for Portland Press is to offer a home for every paper published within the molecular biosciences, growing to encompass the broader life sciences. In 2019, we saw journal submissions increase from just over 4,000 (in 2018) to >5,800. This resulted in a total of >1,500 articles published across the journal portfolio; the majority of these were published in [Bioscience Reports](#). This is an increase on the ~1,250 peer-reviewed papers and review articles that were published in 2018. Of these articles published, 970 were published in 2019 as OA, compared to >680 in the previous year. This means that, for the first time in the history of the Society and Portland Press, >60% of articles across the journals were published OA in the year.

One of the most significant projects of 2019 was the migration of our journal portfolio and related content to a new platform, www.portlandpress.com, hosted by Silverchair Information Systems. The new publishing platform was launched in October 2019. It provides homepages for each of the journals and offers a more flexible and accessible design as well as improved search, reporting and back-end functionality for authors, readers and our subscriber community of institutional librarians.

A key indicator of the value of the research we publish is the volume of total usage (article views and full-text PDF downloads). In 2019, we saw an increase in this activity to 6.19M from 4.16M the year before, representing 49% more downloads of content published in the Society's journals.

The launch of our new publishing platform facilitated the rollout of the [Crossmark](#) service – a tool for article version control – and the delivery of [Altmetric](#) alongside newly published content. The Altmetric service provides alternative metrics (such as mentions on social media, policy documents and news reports) for each published article, and Altmetric scores are based on online tracking of thousands of sources. During the year we also partnered with [Publons](#); an online community of researchers, providing a service to recognize activity of reviewers of research papers to help build their profile.

In 2017, the Society launched two new journals via Portland Press: reviews journal [Emerging Topics in Life Sciences \(ETLS\)](#) – co-owned by the Royal Society of Biology – and research journal [Neuronal Signaling \(NS\)](#), a new, fully OA title. These were the first new Society-owned journals to launch in over 30 years. Over 2019, the ETLS title has continued to publish six issues per year and achieved listing on the Emerging Sources Citation Index – an indicator of

quality in the [Web of Science](#) database. The NS journal did not achieve its targeted level of copyflow over the year. This was at least in part owing to the lack of indexing in research databases – although the title did achieve listing in the [Directory of Open Access Journals](#). To help grow the number of submissions and publications, an application to the [PubMedCentral](#) database was made in November 2019.

In 2019 we had a stable, relevant and impactful portfolio of events to inspire scientists across a diverse range of specialisms. We welcomed 1,670 delegates to our events, an increase of 7% compared to 2018. We also ran three hybrid events, which provided live streaming and speaker presentations on demand for a short period afterwards. This is an area we are keen to continue developing, to provide a variety of options for accessing scientific content whether it is face-to-face or remotely. Due to the COVID-19 pandemic, our face-to-face scientific meetings have been dramatically affected in 2020 and we expect to see a slow return to our 'normal' programme in 2021. However, to reflect these changes in our environment, for 2020, we have pivoted to develop a new series of webinars and are also looking to host some of our programmed events as virtual online conferences.

Plans for future periods

- Increased usage of published articles with dedicated marketing campaigns to push specific collections of research
- When the current phase of the Group's strategy was published in the summer of 2019, PPL growth plans were for the journal portfolio to achieve >2,200 published articles in the year by end 2021. At the time of writing, the COVID-19 pandemic and planned shifts in government publishing policy in China are set to impact future publishing pipelines
- Launch new language-editing services to support the research community where English is not their first language
- Implement approved data policy for research articles to support deposition and availability of datasets linked with published research
- Actively engage with our researcher community to explore new ways for Portland Press to add value
- Further development of online and hybrid scientific meetings and events

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

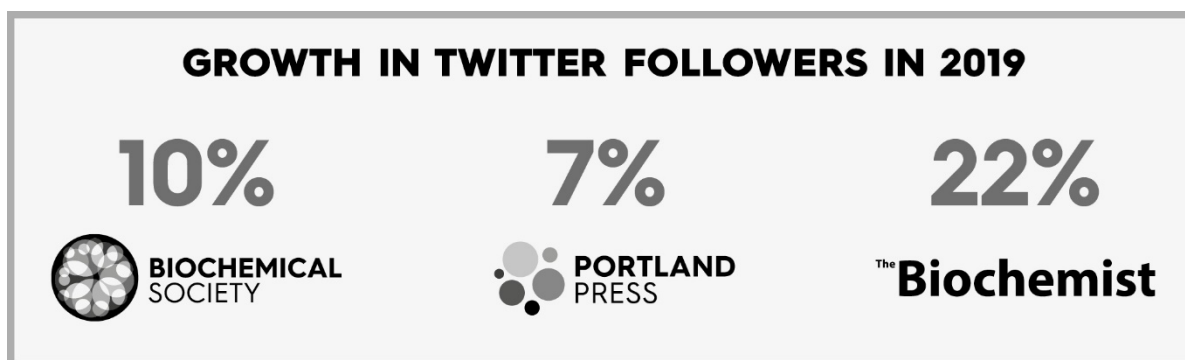
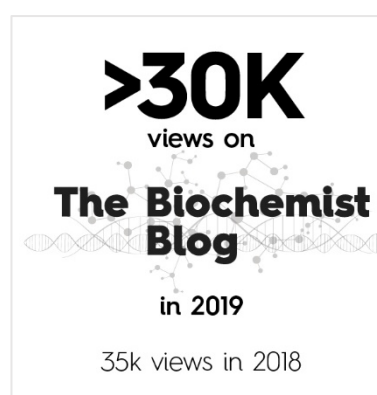
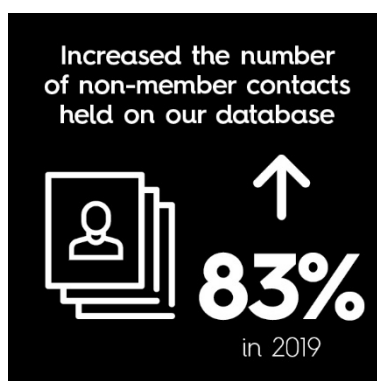
As part of our mission, the Society promotes the importance of the molecular biosciences, to acknowledge the contribution of the molecular biosciences on society. Following a review of the Marketing & Communications function in 2018, the team was restructured, and new resources were in place by the beginning of 2019. The activities of this team support the work of the entire organization, with a particular focus on broadening the reach of the Group, ensuring the

sustainability of our scientific meetings programme and increasing engagement with our journal portfolio.

Key objectives for the year

- Raise the profile of the molecular biosciences, the Society and Portland Press
- Emphasize the value of our publishing independence: by scientists for scientists
- Champion the needs of life scientists through all our activities

Delivery on progress



A new system was brought online at the beginning of the year, to provide a facility to send targeted email campaigns, which includes our monthly Members' News bulletins, as well as regular promotions about forthcoming events and publishing opportunities. This new system has enabled the Group to be more segmented in its communications and introduced efficiencies into our marketing process. We have also increased the number of non-member contacts held on our database by 83%. This data is GDPR³ compliant, and the increase is attributed to securing contacts from our journals, event attendees joining our mailing lists and achieving sign-ups at exhibitions such as the [FEBS Congress](#). Additionally, we have placed opportunities to join our mailing list *via* our website to receive details of our activities.

³ General Data Protection Regulation

Social media is an increasingly important channel of communication for the Group and Twitter is a very effective method of reaching out beyond our membership and amongst wider society to promote our activities and those working in the biosciences. The Group creates interesting content across social media and with its members that can be shared to promote a positive image of the molecular biosciences. This has included developing engaging activity around specific themes such as the International Day of Women and Girls in Science, British Science Week, Biology Week, Brain Awareness Week and, in 2019, the 150th anniversary of the Periodic Table.

[The Biochemist blog](#) provides an opportunity to publish accessible science-related content to engage a much wider audience. In 2019, there were 38 blogs posted compared to the 62 posts made in the year before. This is a decrease in the number of pieces shared, however, the focus has been more on extending the reach and average number of views per blog. In 2019, the average number of views per blog was 792, compared with 560 average views per blog in 2018. Work has been focused on strengthening the process around securing blog authors to ensure a greater diversity of writers and topics of interest.

The Society's annual [Awards programme](#) is another way in which the Society can celebrate excellence and recognize the contribution of the molecular biosciences on society. As a result of this activity, there is a lot of positive coverage across the media and via social media, showcasing exceptional individuals and their research. In 2019, there were 104 tweets and retweets regarding the winners' announcement, which resulted in 454 likes and 454,300 impressions on Twitter.

Plans for the future:

- Develop plans to launch a new Society website in 2021
- Work on a relationship tracker to identify key influencers and strategic bodies to collaborate with
- Deliver marketing and communications campaigns to highlight our publishing independence
- Drive article submissions, usage and citations to the journal portfolio through author engagement
- Promote the impact of the molecular biosciences on society through PR and communications including publication of member case studies and blogs
- Increase the diversity of nominations to our annual Awards
- Increase the reach of our Awards winners, for example through live streaming the Awards lectures
- Develop digital activity regarding social media and our blog, to remain relevant and up-to-date on the latest trends

Continue to ensure sustainable support for the advancement of science

It is this strategic aim that directed a large part of the Group's activities in 2019, to ensure secure and sustainable support for the advancement of science. This area of work focuses on maintaining our revenue streams to support our charitable objectives and introducing efficiencies across the organization to improve practices and processes.

