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Bedford Heights, Brickhill Drive, Bedford, MK41 7PH, United Kingdom
 Charity Registration Number 1123044
 Company Limited by guarantee registered in England and Wales 6462427

Chief Executive

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Chartered Accountants & Registered Auditors
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Trustees' Report for the year ended 31 December 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Society for Applied Microbiology (the company) for the year ended 31 December 2015. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The company is registered as a charitable company limited by guarantee, company number 6462427. The company is constituted under a Memorandum of Association and is a registered charity, number 1123044.

Objectives and Activities

Strategy

An early event of 2015 was a Strategy Away Day which focused on the short-term future for the Society and the strategic direction the Society wishes to take over the next three years.

Engagement with members and external stakeholders has been a driving theme for the Society during 2015 and many of the objectives we set in 2015 were tied to this important area. Many of the objectives associated with the Society's online communications were exceeded during 2015, as described on page 4.

The Strategy Away Day resulted in a restatement of the Society's Vision, Mission and Values, as described, together with new objectives and strategic actions.

Object

SfAM works to advance, for the benefit of the public, the science of microbiology in its application to the environment, human and animal health, agriculture and industry.

Vision

SfAM envisages a future where applied microbiology research and development is strong in the UK and beyond, and the applications of microbiology contribute significantly to all global challenges facing humanity, including infectious diseases; the changing environment; sustainability of energy, food, water, and land resources; and economic growth

Mission

SfAM will work in partnership with sister organizations and microbiological bodies to ensure that microbiology and microbiologists contribute to evidence-based policy making within the UK, in Europe, and worldwide. SfAM will build on a strong history of microbiology in the UK and will move forward in step with the next generation of microbiologists.

Values

SfAM is "The Friendly Society". We are modern, innovative, and progressive; we value integrity, honesty, and respect; and we seek to promote excellence and professionalism and to inspire the next generation of microbiologists.

Public Benefit

The Trustees review the activities of the Society at every Executive Committee meeting, of which there are three per year. The activities of the Society are described on pages 3 to 8. In planning and in carrying out the Society's activities for this year, the Trustees have taken account of the published Guidance of the Charity Commission concerning Public Benefit (pursuant to s4 of the Charities Act 2011).

Achievements and Performance

Membership, Marketing and Communications

Membership in 2015 was steady at 2467 members in 85 countries: Full Ordinary (1223), Full Student (448), Associate (31), Honorary (29), Retired (200), eAffiliate (45), eStudent (472) and Corporate (19). What is particularly encouraging is that our engagement with Student Members has increased by ~10% demonstrating the effectiveness of our strategy to strongly support early career microbiologists.

News

Our online-first news-led communication strategy progressed during 2015 with the launch of *MicrobeBlog*, which provides regular highlights from the latest issue of *Microbiologist* magazine, as well as topical microbiology news pieces from our Corporate Communications team, Executive Committee and guest bloggers. The subjects covered ranged from *Movie microbes under the microscope*, to *Surviving a PhD abroad*. The blog is proving highly popular attracting a much wider audience to engage with microbiology news.

Media

Professor Mark Fielder, General Secretary, spoke to the media on numerous occasions about the rapidly-changing picture of the spread of Ebola in West Africa, raising the profile of the Society with various broadcast outlets. The Society also featured in responses to reports published during 2015 from the *Review on Antimicrobial Resistance* which was commissioned by David Cameron and led by Economist Jim O'Neill.

Online

The SfAM website attracts an increasingly large audience (45,085 unique visitors in 2015, which is an increase of 7.3% compared with 2014). We are active on LinkedIn, Twitter and Facebook and the numbers of people we are reaching via these channels increased significantly during 2015. On LinkedIn our followers increased from 3109 to 4111 (32.2%), on Twitter, our followers increased from 3899 to 5300 (35.9%) and on Facebook, our followers increased from 903 to 20222 (2239.4%).

2015 also saw the launch of an image competition, which showcased some superb imagery and real artistic flare amongst the membership and provided the images for our 2016/17 academic calendar.

Microbiologist

Microbiologist is a topical quarterly magazine for Society members. It is sent in hard copy to all members and an electronic copy published on ISSUU is read up to 2000+ times. The magazine is put together by the Society's Corporate Communications team with support from a team of volunteer editors. The membership of the Microbiologist Editorial Group expanded in 2015 and we were delighted to welcome Dr Nicola Stanley-Wall as a Features Editor.

