
THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Trustees

Dr H Lappin-Scott OBE, President
Dr B Vasiljević, Secretary General
Dr C R Harwood, Treasurer
Dr J Anné, Grants
Dr P M Bavoil, Research and Publications
Dr P Cos, Business & Policy
Dr A Sibirny, Education & Public Engagement
Dr V Taleski, Events & Internationalization

Company registered number 03565643

Charity registered number 1072117

Registered office

Salisbury House, Station Road, Cambridge, CB1 2LA

Managing Director

M J Harvey

Independent auditors

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers

National Westminster Bank PLC, 13 Market Place, Reading, Berkshire, RG1 2EP, UK
ABN-AMRO, Business Services Sector, Postbus 283, 1000 EA, Amsterdam, The Netherlands

Investment Managers

Brewin Dolphin Limited, 12 Smithfield Street, London, EC1A 9BD, United Kingdom

Central Office

Delftechpark 37a, 2628 XJ Delft, The Netherlands

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees of the charity (who are also Directors of the Company for the purposes of the Companies Act), present their annual report including the audited financial statements of The Federation of European Microbiological Societies (the Company) (also referred to in the document as FEMS) for the year ending 31 December 2020. The Trustees confirm that the Annual Trustees' Report, including the financial statements of the Company, comply with the current statutory requirements, the Company's governing document and the provisions of the Statement of Recommended Practice (SORP). The SORP is applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019) (effective 1 January 2019).

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.

OBJECTIVES AND ACTIVITIES

Policies, objectives and activities

THE FEMS MISSION IS TO ADVANCE THE VISIBILITY, REPUTATION, AND IMPACT OF MICROBIOLOGY BY HELPING TO CONNECT PEOPLE AND SHARE KNOWLEDGE, WITHOUT BORDERS OR BARRIERS.

FEMS was founded in 1974 to encourage scientific collaboration, facilitate international communication and support meetings, training, and research amongst Europe's microbiologists. Since then, our activities have expanded but our core mission remains the same.

Our strategic purpose and objectives were reviewed and refreshed during 2020 and published in our [Strategic Plan 2020-2024: Connecting People - Sharing Knowledge](#). This document outlines the goals we want to accomplish but also describes the value we place on achieving these in a fair, open and inclusive way. It details the challenges we need to consider as a not-for-profit society and that our Member Societies and indeed all microbiologists will face in the immediate future. Our responses are outlined in a series of priorities, all of which are aimed at promoting microbiology and supporting microbiologists:

- Advance the visibility and reputation of microbiology by helping to connect people and share knowledge, without borders or barriers
- Encourage and support a connected, collaborative community of microbiologists sharing experiences, knowledge, research outcomes and best practice
- Publish and promote high-quality scientific research that is accessible and more easily shared across borders with no barriers to knowledge exchange
- Support researchers' ability to travel and work without hindrance, encouraging and enabling collaborations to produce global responses to global issues
- Promote meaningful dialogue between scientists and policy makers at national and European level.
- Support for microbiologists to develop the skills and knowledge to keep up to date with recent developments, in a changing world and changing research priorities.
- Engaged and educated professionals, and public awareness of the role of microorganisms in daily life and their benefits, beauty, and risks

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

ACTIVITIES AND PERFORMANCE

Review of activities – delivering strategy

FEMS delivers a range of activities across six broad areas to achieve our strategic objectives:

- Publications - publishing scientific journals, showcasing the best research carried out by the international community of microbiologists
- Events - organizing the biennial Congress of European Microbiologists and Conference on Microbiology (in alternate years) and supporting other scientific meetings, laboratory courses and summer schools across Europe
- Grants & Awards - supporting Early Career Scientists and meeting organizers to attend, organize and pursue research and training opportunities, as well as recognizing and promoting academic excellence
- Business Administration - supporting and building the capacity and visibility of our Member Societies and promoting and sharing their achievements
- Education & Outreach – providing continuing personal development for microbiology researchers, scientists and educators and raising the profile of microbiology as a field of study and employment
- Industry & Business – working to build connections between microbiological research and its application and to increase the uptake of scientific advice by policymakers

In reviewing FEMS aims and objectives, and in planning future activities, the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit. More information on our activities can also be found in our Impact Reports which are available on the FEMS website.