Key objectives for the year

- Commence a financially sustainable transition to open scholarship that responds to the changing needs of researchers everywhere
- Ensure operational excellence across the organization through effective use of governance, business technology, finance and human resources
- Continue to build our reputation as a knowledge hub for the life sciences

Delivery on progress

SUBSCRIPTION INCOME

3.56M

2019

vs

3.35M

TARGET

**OA INCOME OF
£1.09M AGAINST
£756K THE YEAR
BEFORE, ABOVE
OUR BUDGET
OF £925K.**



**PORTLAND
PRESS**

launches
READ & PUBLISH

to

>700

subscribing institutions

READ & PUBLISH
agreements signed
with Council of
Australian University
Librarians and Jisc



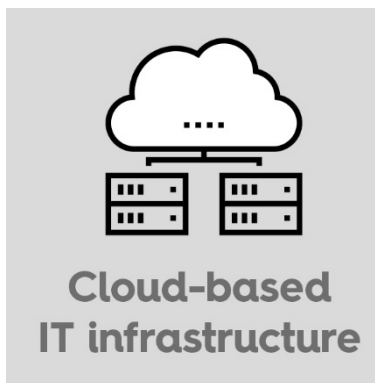
Sponsorship of our
scientific meetings in 2019
represents a total income of

>£77K

>£96k in 2018

New membership system

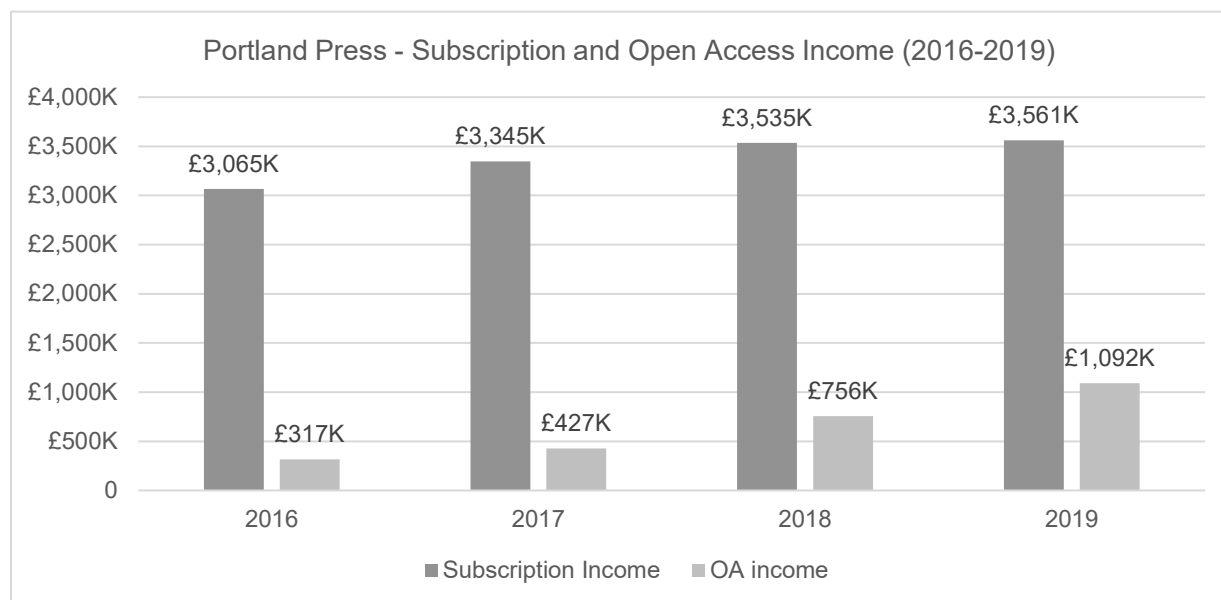




Subscription sales to our journals is the most important and significant revenue stream for the Group, providing much of the income the Group relies on to fulfil its charitable objectives. Last year the Group achieved a subscription renewal rate of 94%; resulting in the highest level of subscriptions income for five years. By the end of 2019, we had achieved subscription sales of £3.56M, ahead of our budget of £3.35M. This represents 75% of the total revenue of £4.81M generated by Portland Press, an increase on 2018 income of £344k.

In response to our activities promoting OA over the last few years we have seen a 41% increase in the number of articles published OA. This is largely due to the growth in [Bioscience Reports](#), combined with the promotion of our OA offerings across the portfolio since 2016. In financial terms, this surpasses our 2019 target for OA revenue of £925K, achieving £1.09M. This increase in OA income is particularly significant, tracking 244% above what was achieved in 2016.

Subscription and OA incomes were the largest contributors to Portland Press income in 2019 which, in total, resulted in a surplus of £2.12M returned to the Society in support of its charitable objectives.



By far, one of the biggest challenges facing the Group in recent years is the ability to successfully navigate a sustainable transition to OA; this being a stepping-stone towards open scholarship. The advantage of the Society owning Portland Press is that we have independence and direct control over the research we publish and our publishing sales model. This means that the Group was able to take swift action to develop its response to evolve the sales model, while staying sensitive to customer needs, unfolding changes in global research funding policies and the publishing landscape.

With most of our annual income coming from subscription sales, we have responded in a way that transforms our income in favour of OA. The first half of 2019 was spent researching opportunities, analyzing subscription and OA publishing activity, and developing ideas for a transformative⁴ offering with consortia and libraries that could be piloted in 2020.

Through active participation in the [SPA-OPS](#) project and collaboration with [Jisc](#), multi-year, pilot Transformative Agreements offering a single price-point for subscription access ('Read') and unlimited open-access publishing ('Publish') were signed with Jisc and the [Council of Australian University Librarians \(CAUL\)](#) in Q4 of 2019. A number of pilot 'transformative renewals' were also launched in August 2019 facing over 700 institutional subscribers. Portland Press is among the first of society publishers to offer a 'transformative' option for individual subscribing institutions. This pioneering approach was recognized at publishing and librarian conferences⁵ where we shared our vision with likeminded organizations.

Unlike the prevailing 'read & publish' from large commercial publishers, Portland Press' '[Read & Publish](#)' agreements (for 2020 and beyond) were constructed to offer all-inclusive 'Read' access to all paywalled content from 2018 onwards, as well as unlimited OA publishing, free from article publishing charges (APCs), across the entire journal portfolio.

As well as supporting the sector through the publishing opportunities and other services we offer, it is vital that we maintain a base of operations and provide sustainable funding so that we can continue to support the advancement of science. In 2018, the Trustees of the Biochemical Society, along with the other co-owners⁶ of the Charles Darwin House (CDH) properties, concluded that the collaborative goals of the CDH 'Biosciences Hub' had not been met, and that it was strategically advantageous for all to dissolve the partnership and sell the properties. Charles Darwin House (12 Roger Street) was sold in March 2019, and Charles Darwin House 2 (107–109 Gray's Inn Road) was sold in September 2019, which resulted in a net gain of £989,000 for the Society and an increase in the Society group's financial liquidity. Of these funds, £500,000 has been ring-fenced to support Portland Press activities through the use of technology, innovation and diversity. This support is aimed at enabling the business to innovate and adapt to key changes in the environment, specifically the transition to open scholarship, between 2019 and 2023.

⁴ The initiative for [Efficiency and Standards in Article Charges \(ESAC\)](#) broadly defines transformative agreements as "temporary and transitional" contracts negotiated between institutions and publishers that "transform the business model underlying scholarly journals from subscription to open access".

⁵ September 2019 [ALPSP](#) meeting in Windsor and the October [ICOLC](#) meeting in Luxembourg.

⁶ Royal Society Biology, Microbiology Society, British Ecological Society, Society for Experimental Biology, and the Society for Applied Microbiology.

Following the sale of the CDH properties, the Group's offices relocated to serviced offices in Holborn in June 2019. During this time, and as a result of improvements made to the Society group's operational foundations (in particular, the transition to an entirely cloud-based business technology infrastructure), the Group was able to continue to work with minimal interruption. This move to different premises has enabled the Society to experiment with new ways of working, providing additional flexibility in the working environment. In November 2019, the Trustees agreed to search for suitable permanent premises for purchase within 2020 and 2021, with the resulting offices taking advantage of the lessons regarding future focused and flexible working environments learned during the intervening period.