Public Engagement

The Society continues to engage with the public on the importance of applied microbiology to us all in our everyday lives. During 2015 we attended the Cheltenham Science Festival, the Big Bang Fair, Pint of Science and Bright Club, and engaged with around 3,500 people of all ages on topics such as Bacterial Structure and Food Microbiology.

SfAM organized a special screening of 'Resistance: The Film' with a Q&A with director Michael Graziano. The event was hosted by Dr Adam Roberts. SfAM also sponsored the Science in Schools conference, a further screening of the film, and the Biology prize at Big Bang Eastern.

As well as attendance at science festivals, the Society provides funding for our members to run their own public engagement events and projects, one of which, an app to teach antibiotic resistance to school children, was reported in *The Scotsman*, a daily national newspaper in Scotland, further raising the Society's profile.

Meetings

We began our 2015 meetings schedule with the Winter Meeting at the Royal Society in London with a programme entitled *Water, water everywhere but is it safe?* The plenary session began with the 9th Denver Russell Memorial Lecture entitled *Ecology and Pathogenesis of Vibrio vulnificus: New Insights into a Severe Human Pathogen* which was presented by James Oliver from the University of North Carolina, USA. A full meeting report was published in the June issue of the *Microbiologist* magazine. In April we held our Spring Meeting at the Hilton Hotel in Sheffield, targeting a biomedical scientist audience. A full report of the meeting was presented in the September issue of *Microbiologist* magazine.

For the Summer Conference in July, the Society headed to the Intercontinental Hotel in Dublin where over 150 delegates enjoyed a four-day programme addressing microbiological aspects of fermented foods and beverages. The conference began on the Monday with a pre-conference workshop on *Opportunities for impact* followed by the 2015 Journal of Applied Microbiology Lecture entitled *The growth and applications of functional metagenomics* given by Don Cowan from the University of Pretoria, South Africa. The lecture was also filmed and made available online, shortly afterwards. The programme on Wednesday afternoon included the Student Offered Papers Session which featured some excellent presentations illustrating the high calibre research being carried out by Student Members of the Society. This was followed by the SfAM Award Lectures session which began with the New Lecturer Research Grant Lecture this year given by Robert Fagan from the University of Sheffield. Robert gave a fascinating presentation entitled *The Clostridium difficile S-layer, a complex surface structure conferring resistance to antibiotics and innate immune effectors*. This year's W.H. Pierce Prize Lecture entitled *Building a biofilm raincoat* was presented by this year's winner, Nicola Stanley-Wall from the University of Dundee. A full meeting report was published in the December issue of the *Microbiologist*.

The 4th SfAM Early Career Scientists (ECS) meeting was held on the 13th October at the Royal Society of Medicine in London on the theme of Impact. The first session was a showcase for our ECS members who described the research they had carried out for their PhD studies or Student into Work placements. This was followed by an attended poster session in which 17 posters were presented by ECS members from across the UK and worldwide. In the afternoon, a lively panel discussion took place featuring experts from academia, the media, publishing and policy who each gave their perspective on the theme of the day: *Impact*.

The annual Environmental Microbiology lecture *Extracellular electron transport (EET): opening new windows of metabolic opportunity for microbes* was given by Kenneth Nealson from University of Southern California, USA. The lecture was presented at the Royal Society of Medicine in London in October and is available online for those who were not able to attend the lecture.

On the 11th December the Society convened its first conference on the rapid growth of antimicrobial resistance (AMR) at the Royal Society of Medicine in London. This was the first event of a new initiative to convene additional ad-hoc scientific meetings to address emerging topics. The aim of this meeting was to look at AMR from clinical (medical and veterinary), environmental and economic viewpoints and ask the question: *Are we doing enough to prevent the predicted scenario of being "cast back into the dark ages of medicine"?* After a set of outstanding presentations Professor Mark Fielder chaired the panel discussion addressing this important question. The Society has since published a position statement on AMR which is available online.

Policy and External Affairs

The Society continues to engage actively in policy work and this year a key focus was our involvement with the Learned Society Partnership on Antimicrobial Resistance (LeSPAR). This is a partnership of seven UK learned societies: Biochemical Society, British Society for Antimicrobial Chemotherapy, British Pharmacological Society, Royal Society of Biology, Royal Society of Chemistry, Society for Applied Microbiology and Microbiology Society, formed to support actions that can begin to address this challenge. Collectively, these seven societies represent around 75,000 scientists. This group was established following the House of Commons Select Committee Enquiry on Antimicrobial Resistance, at which a number of learned societies gave evidence, and the publication of the UK Department of Health's five-year antimicrobial resistance strategy. SfAM coorganized three LeSPAR workshops in London, Dundee and Nottingham which were arranged as interdisciplinary networking opportunities to bring together researchers, from all career stages and across a range of disciplines and sectors, who have an interest in the evolution and transmission of AMR.