Publications

FEMS supports the sharing of microbiological research through seven internationally recognized scientific journals which are published in collaboration with our not-for-profit publisher Oxford University Press (OUP). Our journals provide an important service to society and the microbiological research community through the provision of internationally recognized and peer-reviewed science, as demonstrated by their high levels of usage and global sales figures. Articles from our journals were downloaded 5.7 million times in 2020. Our journals provide the revenue that support our charitable activities, enabling us to continue investing in science and education. We are grateful for the hard work and dedication of every contributor to this process: the Editors, Authors, Reviewers and Oxford University Press, who together make this possible. We would like to take this opportunity to thank and acknowledge them all. Our journals also award prizes to the best research they publish each year, our Journal Article Awards, (https://fems-microbiology.org/about_fems/network-and-activities/awards/article-awards) and to the best research they encounter at scientific meetings via Journal Poster & Oral Presentation Prizes (https://fems-microbiology.org/about_fems/network-and-activities/awards/poster-oral-presentation-prizes)

Journal	Subject area (World of Science (WoS))	Impact Factor	Ranking in 'microbiology' (WoS /134)	Total articles published	Full-text downloads (HTML and pdf)
<i>FEMS Microbiology Ecology</i>	Microbiology	3.675	44/134	265	1,128,103
<i>FEMS Microbiology Letters</i>	Microbiology	1.987	98/134	196	1,934,886
<i>Pathogens and Disease</i>	Microbiology	2.166	92/134	62	733,435
<i>FEMS Microbiology Reviews</i>	Microbiology	13.920	5/134	46	1,380,731
<i>FEMS Yeast Research</i>	Microbiology	3.193	58/134	66	224,063
<i>FEMS microbes</i>	Microbiology	N/A	-	-	-
<i>microLife</i>	Microbiology	N/A	-	-	-

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Publication Activities

- In 2020 we launched two new journals, *FEMS Microbes* and *microLife*, to meet the increasing need of the research community to publish in fully Open Access research papers:
 - FEMS Microbes* aims for Open Science for a sustainable future via eg. transparent peer review and thematic issues. Furthermore, it will give extra support for Early Career Researchers. An open call for ECRs to be available as reviewers for the *FEMS Microbes* resulted in a pool of 50+ applicants.
 - microLife* is a collaboration with the European Academy of Microbiology and focuses on publishing the highest quality science.

Support for community during Corona virus pandemic:

- **Journal Webinars** (<https://academic.oup.com/fems-journals/pages/webinars>) In response to the COVID-19 outbreak preventing attendance at scientific meetings, the FEMS journals are now producing webinars to bring scientific content and discussion to the microbiology community. The webinars are well received with large numbers of attendees and has had the additional benefit of increasing traffic to the presented journal content.
- The FEMS journals and OUP have enabled Google Universal CASA, which allows users from subscribing institutions such as universities and libraries to access their subscription content even when they are not on campus.
- Article Processing Costs and subscriptions prices for 2021 were frozen reflecting anticipated reductions in publication budgets for the scientific community.
- Settings in the submission platform ScholarOne have been adjusted to allow more flexibility for authors, reviewers and editors to work on the manuscripts.

Highlights

- Over 5.7 million downloads of FEMS journal content – representing an increase of 15% compared to 2019
- 631 articles published across 7 journals in 2020
- Two new fully open-access (OA) journals *FEMS microbes* and *microLife* launched to give authors a range of publishing options

Events

FEMS organizes its own events and support others in running theirs, to encourage scientific interaction and collaboration. Academic events, such as conferences and summer schools provide a vehicle to create and grow a connected, and collaborative community of microbiologists who share experiences, knowledge, research outcomes and best practice. FEMS seeks to create a sense of community and affinity at its events that nurtures relationships across all microbiological disciplines and sectors. We value both scientific and social opportunities to encourage networking and communication among microbiologists. We also participate at events organized with and by our Member Societies, assisting our Member Societies to increase the impact of the events they organize via financial contributions or administrative support.

However, in 2020 with almost all events cancelled, these outcomes had to be achieved in a virtual environment. FEMS planned to hold the first Conference on Microbiology in Belgrade in July 2020. This event was organized in collaboration with one of our Member Societies, the Serbian Society of Microbiology, with the aim of raising the profile of microbiology in a specific region of Europe. Once the impact of COVID-19 became clear, the meeting was transitioned online as we attempted to retain as many of the planned positive outcomes as possible.