Plans for the future

- Increase take-up of '*Read & Publish*' deals
- Continue to seek collaborative ways to evolve the publishing sales model in favour of sustainable OA
- Achieve subscription sales budget of £3.52M (including 'transformative' income under pilot *Read & Publish* offerings) and OA revenue based on APCs of £1.8M
- Promote engagement with governance to increase nominations for committee vacancies
- Continue to review equality, diversity and inclusivity (EDI) practices across our policies and procedures
- Continue to implement the Society's Business Technology continuous improvement strategy
- Adopt new flexible methods of taking online payments
- Expand functionality of membership system
- Search for, and acquire, new permanent premises for the Society offices

GOVERNANCE AND MANAGEMENT

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](#), which can be found on the Society's website, on Companies House, or is available 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.

The Society's *Articles of Association* was changed twice during 2019. On 14 March 2019, to remove the role of Honorary Membership Secretary, reduce the minimum size of the Council of Trustees from eight to seven and to extend the maximum terms of office of the Early Career Representative Trustee, the Local Ambassador Representative Trustee and the Industry Representative Trustee. Also, on 25 July 2019, to increase the maximum term of office of the Chair of Portland Press Board (a Trustee position), to ensure continuity during a time of considerable change in the publishing landscape, and Portland Press' business activities.

Governance Committee Structure

During 2019, the Biochemical Society delivered its mission and charitable objectives through its members, who were represented on the Council of Trustees and its contributing 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. Its full composition is detailed on page 32 of this report. It has two 'Balance Positions' which are to be filled when the Society has a strategic need. At the time of writing, one of these positions was occupied by a representative from industry. The second position remains vacant. During the period covered by this report there were 14 Trustees, as shown on page 32.

- Executive Management Committee

The Executive Management Committee has the remit of overseeing the implementation of the Society Strategy, as set by the Council of Trustees. It meets a minimum of five times a year and met ten times in 2019. It comprises the Chair of the Executive Management Committee, the Honorary Treasurer, the Chair of Portland Press Board, an Independent Member (not otherwise appointed to a sub-committee of the Council of Trustees) and the Chief Executive Officer.

- 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, within 2019, comprised the Honorary Treasurer, Chair of the Executive Management Committee, Chair of the Board of Portland Press Limited and two

Independent Members appointed from outside of the Society with expertise in financial and charity financial matters. Independent Members are appointed *via* an external recruitment process overseen by the Honorary Treasurer and two further members of the Finance Committee.

- 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 and experience in compliance and audit-related matters. The Honorary Treasurer attends by request. The President of the Society may not attend these meetings.

- Additional Sub-Committees of the Council of Trustees

In addition to the above, within 2019, the Council of Trustees also had the following sub-committees:

- Awards Committee
- Grants Committee
- Conferences Committee
- Education, Training and Public Engagement Committee
- Publications Committee
- Policy Advisory Panel
- Elections and Appointment of Trustees

The Society is keen to encourage as wide a representation of its members as possible amongst its Trustees, as well as ensuring sufficient breadth of skill and experience. Members are invited to stand for election through announcements placed on the website and delivered directly by email, or *via* post if no valid email address is held. During 2019, the Society used Civica Election Services to manage both the nominations and elections processes, providing a straight-forward service whilst providing a layer of external scrutiny. The nominations process is overseen by the Nominations Panel and scrutinized by the Audit Committee. These committees are mindful of the particular skills of existing Trustees and Committee Members and areas of Trustee skills that might be strengthened.

Trustee Induction and Access to Training

New Trustees on appointment receive 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, and 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 at least the last 12 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 upon 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 comprising introductory sessions on charity management, law and governance, as well as the responsibilities of Trustees. Where Trustees require additional skills, or enhancements to pre-existing skills, requests are managed and training is provided.

Statement of Trustee Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 income resources, and the application of resources, of the Charitable Company for the period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities Statement of Recommended Practice and 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 (particularly in England and Wales) governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Management of the Society's Business and Activities

The Trustees have delegated the authority to manage the Society to the Chief Executive Officer (CEO) who reports on the performance of the Society against the strategic and operational plans approved by the Trustees. The Chief Executive is supported by the Senior Management Team comprising the Director of Operations, Director of Publishing and Director of Society Programmes, who progress the Society's activities and strategy, and deputize for the CEO in her absence. All Heads of Department report to a member of the Senior Management Team, with the exception of the Head of Human Resources, who reports to the CEO directly.

Portland Press Limited

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

Portland Press has its own Board of Directors, on which sit three Society Trustees. The full membership of the Portland Press Board of Directors in 2019 is listed on page 33.

Prior to its closure (see below), the Society made use of an HR resource employed through CDH Ltd and shared with a number of co-owners (Microbiology Society; British Ecological Society; Society for Experimental Biology, and Society for Applied Microbiology). In 2019 the Society group took on the employment of both HR personnel. This department continues to provide HR guidance to the Society, and also to the Microbiology Society, Society for Experimental Biology and Society for Applied Microbiology, who contract these services *via* Portland Press Limited.

Charles Darwin House Limited

Charles Darwin House Limited (CDH Ltd) held the legal title on trust for the beneficial owners of the properties sold during 2019 (see above): the beneficial owners being the Biochemical Society, Royal Society of Biology, Microbiology Society, British Ecological Society, Society for Experimental Biology, and the Society for Applied Microbiology. The properties were held in this way in the shares set out in the *Co-Ownership Agreement* which was put in place to govern the relationship between the various parties.

Following the sale of the CDH properties (12 Roger Street and 107–109 Gray's Inn Road) in 2019, CDH Ltd will be put into voluntary liquidation in 2020.

Principal risks and uncertainties

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.

Principal Risks

The key risks noted below do not include the COVID-19 pandemic. This has been addressed in a separate section below.

The Trustees consider the principal risks to the Society to be as follows:

- Changing government funding policies for science and higher education in a major region and/or open access mandates (including Plan S) adversely affect research or library budgets thereby leading to (i) reduced ability to generate previous levels of income *via* subscription content, and/or (ii) reduced submissions to Society journals.
- Errors in Business Technology infrastructure negatively impacting the ability of the business to undertake key operational, publishing and/or society programmes related activities.
- Liabilities to both the closed 'Biochemical Society Pension Scheme' and the Universities Superannuation Scheme (further information can be found in Note 16 of the accounts) damaging the Society's financial stability.
- The impact of Brexit on UK science (both domestically and on the international stage) and thus the Society's activities.
- Changes to publishing related governmental policy in China impacting upon article submissions to the Society's journals and diminishing revenues from the *Bioscience Reports* journal.

The Trustees consider that the risk-specific mitigations, regularly updating business and strategic plans, as well as close monitoring of the Society's accounts against budget will address these risks.

Response to the COVID-19 pandemic

This report covers the year ended 31 December 2019, however, at the time of writing the COVID-19 pandemic is impacting on the work of all organizations, in all sectors, globally. The Trustees of the Biochemical Society therefore find it pertinent to make comment in this report on their response to the pandemic as the major source of risk to the Society at this time.

General Business Continuity

In early March 2020, taking into consideration information from the World Health Organization, the international stage and the UK Government, the Trustees of the Society closed the Holborn-based offices and instructed all staff to work from home.

As referenced in the above 'Strategic Report on Group Activities', during 2019, as part of the three-year strategy, the Society undertook a number of projects to improve its operational infrastructure, including relocating all Business Technology networking and resources to the 'cloud'. These changes had prepared the Society to enable all staff to work from home during the 'lockdown' period. There has been no downtime during this period with all staff able to access shared resources and work on Society-provided laptops.

The Society's telephony services are also provided *via* cloud services and thus all voice and video communication channels are accessible from a home environment without any additional configuration.

Governance and Senior Management Continuity

The Trustees of the Society have given due consideration to continuity of governance within this time and have reviewed the pre-existing regulations regarding corporate decision-making. The recent updates to the Society's [*Articles of Association*](#) allow for all business to be undertaken *via* video or telephone conference, or by email. Decisions made *via* these methods are as valid as those that are made within a meeting.

The Society's regulations clearly stipulate the number of Trustees required to make corporate decisions. The Trustees will keep these conditions in review on a monthly basis to ensure that Society governance can continue unimpeded.

The Trustees have also given consideration to Senior Management continuity and have confirmed that the current arrangements for deputizing/standing-in for the Chief Executive Officer and Senior Management Team are sufficient.

The Executive Management Committee receives a full report on business during the pandemic period and escalate matters to the Council of Trustees as appropriate.

Impact Upon Activities Within 2020

- Publishing Income

The majority of the Society's income comes from publishing sales *via* Portland Press Limited. As subscription sales are tied to once-yearly renewals, most of 2020's budgeted subscriptions income and payments for new 'transformative' *Read & Publish* offerings for 2020 have already been received. Through four months' operation under a variety of global lockdowns (Jan – April 2020) we have also continued to receive Article Publishing Charges (APCs) for the publication of open-access articles at the same rate as 2019. The Trustees of the Society, and Directors of Portland Press are giving due consideration to factors related to the pandemic that may impact upon income for the coming year. *Via* the Society's professional staff, they continue to work closely with key sector organizations) and sister societies to monitor the scientific publishing environment in order to adapt as appropriate to any material changes.