The Society actively participated in the Royal Society of Biology's Parliamentary Links Day and Voice of the Future events during 2015.

During 2015, the Society was represented on the following external committees

British Standards Institute Technical Committees: Aw/9 Microbiology Microbiological Methods CH216 Chemical Disinfectants and Antiseptics panel	Dr S Passmore Dr S Passmore Dr J Rigarsford
Federation of European Microbiological Societies	Dr C Taylor
Microbiology Schools Advisory Committee	Professor M Adams & C Satchell
Parliamentary and Scientific Committee	Professor M Fielder
United Kingdom Federation for Food Science and Technology	Dr J Sutherland
Veterinary Antimicrobial Susceptibility Testing subcommittee of the CLSI, USA	Professor M Fielder

Strategic partnerships

LeSPAR, Royal Society of Biology, Federation of European Microbiology Societies, European Federation of Biotechnology, Antibiotic Action, Campaign for Science and Engineering, Sense About Science, Science Media Centre, Foundation for Science and Technology.

Other: American Society for Microbiology, CARA, Science Policy Advisers Network; Royal Society of Biology Public Engagement Working Group; various high level dinners, receptions and networking events.

Early Career Scientists

The Society has strategically focused on Early Career Scientists for many years and continues to value the input of this highly proactive and motivated group. In 2015, PECS (Postgraduate and Early Career Scientists) rebranded to Early Career Scientists (ECS) to ensure that they were an inclusive voice for the early career members of the Society. The ECS meeting on *Impact* was held at the Royal Society of Medicine in London. This preceded the Environmental Microbiology lecture which was held the same evening.

Journals

The SfAM journals, *Journal of Applied Microbiology* and *Letters in Applied Microbiology*, continue to flourish and are recognized worldwide. They are a major benefit we provide to our members. Their success is highly dependent on the hard work of our journal editors-in-chief and all the national and international editors who support the work of the journals. It also reflects the ongoing commitment of our publishing partner, Wiley, to deliver journals of high quality and impact and we are very grateful for the support they provide. The sales and marketing which supports all our journals, and taken on by Wiley on our behalf, must not be underestimated. Our partnership agreement with *Environmental Microbiology* and *Environmental Microbiology Reports*, as well as *Microbial Biotechnology*, also continues to generate substantial income for the Society.

Awards

W. H. Pierce Prize

The most prestigious SfAM award is the W. H. Pierce Memorial Prize, presented by Thermo Fisher Scientific, to a young microbiologist who has made a substantial contribution to microbiology.

In 2015, the award was presented to Dr Nicola Stanley-Wall from the University of Dundee at the Summer Conference held in Dublin, Ireland.

SfAM Communications Award

The SfAM Communications Award recognizes excellence in science storytelling through public engagement activities, the written word and multimedia content. The goal of the award, which is selected by a panel of science communication experts, is to recognize content that enhances the public's understanding and appreciation of microbiology and its application to real world issues. There are two categories for this award, Scientist and Professional Communicator, each worth £500. In 2015, the recipients were Dr Roy Sleator (Scientist category) and Sagar Aryal (Professional Communicator Category).

Grants

The Society offers a number of grants to which all members are encouraged to apply. Grants are promoted at meetings, on the SfAM website, via social media, via the member's ebulletin and *Microbiologist* magazine. Full details of all grants are available through the SfAM website or from the Society Headquarters. The details of the number of awards made in 2015 are described below. Further details regarding the individuals awarded each grant can be obtained by contacting the Society. The President's Fund, administered by the President, is available to all our members and this year its budget was increased from £45,000 to £60,000 due to the level of demand.