Activities

FEMS Conference on Microbiology

- This event was transitioned to a virtual, online event, retaining the full scientific programme. Speakers recorded their presentations, and the event was a mix of live talks and recorded presentations. There were also round table events with live Q&A.

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- The event was planned in collaboration with the Serbian Society for Microbiology and a local Professional Conference Organizer (PCO). These connections secured significant regional and local participation from delegates and industry and enabled sizable sponsorship income.
- The event received almost universally positive feedback and achieved its aims of attracting international speakers while also showcasing regional expertise and contributing to the resources of the local society.

Support for community during Covid-19 pandemic:

- FEMS offered existing Meeting Organizer grantees impacted by the pandemic up to an additional 50% of the value of their award towards additional costs of cancellation, postponement or transitioning to an online event.

Highlights

- Our first ever online event was organised from scratch and received positive feedback from participants.

Grants

FEMS grants provide support to microbiologists in the early stages of their career and, enable our Member Societies and their members to organize scientific and educational events. The grants programme is the cornerstone of our charitable activities by providing support for:

- early career researchers to visit institutions in other European countries, with the aim of growing their professional networks and learning new techniques, skills and expertise.
- organizing or attending meetings, conferences and events with the aim of sharing research, encouraging career development and facilitating networking.

All individual members of a FEMS Member Society are eligible to apply for one of our grants and we seek to create connections among our network of grantees.

FEMS also has an awards programme to recognize and reward the best in scientific research and communication. We have a variety of awards in appreciation that scientific excellence can be found across our diverse community and at all stages of a scientific career. We aim to recognize both new and established researchers through our programme of awards. Two of these are joint awards with partner organisations, which are reciprocal awards with the American Society for Microbiology (ASM) and European Society of Clinical Microbiology and Infectious Diseases (ESCMID). These awards give recognition and exposure to individuals and teams of researchers and include financial contributions to further activities.

Grant name	Combined application rounds		Value of awarded grants (EUR)
	Number Applications	Number Grants awarded	
Meeting Organizer Grants (MOG)	55	44	233,456
Additional Online Meeting Organizer Grants (MOG)	4	4	8,000
Research and Training Grants (RTG)	64	44	201,743
Meeting Attendance Grants (MAG)	30	5	-680
Conference Attendance Grants (CAG)	92	85	19,855

Activities

- We highlighted our grantees and the positive impact our grants had for them by sharing the grantees testimonials on our website.

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Support for community during Covid-19 pandemic:

- Research & Training Grantees that had to remain longer in their host institution because of travel restrictions were offered additional financial assistance of up to an additional 50% of the value of their award towards additional costs.

FEMS Sponsored Meetings

- Almost all of our supported meetings were impacted by Covid-19. Soon after the scale of the pandemic became apparent, we contacted all meeting organizers to reassure them that our grants would cover additional costs related to COVID. Some meetings became virtual, and others were postponed.
- We opened an additional call for meeting organizer grants that specifically offered resources to meetings being held online.

Business Administration and Support Services

Our Member Societies are central to everything we do, and we seek to assist and support them and their Members. Only jointly can we make a significant impact on microbiology across Europe. We work with our Member Societies to support their work and to understand the factors and issues that limit their activities and impact. We aim to share and celebrate their achievements, to learn from them, and to share our expertise in return. We also aim to have clear and robust governance systems in place for all of our processes.

Activities

- We held discussions involving our Member Societies, Board of Directors, and members of staff to identify the biggest challenges facing FEMS and microbiology in the coming years and responded with our strategy document for 2020-2024: ***Connecting People - Sharing Knowledge***
- We improved the Members benefits section of the FEMS website to illustrate the advantages of being a member.
- We sought the opinions of Member Societies on topics including the future of scholarly publishing (for authors and publishers) and how FEMS can support Member Societies through the Covid pandemic.
- We encouraged our members to share their achievements and successes with us so that we could share them with a larger audience via our communication channels.

Highlights

- A new strategy for FEMS over the next 5 years prepared and published: ***Connecting People - Sharing Knowledge*** (see below)
- The Council approved the membership application of Kosovo Society for Microbiology, increasing FEMS membership to 56 Member Societies
- We updated and expanded our anti-harassment and anti-bullying policies to reinforce our commitment to a safe, welcoming, and diverse organization.