There are two principal risks arising from the current pandemic:

- (i) The impact of COVID-19 on the longevity of the article content pipeline, in particular the impact of terminated/restarted/postponed research on the creation of new content, and therefore an adverse impact on publishing income;
- (ii) Financial pressures on institutional library budgets and research funding causing potential attrition to subscription and open-access income.

- **Conferences**

Due to restrictions on movement, at the time of writing, the Trustees of the Society have elected to postpone or cancel all of its face-to-face scientific meetings and training events scheduled before the end of August 2020. As events are budgeted to breakeven and most suppliers have been very understanding, this has had little effect on the Society's finances. The savings from holding committee meetings virtually will counterbalance the cost of technology, insurance and bank charges. The overall costs for the department will decrease by at least £21,300. Where possible, 2020 events are to be replaced with online meetings making use of the Society's telecoms infrastructure. This includes the introduction of a new series of 'webinars' supporting the Society's Charitable Objects relating to knowledge dissemination. The Conferences Committee and Council of Trustees will continue to evaluate the forthcoming events for both 2020 and 2021 as environmental conditions change.

- **Public Engagement**

Similar to Conferences, the Society is unable to attend 'in person' public engagement events during the pandemic period. As a result, online options for engaging with the public both on general matters related to the Society's objects, and on those related to COVID-19 are being considered.

- **Engagement with sector initiatives and information provision**

The Biochemical Society has joined with its sister societies in providing key advice and guidance for its members, community and the public. A [COVID-19 Hub](#) has been launched on our website providing information and links to helpful resources.

Staffing and Human Resources

During the pandemic period, the Trustees are giving due consideration to both the health and wellbeing of their professional staff, and to the most effective allocation of Human Resources. The Executive Management Committee, in collaboration with the CEO, Senior Management Team and Head of Human Resources, continue to review the allocation and deployment of staff to support business continuity and the ongoing provision of programmes/activities in support of the Society's charitable objects.

Pension Liability

The Biochemical Society is a sponsor for two pension schemes: 'The Biochemical Society

Pension Scheme' which is closed to new entrants and future accrual since November 2011, and the Universities Superannuation Scheme. The Trustees and Senior Management Team are working with both schemes in order to assess the ongoing impact of the pandemic on the schemes' assets and its impact on the Society. In line with global markets, as a reaction to the COVID-19 pandemic, it is expected that the asset values of both schemes will have fallen considerably. The longer-term impact, including whether markets will recover, remains unknown at this time.

Ongoing Assessment of Pandemic Impact

The Executive Management Committee and Council of Trustees continue to assess the impact on the Society of the pandemic in the immediate, near and distant future. Where possible they utilize market and expert intelligence to direct these decisions and pay due attention to the continuing 'going concern' status of the charitable company. At the time of writing, the Society has high levels of liquidity as a result of the sales of the CDH premises, thus cashflow is not an immediate concern.

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 Council of Trustees for the year under review and up to the date of this report:

Charles Peter Downes	President
Anne Dell	Chair of the Executive Management Committee (to 31 July 2019)
Sheila Graham	Chair of the Executive Management Committee (from 1 August 2019)
Frank Sargent	Honorary Treasurer
Stefan Roberts	Honorary Meetings Secretary
David Pye	Honorary Policy Officer
Richard Reece	Chair, Portland Press Limited Board of Directors
Helen Watson	Chair, Education, Training and Public Engagement Committee
Luciane Vieira de Mello	Chair, Training Theme Panel (from 14 March 2019)
Michelle West	Chair, Basic Biosciences Theme Panel
Joanne Edwards	Chair, Clinical and Translational Theme Panel
Martin Pool	Local Ambassador Representative
Dominika Gruszka	Early Career Researcher Representative
Malcolm Weir	Industry Representative

Directors of Portland Press Limited

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

Richard Reece	Chair, Portland Press Ltd Board of Directors
Matthew Cockerill	Non-Executive Director
Philip Garner	Non-Executive Director
Peter Richardson	Non-Executive Director
Anne Dell	Non-Executive Director and Chair, Biochemical Society (to 31 July 2019)
Sheila Graham	Non-Executive Director and Chair, Biochemical Society (from 1 August 2019)
Frank Sargent	Non-Executive Director and Honorary Treasurer, Biochemical Society
Kate Baillie	Executive Director and Managing Director, Portland Press Ltd and CEO, Biochemical Society
Malavika Legge	Executive Director (from 21 May 2019)

Senior Management Team

Kate Baillie
CEO, Biochemical Society and Managing Director, Portland Press
kate.baillie@biochemistry.org

Adam Hughes
Director of Operations
adam.hughes@biochemistry.org

Malavika Legge
Director of Publishing
malavika.legge@portlandpress.com

Hannah Russell
Director of Society Programmes (to 21 August 2019)

Ivana Knyght
Director of Society Programmes (from 30 September 2019)
ivana.knyght@biochemistry.org

Key contacts

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

National Westminster Bank Plc
100 The Crescent
Colchester
CO4 9GN

Solicitors

Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Investment managers

Newton Investment Management Ltd
(part of BNY Mellon)
160 Queen Victoria Street
London
EC4V 4LA

Registered office

Biochemical Society
First Floor
10 Queen Street Place
London EC4R 1BE

Company Secretary

Adam Hughes
adam.hughes@biochemistry.org

Financial review

The Group's results for the year are set out in the Statement of Financial Activities on page 49. The financial statements have been prepared in accordance with FRS102 and the Charities SORP 2015.

Treasurer's report

Overall, the Biochemical Society can look back at a year of financial success.

Total income from Charitable Activities was up to £5,507,000 (2018: £5,204,00) which included income of £4,812,000 from publishing activities. In terms of revenue generation, this past year has seen Portland Press achieve its highest level of income from subscriptions and open access for five years.

Total expenditure relating to Charitable Activities has increased to £5,714,000 (2018: £4,654,000) but was within the Group's operating budget. The move to serviced offices resulted in a number of infrastructural costs being incurred - mainly one-off budgeted costs relating to the IT environment and project management. Several costs that were previously incurred through Charles Darwin House Limited and recharged to the Society are now incurred directly by the Society and reported under the specific activity areas within the accounts. Examples of these types of cost include broadband, telephony, and HR services. There were also additional costs during the year relating to the pre-planned parallel running of hosting platforms in the publishing department and a relatively small increase in costs associated with processing higher numbers of articles in 2019.

On an operating basis, and before accounting for other recognized gains and losses, the Group made a surplus for the year of £744,000 (2018: £488,000).

The majority of the Society's funding comes from publishing activities (see below), other major sources stem from membership subscriptions, conferences registration fees and sponsorship, totaling £816,000 (2018: £827,000) and investment income of £180,000 (2018: £217,000).

The Society's charitable expenditure, excluding Portland Press trading activities, amounted to £2,825,000 (2018: £2,461,000).

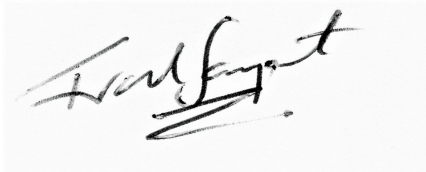
Portland Press Limited, the Society's trading subsidiary, made a pre-tax profit for the period of £2,119,358 (2018: £2,411,000 profit). These profits will be distributed to the Society during 2020 under gift aid and are included in the figures stated above.

The Biochemical Society Staff Pension Scheme, a defined benefit scheme, was closed to new entrants and future accrual from March 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'. This is summarized further in Note 16.

The Society accounted for net gains on investments of £805,000 from the equity investments.

During 2019, the Biochemical Society, along with the five other co-owners of Charles Darwin House (CDH) Ltd and associated properties, sold their buildings at 12 Roger Street and 107-109 Grays Inn Road. The gain on the transaction for the sale of freehold property was £1,063,000 and the loss on the transaction for the sale of investment property was £74,000. Total proceeds received from the sale of properties were £5,796,984.

After accounting for these items, the Group made a net surplus of £852,000 (2018: £746,000) for the year, with closing reserves of £10.7 million (31 December 2018: £9.9 million).

A handwritten signature in black ink, appearing to read 'Frank Sargent', with a stylized flourish at the end.

Professor Frank Sargent

Treasurer

Date: 23 July 2020

Reserves policy and going concern

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

Free reserves are 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 December 2019, free reserves amounted to £11 million (2018: £4.3 million).

The Trustees consider it ideal to maintain a level 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 2019, the Society had free reserves sufficient to cover 22 months of charitable expenditure. This is slightly above the level of free reserves as outlined by the policy.

Following events in the early part of 2020 relating to COVID-19, the Trustees took the decision to terminate the agreement (in June 2020) with the current provider of the office rental license, and for staff to be homebased for up to 9 months (to February 2021). This decision represents a saving of £33,000 a month in 2020 from August onwards. In addition, in June 2020 the Trustees also made the decision to temporarily halt the ongoing search for purchasing permanent premises.