Grant	Maximum award per grant	Number of applications in 2015	Number awarded in 2015	Number declined
President's Fund	£1,200	73	59	14 (5 withdrawn)
Conference Studentships	n/a	19	19	0
EAffiliate Bursary	n/a	1	1	0
Students into Work	£2,500	40	30	10
Sponsored Lecture Grant	£500	0	0	0
International Capacity Building Fund	£5,000	2	2	0
Laboratory Fellowship Grant	£4,000	5	2	3
Hardship Grant	£9,000	4	2	2
New Lecturer Research Grant	£10,000	9	2	7
Research Development Fund	£2,500	3	1	2
Public Engagement Grant	£2,000	11	4 (2 to non-members)	7
Educational Resources Grant	£10,000	1	1	0
Scientific Meeting Attendance Grant	£300	26	24	2 withdrawn
Meeting Organization Grant	£2,000	8	6	2
Student Professional Placement Grant	Maximum total award £20,000	3	1 (24 students)	2
PhD Studentship	£22,000 pa	n/a	1 (final year)	n/a

Financial Review

The net assets of the Society remain above £7M (£7,650,711). As an incorporated limited company and registered charity, the strong financial position of the Society ensures that we remain in a position to continue to expand the Society's business of maintaining benefits for members, whilst further building the reputation of SfAM as the voice of applied microbiology worldwide. The benefits to our existing members are again exemplified by the excellent publications they have access to and generous grants that are available. Our members received more than £220K worth of individual grants in 2015. In addition, our members benefited from the large subsidy provided for the Spring, Winter and particularly the Summer Conference; totaling approximately £120K. The substantial subsidy in delegate fees will remain in place for SfAM members attending the 2016 Summer Conference in Edinburgh and it is hoped that the event will be as successful as recent Summer Conferences.

Investment Policy and Performance

Under the Constitution, the Charity has the power to invest in any way the Trustees wish. The Trustees, having regard to the liquidity requirements of operating the Society, have operated a policy of keeping available funds with our investment brokers which attract interest payments which match or exceed inflation as measured by the retail price index. Funds are withdrawn throughout the year to an agreed payment mandate.

The Trustees have reviewed the long-term strategy for managing the investment portfolio. Overall the strategy will remain the same with the aim of increasing the capital value of the portfolio by around 50% within the next three years. This will hopefully also increase the annual revenue which is currently received. This increase in revenue may be needed if the current level of income received from journal publication activities is adversely affected in the future. The strategy will be regularly reviewed in light of actual income or expenditure changes in the future.

The market value of the listed investments of the Society, as of the 31 December 2015, is £6,978,919.

Reserves Policy

The Society for Applied Microbiology provides three main resources for its professional members.

1. Scientific publications, that is the *Journal of Applied Microbiology*, *Letters in Applied Microbiology*, *Environmental Microbiology*, *Environmental Microbiology Reports*, *Microbial Biotechnology* and *Microbiologist*.
2. Scientific Conferences and Meetings
3. Grants

The Trustees of the Society have designated four reserve funds to support these resources:

- 1) Property operating reserve (£150K). To ensure adequate reserves for maintaining the operational property.
- 2) Publications reserve (£250K). To ensure adequate reserves for the publication of journals for members. The journals are a core function of the Society and essential to its future stability.
- 3) Grants reserve (£250K). To ensure adequate reserves for meeting grant commitments. The Society provides grants for its members to attend scientific meetings, help students into work by providing funding for suitable work experience and to attend and provide lectures. This is considered to be an increasingly important part of the Society's work.
- 4) Scientific meetings reserve (£100K). To ensure adequate reserves for the Society's scientific meetings.

The Trustees feel that these reserves will allow the Charity's activities to continue at the present level over a reasonable period in the event of a significant drop in income.

Total reserves are £7,650,711 of which £6,978,919 is held in investments which are held for the purposes of income generation.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The full accounts are presented here. Any member wanting a complete list of the Society's investment portfolio should contact the Society office for further information.

Plans for the future

Operational

Society headquarters continue to be located at Bedford Heights and the premises provide an appropriate level of accommodation for the Society and its assets. However, the current lease expires in 2016 and during 2015 the Chief Executive explored options to ensure that the Society is located in sustainable accommodation that will allow us to provide maximum benefit to our members. After presentation of a full options appraisal to the Executive Committee, the decision was taken to move the Society Headquarters to Charles Darwin House, 12 Roger Street, London, WC1N 2JU and during 2016 this move will take place. The move will enable the Society to achieve many of our organizational objectives and facilitate further collaboration and integration with others within the learned society sector – many of whom reside at Charles Darwin House - building upon our already strong foundations.

Governance

During 2015 the Society instigated a new procedure to find a successor for each of the Officer positions; this applies to the General Secretary, Treasurer and Meetings Secretary positions as, for the President, an existing procedure was in place. This new procedure is operated through a Search Committee and is to ensure transparency in our Governance – a trend which will continue during 2016.