Projects (including Awards, Education & Outreach, and Industry & Policy)

FEMS support the continued continuing professional development of microbiologists, through events, resources and publications. Our awards recognize excellence in microbiology and are presented to highlight and promote research outcomes and individual researchers. We award these prizes for excellence in research and publications. We share the fascinating world of microorganisms with students and the public via outreach activities. We provide a forum for the sharing of best practice and experience among those that teach microbiology at degree level and above. All of these activities are intended to create an environment where the producers, curators and users of microbiological knowledge can make it available to the largest audience in an informative and engaging way.

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TRUSTEES' REPORT (CONTINUED)
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Activities

- The FEMS Education group, comprising individuals involved in teaching microbiology, published a draft Common Curriculum on Microbiology. This aims to provide an academic and practical basis of knowledge and learning outcomes that should be included in taught microbiology across Europe. These curriculum guidelines are recommendations to be adapted according to the differing demands in different fields of study incorporating aspects of the science of microorganisms and local method and styles of pedagogy.

Award name	Recipient	Criteria/Recognizing	Value of award (€)
Lwoff Award	Not awarded in 2020 (awarded every two years on 'even' years to coincide with FEMS Congress)	Recognizes those that helps to solve today's societal problems using microbiology.	-
Jensen Award	Not awarded in 2020 (awarded every two years on 'even' years to coincide with FEMS Congress)	Recognize academic achievement and superior research accomplishments by an Early Career Researcher showing significant potential to develop an outstanding research career.	-
FEMS-ASM Mäkela-Cassell Award	Azul Zurzoli (University of Dundee)	Award supports the reciprocal exchange of one Early Career Researcher from each organization to present their research at the other organization's main conference.	Registration and travel costs to attend ASM microbe
FEMS-ESCMID Award	Alexandra Veress (Eötvös Loránd University, Budapest)	The European Society of Clinical Microbiology and Infectious Diseases (ESCMID) selects the best clinical microbiology-related FEMS grantee to be the FEMS-ESCMID Awardee.	1,000 and complimentary registration to ECCMID
Special Merit Award	Not awarded in 2020	Created in 2003 to acknowledge individuals who have made special contributions to further the objectives and operation of FEMS.	-
FEMS Journal Poster Awards	Seven recipients of this prize in 2020 (full list here: https://fems-microbiology.org/about_fems/network-and-activities/awards/poster-oral-presentation-prizes/)	The FEMS Journals award Poster & Oral Presentation Prizes to the best presenters at a range of microbiology events that we support.	150 – 250
FEMS Journal Article Awards	Sixteen recipients shared the 5 awards in 2020 (full list here: https://fems-microbiology.org/about_fems/network-and-activities/awards/article-awards/)	The editors of each of the five FEMS journals select the best articles published each year in terms of research, impact or originality. Co-authors share the prize.	1,000 per journal

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Highlights

- International Microorganism Day, an annual celebration of the science and impact of microbes, was held as an online event. We hosted a 24-hour streamed event with speakers from across Europe and beyond. We created and shared educational resources to encourage individual follow activities (such as baking sourdough bread) that help wide initiative, with 10 Member Societies developing activities in the run up to the event itself. FEMS supported social media marketing of the event which saw over 1300 tweets posted during the event week.

Industry, Business & Policy

FEMS aims to build stronger connections between microbiology research and its commercial, medical and environmental applications. Many of our Member Society members are based in research institutions (su universities) but many are based in research institutes and companies that provide important service and products. As a new area of focus, FEMS aims to facilitate collaboration and connection between these microbiology communities. Much of our work in 2020 has been to understand how best to support industrial microbiologists and the companies they work for. Through the development of collaborative projects, increasing the participation of industry representatives at our events and improved understanding of the sector, we to create an environment of equal benefit to both sides and the elimination of any distinction between these two aspects of microbiology.

We have also stated our intention to facilitate and engage in dialogue between scientists and policy makers at the national and European levels and, through these interactions, deliver evidence-based science into the political and policy-making process. In collaboration with the European Academy of Microbiology, we aim to an advocate for the importance of microbiology in the formulation of scientific and medical policies.

Activities

- Our first steps to increase the participation of industrial partners with FEMS activities were to identify and map our current contacts and potential collaborators.
- FEMS was registered in the EU transparency register to enable formal approaches to the EU
- Brain-storming sessions were used to identify the route from strategy to concrete actions
- A Policy & Industry working group was formed and clear terms of reference.
- The European Academy of Microbiology published a position paper on the importance of vaccines and vaccination which was shared with relevant agencies

Highlights

- FEMS participated and contributed to the European Commission workshop “Strengthening and connecting eco-systems of science for policy across Europe”.