Reacting to the COVID-19 pandemic, Portland Press undertook a 2021 profitability analysis in order to satisfy the Going Concern requirement. This analysis took four scenarios based on market information and considered assumptions ranging from a positive outcome to a worst-case scenario. Across the four scenarios, profitability projections range from £2.8 million (positive scenario) to £0.5 million (worst case scenario).

Portland Press normally commences a renewal cycle for any given year in the summer of the previous year, and therefore, receives nearly a third of total subscription income in advance of the year for which sales are being made. As standard, by the end of Q1 of any given year well over 50% of total subscription revenues are already received. For example, by the end of March 2020, Portland Press had received nearly £2.9 million of the forecasted total for 2020 (of £3.4 million). This trend is expected to continue for 2021 subscriptions.

After considering the current state of reserves, the significant values of cash held at bank, the good level of liquid investments held, the decision to hold off on purchasing premises in the current climate and the Portland Press 2021 profitability analysis, it is the opinion of the Trustees that the Group is adequately financed to continue its activities for the foreseeable future, and also, that both the Society and Portland Press are going concerns.

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.

All employee remuneration is benchmarked against similar positions within the sector and against comparative professional positions where possible. The Council of Trustees delegates the responsibility for setting the budget for 'cost of living' related increases, as well as the level of funds available for merit related bonuses to the Finance Committee. Responsibility for management of general staff remuneration levels, as well as performance related bonuses, is delegated to the Remunerations Committee.

Investment policy

The [Articles of Association](#) give the Trustees the power to invest as necessary to support 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 cost-efficient means of investment management. All our investments are ethically screened.

The delegated management of 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 whilst ensuring ethical principles around investment practices are met. 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.

The equity investment fund outperformed its comparative index over the year achieving a return of 18.3% against a comparative index performance of 17.2%. At 31 December 2019, the investment portfolio was valued at £5,043,715 including cumulative unrealized gains of £1,295,975.

Due to the COVID-19 pandemic and the subsequent volatility of markets, Trustees and Senior Management are closely monitoring the performance of the investment portfolio and the inevitable impact that the pandemic will have on it.

It is the intention of the Trustees to review the current investment policy during 2020 in line with a review of the reserves policy.

Auditor

BDO LLP were appointed in 2018 and offer themselves for reappointment as Auditor.

Trustees' Approval

In approving the Trustees Annual Report, the Trustees are also approving the Strategic Report in their capacity as Trustees of a charitable group.



Professor Sir Pete Downes
President
Biochemical Society



Professor Sheila Graham
Chair, Executive Management Committee
Biochemical Society

Date: 23 July 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE BIOCHEMICAL SOCIETY

Opinion

We have audited the financial statements of the Biochemical Society ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 December 2019 which comprise the principal accounting policies, the consolidated statement of financial activities, the consolidated and Society statement of financial position, 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 of the Parent Charitable Company's affairs as at 31 December 2019 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related 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 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 other information comprises the information included in the Trustees' Report, other than the

financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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

As explained more fully in the Statement of Responsibilities of the Trustees, 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 determines 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's 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 the 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

BDO LLP

Laurence Elliot (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor London

Date 3 August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Principal Accounting Policies

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom 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 Biochemical Society meets the definition of a public benefit entity under FRS 102.

The financial statements 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 preparation: Going concern

The financial statements are prepared on a going concern basis.

The Trustees consider it ideal to maintain a level 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 2019, the Society had free reserves sufficient to cover 22 months of charitable expenditure. This is slightly above the level of free reserves as outlined by the policy.

Following events in the early part of 2020 relating to COVID-19, the Trustees took the decision to terminate the agreement (in June 2020) with the current provider of the office rental license, and for staff to be homebased for up to 9 months (to February 2021). This decision represents a saving of £33,000 a month in 2020 from August onwards. In addition, in June 2020, the Trustees also made the decision to temporarily halt the ongoing search for purchasing permanent premises. Whilst this action is not in direct consequence of any requirement to make cost savings following the impact of COVID-19, these savings further strengthen the financial position of the Group.

Reacting to the COVID-19 pandemic, Portland Press undertook a 2021 profitability analysis in order to satisfy the Going Concern requirement. This analysis took four scenarios based on market information and considered assumptions ranging from a positive outcome to a worst-case scenario. The worst-case setting included an examination of >35% of a drop in income. Although the modelled amount of surplus generated reduces drastically, some profit is anticipated even in the most extreme scenario modelled. Forecasts also indicate that cash will largely mirror profits and hence cash flows are expected to remain positive throughout 2020 and 2021.

Whilst the Society benefits from the gifting of profits by Portland Press Limited, enabling it to widen its reach, given the strength of its financial position, the Society does not need to rely on future profits in Portland Press Limited to support its operations.

After considering the current state of reserves, the significant values of cash held at bank, the good level of liquid investments held, the decision to hold off on purchasing premises in the current climate and the Portland Press 2021 profitability analysis, it is the opinion of the Trustees that the Group is adequately financed to continue its activities for the foreseeable future, and also, that both the Society and Portland Press Limited are going concerns. As a result, a material uncertainty relating to the Going Concern basis of preparation does not exist.

Basis of consolidation

The Group financial statements consolidate those of the Society and of its principal subsidiary undertaking drawn up to 31 December 2019. 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.

CDH Limited is not consolidated as it is a non-controlling investment (see note 19).

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 in the year ended 31 December 2019 is included in the following note:

Note 16 – Pensions

Certain elements 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 FRS 102.

Income recognition

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

Donations 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.

Income against subscription sales of journals is deferred across evenly divided amounts throughout the annual duration of the subscription. Open access income is recognized, on a per-article basis, in the month that the relevant article is published.

Membership fees are recognized as income in the period for which the customer has paid for access to the goods and services. Amounts received for future periods are included in creditors as subscriptions in advance (note 13).

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 desk and 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.

Raising 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, less accumulated depreciation and any accumulated impairment losses.

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

Intangible assets

The costs of developing the new membership fulfilment system and publishing online hosting system were capitalized as an intangible asset. These costs are being amortized by equal annual instalments over 3 years.

Investment properties

Prior to its disposal, investment properties were 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

No value has been placed on stock of unsold copies of books and 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 (PPL) 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 PPL 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.

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

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 (USS).

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 March 2011, and employees were given the opportunity to join the USS 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 USS. 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.

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 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 (PPL)

PPL is a wholly owned subsidiary undertaking of the Biochemical Society, First Floor, 10 Queen Street Place, London EC4R 1BE. PPL 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 2019

Including Consolidated Income and Expenditure Account

		2019 Total £'000	2018 Total £'000
Note			
Income from:			
	Donations and sponsorship	121	97
	Charitable Activities		
	Scientific Conferences	383	403
	Membership fees	272	279
	Policy, Education, Professional	31	41
	Journals and Books	4,812	4,474
	Other	9	7
	Other Trading Activities		
	Advertising	-	1
	Investment income (incl. rent)	3 180	217
	Total income	5,808	5,519
	Expenditure	4	
	Raising Funds		
	Investments	141	104
	Charitable Activities		
	Membership recruitment	67	56
	Membership	816	470
	Grants and Awards	226	277
	Scientific Conferences	999	907
	Policy, Education, Professional	471	501
	Journal and Books: Production	2,503	1,867
	Journal and Books: Distribution	24	27
	Administration: Portland Press Limited	362	299
	Governance Costs	246	250
	Other		
	Interest on defined benefit pension schemes	14	111
	Taxation	-	-
	Total Expenditure	5,869	4,869
	Net (expenditure) / income before gains & losses	(61)	650
	Net gains / (losses) / on investments		
	Realized	8 & 9 -	-
	Unrealized gain / (loss)	805	(162)
	Net Income before other gains c/f	744	488

Consolidated Statement of Financial Activities for the year ended 31 December 2019 (cont.)

		2019	2018
		Total	Total
	Note	£'000	£'000
Net Income before other gains b/f		744	488
Other recognized gains and losses			
Unrealized losses on Investment properties		-	(351)
Realized losses on sale of Investment properties		(74)	-
Realized gain on sale of leasehold property		-	120
Realized gain on sale of freehold property		1,063	-
Investment impairment release		4	1
Actuarial losses on defined benefit pension scheme	16	(885)	488
Net Movement in funds relating to the year		852	746
Fund balances brought forward 1 January		9,874	9,128
Fund balances carried forward 31 December		10,726	9,874

The financial activities above include £3,106k of net incoming and £3,157k of outgoing resources relating to the charity. Further details are included in Note 18.

Total income comprises £5,788,000 for unrestricted funds and £20,000 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

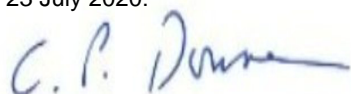
Net income before other recognized gains and losses for the year of £744,000 comprises £638,000 net income for unrestricted funds and a £106,000 net income in restricted funds.

The accompanying accounting policies (on pages 43 to 48) and notes (on pages 54 to 68) form an integral part of the financial statements.