Policy

During 2015 the Trustees discussed the role of the Society in representing its members at the policy level. It was decided that increased resource be allocated to this activity and we will be increasing staffing levels to reflect this during 2016.

Structure, Governance and Management

The Society for Applied Microbiology is a charity and a company limited by guarantee, first incorporated in 2008. The governing documents are the Memorandum and Articles of Association. The object of the Society is to advance, for the benefit of the public, the science of microbiology, in its application to the environment, human and animal health, agriculture and industry.

The Society is governed by the Executive Committee consisting of 14 members. Of these, four members are Officer positions (President, General Secretary, Treasurer and Meetings Secretary); these are nominated by the Executive Committee and elected by the membership.

The other members are nominated and elected by the membership. The Executive Committee meets three times a year. In addition, a variety of subcommittees report to the Executive Committee. These subcommittees include Meetings, Finance, Microbiologist Editorial Group and Grants.

All newly appointed or elected members of the Executive Committee receive an induction pack. This comprises the Society's Memorandum and Articles of Association, minutes of recent committee meetings, organizational charts and papers describing the duties and responsibilities of Officers and other committee members. All members of the Executive Committee are required to complete declarations of other interests, including potential competing interests, and declare that they are not disqualified from serving as company directors or charity trustees.

The Chief Executive (CE) is in charge of the day-to-day operations of the Society. The CE presents regular reports to the Executive Committee including at least three committee meetings per year and, in addition, further frequent contact with the Officers.

Periodically, the Society holds Strategy Away Days during which Trustees consider and decide upon the future direction of the Society. All salaries are benchmarked to the industry and sector standard.

In another busy year for the Society, there were a number of changes to the membership of the Executive Committee (EC), which comprises the Officers and Committee members, who together are the Trustees of the Society. Professor Mark Fielder stepped down from his Officer role as General Secretary and the Society would like to thank him for his outstanding service and contribution in this role. Of course Mark was not let off so easily and we were delighted that he agreed to continue some of his ambassadorial work as the Society's Liaison for Parliamentary and Corporate Affairs. Dr Clare Taylor was appointed as the new General Secretary.

We welcomed four new members to the EC, Dr Mike Dempsey, Ms Charlotte Duncan, Ms Claire Hill and Mr Philip Wheat. We would like to thank the outgoing EC members, Dr Sally Cutler, Dr Nick Jakubovics, Dr Samantha Law, and Mr Mark Reed for their valued contributions.

Operational

This year was a point of change for the Society as we welcomed Dr Lucy Harper into her new role as Chief Executive, following the retirement of Mr Philip Wheat in December 2014. Lucy did sterling work for the Society in her former role as our Communications Manager and subsequently in support of Phil as Deputy CEO and consequently we are fortunate that she brings to the role her knowledge of the workings of the Society together with her vision for its future.

In addition we have been delighted to welcome Dr Paul Sainsbury as our new Corporate Communications Manager.

The Society's external events are organized by Sally Hawkes of Kinetix Events and we are delighted that Sally continues to work with us to deliver exceptionally high quality events on behalf of the Society.

Risk Management

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan and
- The implementation of procedures designed to minimize any potential impact on the charity should those risks materialize.

This work has identified only a few minor new risks but it has resulted in better emergency procedures and contingency plans and has given the impetus for better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Key Management Personnel Remuneration

The Trustees consider the Executive Committee and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Society's policy withdraw from decisions where a conflict of interest arises.

The pay of the Chief Executive is reviewed annually. A full benchmarking exercise of all staff roles was carried out during 2015 and the Chief Executive's salary was included within this.

Trustees' Responsibilities Statement

The Trustees (who are also directors of the Society for Applied Microbiology for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 charitable 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.