PLANS FOR THE FUTURE

Strategic Framework 2020-2024

- To develop a new 5-year strategy, FEMS canvassed our Members Societies through our annual Council meeting. The aim was to seek their views on what the microbiology community should be achieving and what FEMS could do in support. At the start of 2020 the Board of Directors and FEMS's team jointly reviewed and prioritised these suggestions. We will monitor our progress towards our stated aims annually and present our progress to our Member Societies. Through this we aim to ensure our activities will have a significant and targeted impact and contribute positively to both our Member Societies and the needs of the microbiological community in general. 2024 will mark the end of our current 5-year strategic plan as well as the 50th anniversary of FEMS.

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TRUSTEES' REPORT (CONTINUED)
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FINANCIAL REVIEW FOR THE YEAR TO 31 DECEMBER 2020

Results for the year

The organization's full results for the year to 31 December 2020 are set out in detail in the statement of financial activities.

FEMS journal income in 2020 increased to €2,713,158 (2019 €2,709,170), due to an increase in readership and manuscript submissions, yet despite a drop in exchange rates.

The total value of funds held at the end of the year were €16,081,833 (2019 €14,326,978). A small proportion of these funds is held as a restricted fund.

Restricted funds

A total of €110,493 is secured as a restricted fund, The Jensen Award.

The Jensen Award was set up, through the generosity of J R Norris, to enable the Federation to support an outstanding researcher to work for at least 6 months in a laboratory of their choice. It is the intention that the award will be given at intervals which allow for the generation of sufficient capital to make the award worthwhile, while preserving initial capital. The most recent award (€10,000) was made in 2019 to Dr Sarah Zecchin of University of Milan. The fund balance is invested as part of FEMS' investment portfolio and a transfer has been made to the fund representing its share of the total return on the investment portfolio. FEMS has a dedicated team at Central Office that oversees our Grants and Awards programmes, and the Jensen Award will continue to be managed by this team.

Reserves policy

It is the policy of Council to maintain sufficient funds to meet its objectives and obligations on an ongoing basis. FEMS derives the bulk of its income from within the highly competitive scientific publication industry. The rapidly changing publications landscape represents a significant threat to this main income source brought about by the drive by governmental institution toward Open Access. While Open Access is an option within the existing FEMS portfolio, they are so-called hybrid journals that are subscription based. Part of our reserves are being used to support the launch of two new "Gold" Open Access journals, as reported in the main part of this report. Other threats include uncertainty in the financial markets, financial austerity and uncertainties of the global economy (as witnessed during the Covid-19 pandemic). To help reduce the risk to journal income, the Board of Trustees is actively pursuing new sources of income to enable FEMS to continue its charitable activities. These will require significant investment in human and other resources in the foreseeable future. As a result, the Board of Trustees considers it judicious to maintain a level of unrestricted general reserves, at the current 5 times its turnover, to cover both capital requirements and recurring and non-recurring expenditure. As the planned new income streams are realised, the Board of Trustees anticipate reducing the reserves to between 3 times its turnover.

The underlying principles with regard to the levels of reserves held are:

- to distribute as much of the resources as possible in furthering the charitable aims of the Federation, given the caveats above regarding current (transient) uncertainties with respect to revenues and the ability to maintain the organization's existing activities;
- to ensure that the secure investment of the company's reserves results in best possible long-term financial gain;
- to ensure that, in the unlikely event of a catastrophic failure of the Federation, the company could be closed down in such a way as to meet all outstanding debts and demands on the resources in an orderly manner.

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TRUSTEES' REPORT (CONTINUED)
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Principal funding

FEMS does not actively fundraise or seek donations from the public. The charitable activities of FEMS are funded by:

1. Royalties from publishing seven scientific journals. The royalties make up 89% of the company's income which, in turn, is used as much as possible in the pursuit of its charitable activities (*vide supra*).
2. Capital gains from the company's investment portfolio. This income depends on the overall performance of the portfolio. To date it has been in line with major indices.
3. Membership fees paid by its member societies. The annual fee is kept at a very modest level, enabling all relevant microbiology societies to become members of FEMS or to maintain their membership regardless of variations in the exchange rate of national currencies to the Euro.