Statement of Financial Position as at 31 December 2019

		Group		Society	
		2019	2018	2019	2018
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	6	13	1,506	13	1,506
Intangible Assets	7	154	86	154	86
Investments	8	6,023	5,218	6,023	5,218
Investment Property	9	-	3,337	-	3,337
Total Fixed Assets		6,190	10,147	6,190	10,147
Current Assets					
Debtors	12	612	654	1,862	729
Cash at bank and in hand		8,278	2,579	4,839	73
Total Current Assets		8,890	3,233	6,701	802
Current Liabilities					
Creditors	13	(3,339)	(3,382)	(1,151)	(952)
Net current assets / (liabilities)		5,551	(149)	5,550	(150)
Net Assets excluding long term pension liability		11,741	9,998	11,740	9,997
Long term Defined benefit pension liability	16	(1,015)	(124)	(1,015)	(124)
Total net assets		10,726	9,874	10,725	9,873
The Funds of the Charity					
Restricted Funds	10	1,146	1,040	1,146	1,040
Unrestricted Funds					
Fixed Asset Fund	11	13	1,180	13	1,180
Other Charitable Funds	11	9,567	6,475	9,567	6,475
Revaluation Reserve	11	1,589	1,597	1,589	1,597
Non-charitable trading funds	11	1	1	-	-
		11,170	9,253	11,169	9,252
Pension Reserve	16	(1,590)	(419)	(1,590)	(419)
Total Unrestricted Funds	11	9,580	8,834	9,579	8,833
Total Charity Funds	11	10,726	9,874	10,725	9,873

The financial statements were approved and authorized for issue by the Trustees of the Biochemical Society on 23 July 2020:



Professor Sir Peter Downes
President



Professor Sheila Graham
Chair

Company number: 00892796

The accompanying accounting policies (on pages 43 to 48) and notes (on pages 54 to 68) form an integral part of the financial statements

Consolidated Statement of Cash Flows for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities	A	(136)	27
Cash flows from investing activities			
Dividends from investments	139	120	
Interest from investments	-	-	
Rents from investments	41	97	
Purchase of property, plant and equipment	(9)	(8)	
Purchase of intangible asset	(158)	(116)	
Proceeds from sale of leasehold property	-	495	
Proceeds from sale of freehold property	2,555	-	
Proceeds from sale of investment property	3,263	-	
Purchase of investments	-	-	
Investment of impairment release	4	1	
Net cash provided by investing activities		5,835	589
Change in cash and cash equivalents in the year		5,699	616
Cash and cash equivalents at beginning of year		2,579	1,963
Cash and cash equivalents at end of year	B	8,278	2,579

Notes to the Statement of Cash Flows

A. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income for the year	744	488
Depreciation	10	40
Disposal of intangible asset	90	30
Decrease in stocks	-	-
(Gains) / Losses on investments	(805)	162
Interest and rents from investments	(180)	(217)
Decrease / (Increase) in debtors	42	(77)
(Decrease) / Increase in creditors (Excl Pension fund)	(45)	209
Closed pension scheme deficit funding	-	(700)
Pension scheme costs charged	(6)	(19)
Pension schemes interest	14	111
	<u>(136)</u>	<u>27</u>

B. Analysis of cash and cash equivalents

Cash at bank and in hand	<u>8,278</u>	<u>2,579</u>
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Analysis of changes in net funds

	1 Jan 2019 £'000	Cash- flows £'000	Other non- cash charges £'000	31 Dec 2019 £'000
Cash and cash equivalents				
Cash	2,579	6,399	(700)	8,278
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
Net Funds	2,579	6,399	(700)	8,278

1. Statutory information

The Biochemical Society is a Charity registered with the Charity Commission, registration number 253894 and is also registered as a Private Limited Company, domiciled in England & Wales, company number 0089276.

2. Income from subsidiary company

The Charity has one wholly owned trading subsidiary, which is incorporated in England & Wales as Portland Press Limited, First Floor, 10 Queen Street Place, London, EC4R 1BE, company number 02453983. It is principally engaged in the publication and distribution of scientific journals. 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 held with the Registrar of Companies.

Statement of comprehensive income and retained earnings for the year ended 31 December 2019

	2019 £'000	2018 £'000
Turnover	4,768	4,421
Cost of Sales	(2,209)	(1,639)
	2,559	2,782
Administrative expenses	(493)	(427)
	2,066	2,355
Exchange gains	53	56
Interest received	-	-
	2,119	2,411
Reserves brought forward	1	1,846
Profit for the year	2,119	2,411
Distribution to the Biochemical Society under gift aid	(2,119)	(4,256)
	1	1

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

Current Assets	2,997	2,996
Current Liabilities	(2,996)	(2,995)
	1	1

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

Portland Press Limited taxable profit for the year was £2,119,000 (2018: £2,410,500). An amount of £2,119,000 will be distributed to the Biochemical Society under gift aid in 2020. A Deed of Covenant was established during 2019, which allowed for this distribution to be recognized in the Comprehensive Income in Portland Press Limited. Therefore, no corporation tax is expected to be recognized in respect of profits generated in 2019.

3. Investment income

	2019 £'000	2018 £'000
Listed investments (including unit trusts)	139	120
Rent income	41	97
	180	217

4. Analysis of expenditure

<i>Current year analysis</i>	Staff Costs £'000	Support Costs £'000	Other £'000	2019 £'000	2018 £'000
Cost of generating funds					
Cost of investment	7	-	134	141	104
Charitable expenditure					
Membership recruitment costs	-	-	67	67	56
Membership	345	219	252	816	470
Grants payable					
Grants to individuals	-	-	113	113	132
Royal Society of Biology	-	-	10	10	35
Summer Vacation Studentships	-	-	63	63	61
Scientific Outreach	-	-	20	20	23
STEM Insight	-	-	19	19	25
In2science UK	-	-	1	1	1
Scientific conferences	381	105	513	999	907
Policy, Education, Professional	222	60	189	471	501
Journal and Books: Production	1,086	504	913	2,503	1,867
Journal and Books: Distribution	-	-	24	24	27
Administration: Portland Press Ltd	266	70	26	362	299
Governance	124	25	97	246	250
Pension schemes interest	-	-	14	14	111
Total outgoing resources	2,431	983	2,455	5,869	4,869

<i>Prior year analysis</i>	Staff Costs £'000	Support Costs £'000	Other £'000	2018 £'000
Cost of generating funds				
Cost of investment	7	-	97	104
Charitable expenditure	-	-	-	-
Membership recruitment costs	-	-	56	56
Membership	263	63	144	470
Grants payable				
Grants to individuals	-	-	132	132
Royal Society of Biology	-	-	35	35
Summer Vacation Studentships	-	-	61	61
Scientific Outreach	-	-	23	23
STEM Insight	-	-	25	25
In2science UK	-	-	1	1
Scientific conferences	301	84	522	907
Policy, Education, Professional	252	49	200	501
Journal and Books: Production	783	384	700	1,867
Journal and Books: Distribution	-	-	27	27
Administration: Portland Press Ltd	158	89	52	299
Governance	97	27	126	250
Pension schemes interest	-	-	111	111
Total outgoing resources	1,861	696	2,312	4,869

Analysis of expenditure continued

The breakdown of support costs is as follows:

<i>Current year analysis</i>	Admin and Finance £'000	IT support £'000	Total Support £'000	Total 2018 £'000
Membership	152	67	219	63
Scientific Meetings	45	60	105	84
Policy, Education, Professional	17	43	60	49
Journal and Books: Production	36	468	504	384
Administration: Portland Press Ltd	40	30	70	89
Governance Costs	16	9	25	27
	306	677	983	696

<i>Prior year analysis</i>	Admin and Finance £'000	IT support £'000	Total Support £'000
Membership	29	34	63
Scientific Meetings	44	40	84
Policy, Education, Professional	18	31	49
Journal and Books: Production	55	329	384
Administration: Portland Press Ltd	72	17	89
Governance Costs	23	4	27
	241	455	696

Expenditure that was incurred by Portland Press is included above and is itemized in Note 2.

Expenditure amounting to £45,000 (2018: £51,000) in respect of restricted funds is included in other costs above. Membership expenditure includes £112,000 (2018: £74,000) for the costs of publishing and distributing *The Biochemist*.

Net (income) / expenditure is, after charging:

	2019 £'000	2018 £'000
Payments to auditor - Biochemical Society	15	15
Payments to auditor - Portland Press Ltd	15	15
Payments to auditor - taxation services	3	3
Irrecoverable VAT	27	37
Operating lease rentals - land and buildings	-	3
Depreciation of tangible fixed assets	10	40
Impairment write-off of intangible assets	90	30
	(53)	(56)

5. Employees

	2019	2018
	£'000	£'000
Staff costs during the year were as follows:		
Wages & Salaries	1,645	1,481
Social Security costs	175	162
Pension costs	530	189
Staff costs before redundancy and termination	2,350	1,832
Redundancy and termination	79	28
Staff costs including redundancy and termination	2,429	1,860
Closed pension scheme deficit funding	-	700
Total staff costs	2,429	2,560

Included in pension costs is £530,000 (2018: £189,000) in respect of the defined benefit Universities Superannuation Scheme. There is no amount included in the closed pension scheme deficit funding (2018: £700,000) in respect of the defined benefit Biochemical Society Staff Pension Scheme in 2019.