Disclosure of Information to Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

This report was approved by the Trustees on 4 July 2016 and signed on their behalf by:

.....
Professor Christine Dodd, Honorary President

.....
Mr Steve Davies, Honorary Treasurer

Independent Auditor's Report

We have audited the financial statements of Society for Applied Microbiology for the year ended 31 December 2015 set out on pages 16 to 26. The financial reporting framework that has been applied in their preparation is applicable in accordance with law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Trustees' responsibilities statement, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

..... 12 July 2016

Paul Chapman (Senior statutory auditor)

for and on behalf of

PETERS ELWORTHY & MOORE

Chartered Accountants

Statutory Auditors

Cambridge

CB1 2LA

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

(incorporating Income and Expenditure Account)

	Note	Unrestricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Income from:				
Investments	2	223,553	223,553	199,130
Charitable activities	3	1,110,785	1,110,785	1,163,851
Total Income		<u>1,334,338</u>	<u>1,334,338</u>	<u>1,362,981</u>
Expenditure on:				
Charitable activities	4	1,152,277	1,152,277	1,231,423
Net Income before Investment Gains/(Losses)		<u>182,061</u>	<u>182,061</u>	<u>131,558</u>
Net gains/(losses) on investments	11	(123,562)	(123,562)	268,434
Net Income		<u>58,499</u>	<u>58,499</u>	<u>399,992</u>
Net Movement in Funds		<u>58,499</u>	<u>58,499</u>	<u>399,992</u>
Reconciliation of Funds:				
Total funds at 1 January 2015		7,592,212	7,592,212	7,192,220
Total Funds at 31 December 2015		<u>7,650,711</u>	<u>7,650,711</u>	<u>7,592,212</u>

All activities relate to continuing operations.

The notes on pages 18 to 26 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed Assets					
Investments	11		6,978,919		6,858,536
Current Assets					
Debtors	12	628,545		623,136	
Cash at bank and in hand		<u>164,761</u>		<u>199,786</u>	
		793,306		822,922	
Creditors: amounts falling due within one year	13	<u>(107,966)</u>		<u>(82,601)</u>	
Net Current Assets			<u>685,340</u>		<u>740,321</u>
Total Assets less Current Liabilities			<u>7,664,259</u>		<u>7,598,857</u>
Creditors: amounts falling due after more than one year	14		<u>(13,548)</u>		<u>(6,645)</u>
Net Assets			<u>7,650,711</u>		<u>7,592,212</u>
Charity Funds					
Unrestricted funds:	15		<u>7,650,711</u>		<u>7,592,212</u>
Total Funds			<u>7,650,711</u>		<u>7,592,212</u>

The financial statements were approved and authorized for issue by the Trustees on 4 July 2016 and signed on their behalf, by:

.....
 Professor Christine Dodd, Honorary President

.....
 Mr Steve Davies, Honorary Treasurer

The notes on pages 18 to 26 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Net cash used in operating activities	16	<u>(14,633)</u>	<u>(114,946)</u>
Cash flows from investing activities:			
Dividends and interest from investments		223,553	199,130
Proceeds from sale of investments		719,356	856,577
Purchase of investments		<u>(963,301)</u>	<u>(923,914)</u>
Net cash (used in)/provided by investing activities		<u>(20,392)</u>	<u>131,793</u>
Change in cash and cash equivalents in the year		(35,025)	16,847
Cash and cash equivalents brought forward		<u>199,786</u>	<u>182,939</u>
Cash and cash equivalents carried forward	17	<u><u>164,761</u></u>	<u><u>199,786</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies

1.1 Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Society for Applied Microbiology meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previously generally accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. No restatements were required for prior year balances. The only comparative adjustment in respect of the 2014 figures is to include gains or losses on investments as part of net income in the Statement of Financial Activities

In accordance with FRS 102, a reconciliation of opening balances is provided here:

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	156,951
Adjustment for gains/(losses) on investments now treated as a component of net income	243,041
Net income as restated as at 31/12/2014	399,992

1.3 Going Concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

With respect to the next reporting period, 2016, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

1.4 Company Status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.5 Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies (continued)

1.6 Income

All income is recognized once the company has entitlement to the income; it is probable that the income will be received and the amount of income receivable can be measured reliably.

Membership income is recognized over the period to which the subscription relates. Memberships received in advance are included in deferred income.

Publishing income is recognized in the period that the journal was issued.

Income for meetings and conferences is recognized in the period that the meeting takes place. Income received in advance is included in deferred income.

Dividends are recognized once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment adviser of the dividend yield of the investment portfolio.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income tax recoverable in relation to investment income is recognized at the time the investment income is receivable.

1.7 Expenditure

Expenditure is recognized once there is a legal or constructive obligation to make 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. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.8 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Fixtures & fittings - 20% straight line
- Office equipment - 20% straight line

1.9 Financial Instruments

The charity 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.