Material investment policy

Article 25.5 in the Federation's Articles of Association states that the Company's powers of investment, for the purpose of achieving its charitable objectives, shall not be limited by the Trustee Investments Act 1961. This statute has been approved by the Charity Commissioners.

Performance of investments

At the end of 2020 the investment portfolio value stood at **€15,389,543 (2019 €13,776,934)**.

FEMS's investment portfolio is held in London using the services of an Investment Manager. The portfolio's Investment Objectives are to generate an Income and Growth return with a Diversified Risk. The portfolio is a conservative one consisting of a mixture of UK and overseas equities, UK government stocks, unit trusts, property, commodities and cash, carefully blended to generate income and long-term capital growth. The portfolio is managed on a discretionary basis with its content and performance monitored by the Treasurer. The investments are held in Sterling (GBP) and therefore the valuation is dependent on the current GBP/EUR exchange rate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statutes

The Company is registered as a charitable company limited by guarantee and is governed by its Articles of Association (revised and accepted by Council in 2017) [<https://fems-microbiology.org/wp-content/uploads/2020/02/ARTICLES-OF-ASSOCIATION-20170501.pdf>]. In accordance with the Federation's Articles of Association (Article 34), each of its Member Societies has undertaken to contribute to it a sum not exceeding £1 in the event of its being wound up while they are members, or within one year after they cease to be members.

Method of appointment or election of Trustees/Directors

The governance of the Company is the responsibility of the Board of Trustees/Directors whose members are elected under the terms of the Articles of Association. Vacancies on the Board of Trustees are advertised widely, with a clear role description and previous experience of charity governance or with FEMS is not required. Each Trustee serves a term of 3 years, up to a maximum of two terms.

Organisation structure and decision making

The Federation's Members are scholarly societies and other associations with a predominant interest in microbiology, based across Europe and beyond. Each such Member Society has the right to nominate one Delegate to the Council of the Federation. The Council, meeting annually, and elects members of a Board of Trustees/Directors who lead the organizational strategy and governance of the Company. The Trustees/Directors in turn appoint the Managing Director and delegate its day-to-day management according to the statutes of the Company. The Managing Director, Matthew Harvey, was appointed on 1 May 2019 and reports directly to the Board of Trustees/Directors.

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TRUSTEES' REPORT (CONTINUED)
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Pay Policy for senior staff and Trustee/Directors

The Trustees are tasked with leading, governing and overseeing the activities of the charity. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the accounts.

The senior management of the charity are tasked with managing FEMS on a day-to-day basis. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings, broadly consistent with the Dutch higher education collective labour agreement (CAO). Where recruitment has proven difficult, a market addition may also be paid in accordance with an agreed pay maximum that is in line with benchmarked salaries for comparable roles.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the company is exposed, those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Trustees consider the major risks to the Federation remain a fall in the value of investments and a substantial decline in the income from publication activity. Regarding a fall in the value of investments, the current level of reserves is considered to be sufficient to be able to maintain its activities until either the value of its investments recovers or new income streams are established.

Regarding a decline in the income from publication activity, changes in the publishing landscape due to Open Access publishing would have serious impact on the Federations financial position. To help address this, FEMS renewed its contract with OUP for the six years starting in 2020. The new deal has provided FEMS with the time and opportunity to secure the future of its established journals and allow FEMS to establish two Plan S compliant Open Access journals, both launched in 2020.

Trustees responsibilities statement

The Trustees (who are also the Directors of The Federation of European Microbiological Societies 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/Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they demonstrate a true and fair view of the state of affairs of the charitable company and of the existing resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Commission's 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/Directors are responsible for keeping adequate records that are sufficient to show the charitable company's transactions and which disclose at any time and with reasonable accuracy the financial position of the charitable company. The financial records should also enable the Trustees/Directors to ensure that the financial statements comply with the Companies Act 2006. The Trustees/Directors 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditors

Each of the Trustees/Directors, at the time when this Trustees' Report was approved, has confirmed that:

- so far as the they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- they have taken all the steps necessary as a Board of Trustees to ensure that any information relevant to the audit has been identified and that the charitable company's auditors are aware of that information.