Further details on Pension Scheme costs are shown in note 16.

Included within Redundancy and termination costs are £48,368 (2018: £22,619) of enhanced costs relating to redundancies.

The average number of employees of the Society during the year was 42 (2018: 37).

13 Trustees (2018: 15) have received a total of £22,091 (2018: £20,249) in respect of reimbursed travel and accommodation costs incurred in attending Society meetings. Trustees do not receive remuneration.

Salaries paid during the year 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 £40,000 (2018: £29,767):

Salaries including redundancy payments	2019	2018
£60,001 to £70,000	2	1
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-
£130,000 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	1	1

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

Salaries excluding redundancy payments	2019	2018
£60,001 to £70,000	2	2
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£90,001 to £100,000	-	-
£130,000 to £140,000	-	-
£140,001 to £150,000	-	-
£150,001 to £160,000	1	1

Key Management compensation	£'000	£'000
Salaries and short-term employee's benefits (incl NIC and pension)	476	489

The Society's senior management structure is formed of the CEO and Managing Director; Director of Operations; Director of Society Programmes and Director of Publishing.

6. Tangible assets

The Society and the Group

	Freehold Property £'000	Leasehold Property £'000	Equipment & Furniture £'000	Total £'000
Cost or Valuation				
At 1 January 2019	1,591	-	234	1,825
Additions	-	-	9	9
Disposals	(1,591)	-	-	(1,591)
At 31 December 2019	-	-	243	243
Depreciation				
At 1 January 2019	99	-	220	319
Charge for the year	-	-	10	10
Disposals	(99)	-	-	(99)
At 31 December 2019	-	-	230	230
Net book value at 31 December 2019	-	-	13	13
Net book value at 31 December 2018	1,492	-	14	1,506

During the year, the Society disposed of its freehold property (12 Roger Street, London).

On an historical cost basis the Fixed Assets would have been stated as follows:

	£'000
Cost	-
Accumulated depreciation	-
Transfer to investments	-
Net book amount at 31 December 2019	-
Net book amount at 31 December 2018	1,166

7. Intangible Assets

The Society and the Group

	Software Development £'000
Cost	
At 1 January 2019	86
Additions	158
Amortisation	(90)
Disposals	-
At 31 December 2019	154
At 31 December 2018	86

8. Investments

The Society and the Group

Equity Investments at fair value

	2019 £'000	2018 £'000
Fair value at start of year	5,218	5,380
Less disposals at cost	-	-
Add: acquisitions at costs	-	-
Net gain on revaluation	805	(162)
Fair value at end of year	6,023	5,218
Historical cost at end of year	4,434	4,434

Investments continued

Unrealized gains on investments for the year of £805,000 comprise £675,000 gains for unrestricted funds and £130,000 gains for restricted funds.

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 non-controlling investment in shares to the value of £294 (2018: £294) in Charles Darwin House Limited, a private company formed to manage Charles Darwin House, the Society's previous headquarters, which was sold in 2019. At the time of writing Charles Darwin House Limited is in the process of voluntary liquidation with outstanding loans payable to the Biochemical Society of £29k.

9. Investment Properties

	2019 £'000	2018 £'000
The Society and the Group		
Investment properties at fair value		
Fair value at start of year	3,337	3,688
Add: Capital Expenditure	-	-
Less disposals	(3,263)	-
Net (loss) on revaluation	-	(351)
Net (loss) on disposal	(74)	-
	<u>-</u>	<u>3,337</u>
Historical cost at end of year	<u>-</u>	<u>2,843</u>

During the year, the Society disposed of its investment properties (12 Roger Street, London and 107-109 Gray's Inn Road, London).

10. Restricted Funds	Balance	Movement in funds			Balance
The Society and the Group	1 January	Incoming	Expenditure	Investment	31 December
	2019	Resources	& Transfers	Gains	2019
	£'000	£'000	£'000	£'000	£'000
Keilin Memorial Lecture Fund	54	1	-	5	60
Morton Memorial Lecture Fund	56	1	-	5	62
Harden Legacy Fund	154	3	(2)	20	175
Centenary Award Fund	106	2	-	10	118
Krebs Memorial Scholarship Fund	332	11	(26)	64	381
Eric Reid Fund for Methodology	293	3	(15)	26	307
Randle Lecture Fund	16	-	(2)	-	14
Synthetic Biology Fund	29	-	-	-	29
	<u>1,040</u>	<u>21</u>	<u>(45)</u>	<u>130</u>	<u>1,146</u>

Prior year analysis

Restricted Funds	Balance	Movement in funds			Balance
The Society and the Group	1 January	Incoming	Expenditure	Investment	31 December
	2018	Resources	& Transfers	Gains	2018
	£'000	£'000	£'000	£'000	£'000
Keilin Memorial Lecture Fund	56	1	(2)	(1)	54
Morton Memorial Lecture Fund	58	1	(2)	(1)	56
Harden Legacy Fund	159	3	(4)	(4)	154
Centenary Award Fund	109	2	(3)	(2)	106
Krebs Memorial Scholarship Fund	360	8	(23)	(13)	332
Eric Reid Fund for Methodology	311	4	(17)	(5)	293
Randle Lecture Fund	16	-	-	-	16
Synthetic Biology Fund	29	-	-	-	29
	<u>1,098</u>	<u>19</u>	<u>(51)</u>	<u>(26)</u>	<u>1,040</u>

Restricted Funds continued

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.

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 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 conferences.

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 Trustees, all funds have adequate resources to fulfil their ongoing obligations.

11. Unrestricted and Other Charitable Funds

The Society and the Group	Balance 1 Jan 2019 £'000	Net Utilized £'000	Transfer £'000	Balance 31 Dec 2019 £'000
Unrestricted Funds				
Fixed Asset Fund	1,180	(1,167)	-	13
Other Charitable Funds	6,475	3,084	8	9,567
Revaluation Reserve	1,597	-	(8)	1,589
Non-charitable trading funds	1	-	-	1
Pension Reserve	(419)	(1,171)	-	(1,590)
	<u>8,834</u>	<u>746</u>	<u>-</u>	<u>9,580</u>

The Revaluation Reserve represents the unrealized gains in Equity Investments (Unrestricted: £1,295,975 and restricted: £293,882).

The Pension Reserve represents the net pension scheme liability recognized in the statement of financial position (Biochemical Staff Pension scheme: £1,015,000 and Universities Superannuation Scheme: £575,000).

Analysis of Net Assets of the Group's Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 December 2019 are represented by:			
Property Plant and Equipment	13	-	13
Investments	5,042	981	6,023
Intangible Assets	154	-	154
Current Assets	8,725	165	8,890
Current Liabilities	(3,339)	-	(3,339)
Net pension liability	(1,015)	-	(1,015)
Total net assets	<u>9,580</u>	<u>1,146</u>	<u>10,726</u>

Fund Balances at 31 December 2018 are represented by:

Property Plant and Equipment	1,506	-	1,506
Investment Properties	3,337	-	3,337
Investments	4,368	850	5,218
Intangible Assets	86	-	86
Current Assets	3,043	190	3,233
Current Liabilities	(3,382)	-	(3,382)
Net pension liability	(124)	-	(124)
Total net assets	<u>8,834</u>	<u>1,040</u>	<u>9,874</u>

12. Debtors

	The Group		The Society	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	227	217	8	10
Other debtors	183	146	183	145
Amounts owed by group undertakings	-	-	1,549	445
Prepayments and accrued income	202	291	122	129
Total debtors	<u>612</u>	<u>654</u>	<u>1,862</u>	<u>729</u>

13. Creditors and deferred income: Amounts falling due within one year

	The Group		The Society	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade Creditors	312	274	307	269
Amounts owed to group undertakings	-	-	-	-
Social security and other taxes	(57)	54	(57)	54
USS Pension Scheme	575	295	575	295
Other creditors	463	149	17	10
Subscriptions in advance	1,713	2,252	124	121
Other deferred income	25	21	25	21
Accruals	308	337	160	182
Total creditors and deferred income	3,339	3,382	1,151	952

	The Group		The Society	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Analysis of deferred income				
At 1 January	2,273	1,525	142	145
Amount recognised in the year	(2,273)	(1,525)	(142)	(145)
Amount deferred in the year	1,738	2,273	149	142
At 31 December	1,738	2,273	149	142

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

14. Capital Commitments

There were no capital commitments as at 31 December 2019 (2018: £nil).

15. Contingent liabilities

There were no contingent liabilities as at 31 December 2019 (2018: £nil). All known liabilities have been accounted for in the financial statements.

16. Pensions

The Biochemical Society operates a 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:

	2019	2018
	£'000	£'000
Biochemical Staff Pension scheme (See Note 16A) - Long Term	1,015	124
Universities Superannuation Scheme (See Note 16B) - Short Term	575	295
Liability recognised in the statement of financial position	1,590	419

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 closed to new entrants and future accrual. The assets of the scheme are held in a separate trustee-administered fund and subject to independent triennial 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.