1.10 Investments

Investments are a form of basic financial instrument and are initially recognized at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charitable company does not acquire put options, derivatives or other complex financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies (continued)

1.11 Realised Gains and Losses

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

1.12 Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.13 Debtors

Trade and other debtors are recognized at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.14 Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.15 Creditors and Provisions

Creditors and provisions are recognized where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

1.16 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognized in the Statement of Financial Activities.

1.17 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Investment Income

	Unrestricted Funds 2015 £	Total Funds 2014 £
Investment income - listed investments	<u>223,553</u>	<u>199,130</u>

In 2014, all investment income was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. Income from Charitable Activities

	Unrestricted Funds 2015 £	Total Funds 2014 £
Journals and other publications	1,011,940	1,040,438
Subscriptions from members	55,443	58,914
Meetings and conferences	36,041	61,459
Other income	7,361	3,040
	1,110,785	1,163,851

In 2014, all income from charitable activities was attributable to unrestricted funds

4. Analysis of Expenditure by Activities

	Activities undertaken directly 2015 £	Grant funding of activities 2015 £	Support and governance costs 2015 £	Total 2015 £	Total 2014 £
Meeting & Conference Expenses	332,560	-	138,148	470,708	486,835
Journal Costs	51,592	-	67,812	119,404	163,105
Publication Expenses	82,603	-	67,812	150,415	168,031
Grants and Studentships	-	254,103	-	254,103	266,062
Members' Subscription	-	-	157,647	157,647	147,390
Total	466,755	254,103	431,419	1,152,277	1,231,423

In 2014, all expenditure was attributable to unrestricted funds.

5. Direct Costs

	Meeting & Conference Expenses £	Journal costs £	Publication Expenses £	Total 2015 £	Total 2014 £
Winter Meeting costs	13,298	-	-	13,298	12,718
Summer Meeting costs	130,382	-	-	130,382	139,194
Other Meeting costs	111,216	-	-	111,216	114,744
Journal Provision costs	-	51,592	-	51,592	89,233
Microbiologist costs	-	-	67,084	67,084	69,726
Promotional costs	45,102	-	-	45,102	47,063
Other Publication costs	-	-	15,519	15,519	24,433
President's Dinner	26,208	-	-	26,208	15,427
Spring Meeting costs	6,354	-	-	6,354	10,299
	332,560	51,592	82,603	466,755	522,837

6. Analysis of Grants

	Grants to Institutions 2015 £	Grants to Individuals 2015 £	Total 2015 £	Total 2014 £
Grants and Studentships	33,212	220,891	254,103	266,062

In 2015 15 grants were made to institutions (2014: 10) and 155 grants to individuals (2014: 147).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7. Support Costs

	Meeting & Conference Expenses £	Journal costs £	Publication Expenses £	Members Subscription £	Total 2015 £	Total 2014 £
Other meeting costs	3,963	1,980	1,980	3,962	11,885	-
Professional fees	12,509	6,250	6,250	12,508	37,517	42,370
CRM costs	2,439	-	-	21,940	24,379	-
Office costs	36,069	18,023	18,023	36,069	108,184	71,975
Accountancy	9,913	4,954	4,954	9,913	29,734	24,371
Committee meeting costs	7,064	3,530	3,530	7,064	21,188	19,222
Wages and salaries	52,789	26,378	26,378	52,789	158,334	225,652
National insurance	5,464	2,731	2,731	5,465	16,391	25,031
Pension costs	7,938	3,966	3,966	7,937	23,807	33,903
	<u>138,148</u>	<u>67,812</u>	<u>67,812</u>	<u>157,647</u>	<u>431,419</u>	<u>442,524</u>

Included within support costs are governance costs amounting to £50,922 (2014: £43,593). This comprises of Accountancy fees of £29,734 and Committee meeting costs of £21,188.

8. Net Income/(Expenditure)

This is stated after charging:

	2015 £	2014 £
Auditors' remuneration	8,425	8,200
Auditors' remuneration - non-audit services	<u>21,309</u>	<u>16,171</u>

Non-audit services for the charity include tax advisory work of £4,300 (2014: £4,000) and other financial services £17,009 (2014: £12,171).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

9. Staff Costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	158,334	225,652
Social security costs	16,391	25,031
Other pension costs	23,807	33,903
	198,532	284,586

The average monthly number of employees during the year was as follows:

	2015	2014
	No.	No.
Management and administration of the charity	5	6

The number of higher paid employees was:

	2015	2014
	No.	No.
In the band £60,001- £70,000	1	0
In the band £70,001- £80,000	0	1

Pension contributions in relation to the higher paid employees total £10,004 (2014 - £9,898).

The charitable company considers its key management personnel comprise the Executive Committee (Trustees) and Chief Executive. During the year, no Trustees received any remuneration (2014 - £NIL).

The total employment benefits including employer pension contributions of the key management personnel were £85,406 (2014 - £144,316).

19 (2014 - 12) Trustees received reimbursement of expenses amounting to £14,174 (2014 - £9,703). All Trustees' expenses are reimbursement of travel and subsistence costs for Trustees attending meetings on behalf of the Charity.

10. Tangible Fixed Assets

	Fixtures and Fittings	Office Equipment	Total
	£	£	£
Cost			
At 1 January 2015 and 31 December 2015	4,625	11,122	15,747
Depreciation			
At 1 January 2015 and 31 December 2015	4,625	11,122	15,747
Net Book Value			
At 31 December 2015	-	-	-
At 31 December 2014	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

11. Fixed Asset Investments

Market Value of Listed Investments	Listed Securities
	£
At 1 January 2015	6,858,536
Additions	963,301
Disposals at opening market value (Proceeds £719,356)	(655,241)
Revaluations	<u>(187,677)</u>
At 31 December 2015	<u><u>6,978,919</u></u>

All the fixed asset investments are held in the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognized at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charitable company is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charitable company from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The charitable company's investments are mainly traded in markets with good liquidity and high trading volumes. The charitable company has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charitable company manages these risks by operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognized stock exchanges. The company does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield.

12. Debtors

	2015	2014
	£	£
Other debtors	-	4,017
Prepayments and accrued income	<u>628,545</u>	<u>619,119</u>
	<u><u>628,545</u></u>	<u><u>623,136</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

13. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Other taxation and social security	28,146	-
Deferred income	26,678	22,562
Accruals	53,142	60,039
	107,966	82,601
 Deferred Income		
Deferred income at 1 January 2015	29,207	
Resources deferred during the year	33,581	
Amounts released from previous years	(22,562)	
Deferred income at 31 December 2015	40,226	

Deferred income consists of subscription income received in advance of £36,868 (2014: £25,843) and meeting fees received in advance of £3,358 (2014 £3,364), of which £13,548 (2014: £6,645) is shown in amounts falling due after more than one year.

14. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Deferred income	13,548	6,645

15. Statement of Funds

	Brought Forward	Incoming resources	Resources Expended	Gains/ (Losses)	Carried Forward
	£	£	£	£	£
Designated Funds					
Property operating reserve	150,000	-	-	-	150,000
Publications reserve	250,000	-	-	-	250,000
Grants reserve	250,000	-	-	-	250,000
Meetings reserve	100,000	-	-	-	100,000
	750,000	-	-	-	750,000
 General Funds					
Accumulated Fund	6,842,212	1,334,338	(1,152,277)	(123,562)	6,900,711
Total Unrestricted funds	7,592,212	1,334,338	(1,152,277)	(123,562)	7,650,711
Total of funds	7,592,212	1,334,338	(1,152,277)	(123,562)	7,650,711

The property operating reserve is to ensure there are adequate reserves for maintaining the operational property.
The publications reserve is to ensure there are adequate reserves for the publication of journals for members. The journals are a core function of the Society and essential to its future stability.
The grants reserve is to ensure there are adequate reserves for meeting grant commitments.
The meetings reserve is to ensure there are adequate reserves for the Society's scientific meetings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

16. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2015	2014
	£	£
Net income for the year (as per Statement of Financial Activities)	58,499	399,992
Adjustment for:		
Gains/(losses) on investments	123,562	(268,196)
Dividends and interest from investments	(223,553)	(199,130)
Increase in debtors	(5,409)	(36,097)
Increase/(decrease) in creditors	32,268	(11,515)
Net cash used in operating activities	(14,633)	(114,946)

17. Analysis of Cash and Cash Equivalents

	2015	2014
	£	£
Cash in hand	164,761	199,786
Total	164,761	199,786

18. Pension Commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £23,807 (2014 - £33,903). No contributions were outstanding at the balance sheet date.

19. Operating Lease Commitments

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Not later than 1 year	11,977	17,798	1,273	1,273
Later than 1 year and not later than 5 years	-	11,977	2,864	4,137
Total	11,977	29,775	4,137	5,410

20. Related Party Transactions

There were no related party transactions in the year.