Pensions continued

The latest formal actuarial review of the scheme recorded a shortfall. Under the Recovery Plan agreed between the Company and the Trustee for the valuation as at 31 December 2017, the company agreed to pay £700k as a one off payment payable by 30 June 2018. This is to be followed by annual contributions payable by 30 June each year, with the first such contribution due by 30 June 2021. These Contributions are to be paid at a level of £200,000 per annum (increasing at a rate of 3.65%, per annum, from 30 June 2019). The final contribution is due 30 June 2027.

The results of the valuation as at 31 December 2017 have been projected to 31 December 2019 with allowance for payments made from the scheme in the intervening period and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

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

Main financial assumptions

	31 December 2019	31 December 2018
	%pa	%pa
RPI inflation	3.25	3.4
CPI inflation	2.35	2.3
Maximum of RPI and CPI	3.45	3.6
Pension increases RPI inflation up to 7%	3.25	3.4
Discount rate for Scheme liabilities	1.95	2.8

Main demographic assumptions

	31 December 2019	31 December 2018
Mortality		
- Base table	100% of S2Px_A_L	100% of S2Px_A_L
- Future improvements	CMI 2017	CMI 2017
- Long term rate	1.25% pa	1.25% pa
*120% of base table probabilities for male pensioners. Light version of table for female members.		

Expected future lifetime from age 65

- Male currently aged 65	22.3 years	23.1 years
- Female currently aged 65	23.3 years	24.2 years
- Male currently aged 45	23.6 years	24.5 years
- Female currently aged 45	24.9 years	25.7 years

Scheme asset allocation:

	31 December 2019	31 December 2018
	£'000	£'000
Target return funds		
Equities	7,787	6,995
Bonds (including insured pensioners)	2,005	1,611
Swaps/Gilts (including cash) Closing	3,029	4,178
fair value of scheme assets	5,304	3,565
	<u>18,125</u>	<u>16,349</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:

	2019	2018
	£'000	£'000
Opening defined benefit obligation (DBO)	16,473	18,254
Interest expense on DBO	457	428
Actuarial (Gain)/ losses on scheme liabilities	2,500	(1,459)
Net benefits paid	(290)	(750)
Closing defined benefit obligation	<u>19,140</u>	<u>16,473</u>

Pensions continued

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

	2019 £'000	2018 £'000
Opening fair value of scheme assets	16,349	17,045
Interest income on scheme assets	454	408
Gain on scheme assets	1,615	(971)
Contributions by the employer	-	700
Net benefits paid out	(290)	(830)
Administration expenses	(3)	(3)
Closing fair value of scheme assets	<u>18,125</u>	<u>16,349</u>
Actual return on Scheme assets	2,069	(563)

Reconciliation of funded status to Statement of Financial Position:

	2019 £'000	2018 £'000
Fair value of assets	18,125	16,349
Present value of funded benefit obligations	(19,140)	(16,473)
Funded status	<u>(1,015)</u>	<u>(124)</u>
Liability recognized on the Statement of Financial Position	<u>(1,015)</u>	<u>(124)</u>

Amounts recognised in Statement of Financial Activities (SOFA):

	2019 £'000	2018 £'000
Interest on defined benefit liability	6	23
Past service cost	-	80
Pension expense recognized in the Statement of Financial Activities	<u>6</u>	<u>103</u>
	2019 £'000	2018 £'000
Return less interest income on scheme assets	1,615	(971)
Actuarial (loss) / gain on liabilities	(2,500)	1,459
(Loss) / Gain arising in the Statement of Financial Activities	<u>(885)</u>	<u>488</u>

Pensions continued

B. Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. 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 therefore an expense is recognised.

The Society employer contributions for the year ended 31st December 2019 amounted to £258,249 (2018: £214,300). 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 complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2017 valuation was the fourth 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 £60 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

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

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.11%	2.02%

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	97.6% of SAPS S1NMA "light"
Female members' mortality	102.7% of RFV00

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI_2017 projections with a 1.8% pa (male) and 1.6% (female) long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 years	24.6	24.5
Females currently aged 65 years	26.1	26
Males currently aged 45 years	26.6	26.5
Females currently aged 45 years	27.9	27.8
	2019	2018
Scheme Assets	£63.7bn	£63.6bn
Total scheme liabilities	£67.3bn	£72.0bn
FRS102 total scheme deficit	£3.6bn	£8.4bn
FRS102 total funding level	95%	88%

17. Financial Instruments

	The Group		The Society	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Financial Assets at fair value through statement of				
Equity investments	6,023	5,218	6,023	5,218
Financial Assets that are debt instruments				
Trade and other debtors	410	363	191	155
Financial Liabilities measured at amortized cost				
Trade Creditors	(312)	(274)	(307)	(269)

18. 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.

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

	Unrestricted	Restricted	2019	2018
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Incoming and endowments per consolidated statement of financial activities	5,787	21	5,808	5,519
Deduct: income of Trading Subsidiary	(4,821)	-	(4,821)	(4,477)
Add: gifted payments from Trading Subsidiary	2,119	-	2,119	4,256
Incoming resources - Society	3,085	21	3,106	5,298
Total expenditure per consolidated statement of financial activities	5,824	45	5,869	4,869
Deduct: expenditure of Trading Subsidiary	(2,702)	-	(2,702)	(2,066)
	3,122	45	3,167	2,803
Net (Losses) Gains on Investments	675	130	805	(162)
Investment impairment released	4	-	4	1
Net income - Society				
Before gains and losses as per consolidated	642	106	748	2,334
Unrealised losses on Investment properties	-	-	-	(351)
Realise gain on sale of leasehold property	1,063	-	1,063	120
Actuarial loss on defined benefit pension scheme	(885)	-	(885)	488
Net movement in funds relating to the year	820	106	926	2,591

19. Transactions with related parties
Academic Support Grants

	2019	2018
	£'000	£'000
Academic Support Grants paid in year	<u>50</u>	<u>19</u>

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

University of Liverpool £3,609 (2018 £4,812); University of Salford £4,812 (2018 £nil); University of Manchester £12,916 (2018 £4,812); University of Bristol £4,812 (2018 £nil); University of Glasgow £9,624 (2018 £4,812); University of Sussex £4,812 (2018 £4,812); University of Newcastle £4,812 (2018 £nil); The Francis Crick Institute £4,812 (2018 £nil).

These grants contributed towards research activities that are in alignment with the objects of the Charity.

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 non-controlling investment in Charles Darwin House Limited, a private company formed to manage Charles Darwin House, the Society's previous headquarters, which was sold in 2019. At the time of writing Charles Darwin House Limited is in the process of voluntary liquidation.

	2019	2018
	£'000	£'000
Income		
Accounting	-	-
IT Services	-	-
Association Management	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Expenditure		
HR Services	24	31
Conference facilities	12	27
Operating expenses	126	-
Other	1	3
	<u>163</u>	<u>61</u>

As at 31 December 2019, debtor balances totalling £nil (2018: £21,000) and a creditor balance of £18,000 (2018: £nil) 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 and repaid in December 2019. A loan of £29,400 was made to Charles Darwin House Ltd in February 2018 and the full balance of this loan remains outstanding as at 31 December 2019.

Transactions with related parties continued

Details of transactions between the Group and the co-owners of Charles Darwin House Limited for the year ended 31 December 2019.

	SEB £'000	BES £'000	RSB £'000	MS £'000	SfAM £'000	TOTAL £'000
Income						
Accounting	-	-	-	-	-	-
IT / Admin / HR Service	13	-	-	38	22	73
External Events	-	-	-	-	-	-
Share of office costs	-	-	-	-	29	29
Other	-	-	-	-	-	-
Total income	13	-	-	38	51	102
Expenditure						
Subscriptions	-	-	15	-	-	15
Grant	-	-	-	-	-	-
Grant - Sponsored Staff	-	-	8	-	-	8
Other	-	-	10	-	-	10
Total Expenditure	-	-	33	-	-	33
External Client income	-	-	-	-	-	-
Balances as at 31 Dec 2019						
Debtors	5	-	-	17	5	27
Creditors	-	-	9	-	-	9

Charles Darwin House Limited (CDH Ltd) held the legal title to the properties on trust for the beneficial owners of the properties; the beneficial owners being the Biochemical Society, Royal Society of Biology (RSB), British Ecological Society (BES), Society for Experimental Biology (SEB), Microbiology Society (MS) and Society for Applied Microbiology (SfAM).

There are no other related-party transactions to disclose.

20. Subsequent events

Since the end of 2019, the main risk to the Biochemical Society and Portland Press Limited is the uncertainty surrounding the COVID-19 pandemic. See section 1 Accounting Policies, Basis of Preparation, and additional information on the potential impact of COVID-19 within the Trustees Annual Report.

There are no indications that the carrying value of the assets recognised within the financial statements are now overstated as a result of COVID-19.