This report was approved by the Trustees/Directors on **14 May 2021** and signed on their behalf by:



Dr C R Harwood
Treasurer

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES**

Opinion

We have audited the financial statements of The Federation of European Microbiological Societies (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2020 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES (CONTINUED)**

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, is as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the entity; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES (CONTINUED)**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- review minutes of meetings of those charged with governance; and
- reviewing correspondence with relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES (CONTINUED)**

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 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 opinions we have formed.

Michael Hewett (senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

15 June 2021

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 €	Restricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
INCOME FROM:					
Donations and legacies	2	39,563	-	39,563	40,112
Charitable activities	3	2,728,458	-	2,728,458	2,711,432
Investments	4	249,575	-	249,575	267,709
TOTAL INCOME		3,017,596	-	3,017,596	3,019,253
EXPENDITURE ON:					
Raising funds: Investment management fees	5	43,390	-	43,390	89,018
Charitable activities	6	1,540,409	-	1,540,409	1,492,394
TOTAL EXPENDITURE		1,583,799	-	1,583,799	1,581,412
NET INCOME BEFORE NET GAINS ON INVESTMENTS		1,433,797	-	1,433,797	1,437,841
Net gains on investments	15	320,548	-	320,548	1,800,293
NET INCOME		1,754,345	-	1,754,345	3,238,134
Transfers between funds	19	(10,227)	10,227	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS		1,744,118	10,227	1,754,345	3,238,134
OTHER RECOGNISED GAINS:					
Gains on investment cash		507	-	507	14,317
NET MOVEMENT IN FUNDS		1,744,625	10,227	1,754,852	3,252,451
RECONCILIATION OF FUNDS:					
Total funds brought forward		14,226,712	100,266	14,326,978	11,074,527
Net movement in funds		1,744,625	10,227	1,754,852	3,252,451
TOTAL FUNDS CARRIED FORWARD		15,971,337	110,493	16,081,830	14,326,978

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 39 form part of these financial statements.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)
REGISTERED NUMBER: 03565643

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
FIXED ASSETS			
Tangible assets	14	5,480	8,569
Investments	15	15,389,543	13,776,931
		<u>15,395,023</u>	<u>13,785,500</u>
CURRENT ASSETS			
Debtors	16	827,002	717,186
Cash at bank and in hand		3,605,864	3,384,982
		<u>4,432,866</u>	<u>4,102,168</u>
Creditors: amounts falling due within one year	17	(3,119,099)	(2,731,586)
NET CURRENT ASSETS		<u>1,313,767</u>	<u>1,370,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,708,790</u>	<u>15,156,082</u>
Creditors: amounts falling due after more than one year	18	(626,960)	(829,104)
TOTAL NET ASSETS		<u><u>16,081,830</u></u>	<u><u>14,326,978</u></u>
CHARITY FUNDS			
Restricted funds	19	110,493	100,266
Unrestricted funds	19	15,971,337	14,226,712
TOTAL FUNDS		<u><u>16,081,830</u></u>	<u><u>14,326,978</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr C R Harwood
Treasurer
Date: 14 May 2021

The notes on pages 21 to 39 form part of these financial statements.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	21	1,264,253	2,148,444
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		249,575	267,709
Purchase of tangible fixed assets		(1,389)	(5,247)
Net cash transferred to investment portfolio		(1,292,063)	(2,451,684)
NET CASH USED IN INVESTING ACTIVITIES		(1,043,877)	(2,189,222)
CASH FLOWS FROM FINANCING ACTIVITIES			
Gains on invested cash due to exchange rates		506	14,319
NET CASH PROVIDED BY FINANCING ACTIVITIES		506	14,319
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		220,882	(26,459)
Cash and cash equivalents at the beginning of the year		3,384,982	3,411,441
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,605,864	3,384,982

The notes on pages 21 to 39 form part of these financial statements

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (October 2019 edition - effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Federation of European Microbiological Societies meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Members Societies. 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.

1.3 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.

1.4 GOING CONCERN

The Trustees have considered budgets and forecasts to 31 December 2022 and beyond and as a result have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.5 INCOME

Donations are recognised where the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. This is normally upon notification by our investment managers or our bankers.

Income from journals comprises royalties from the Federation's publisher receivable in the year under review. Subscription income from members is accounted for on a receipts basis in the year in which the income is received.

Income from the Congress is accounted for in the year in which the income is receivable. Income results from any surplus made on the event, managed and provided by an external company.

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

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. 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 recognised as expenditure when the conditions attaching 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.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

The charity has a policy of not capitalising portable computer equipment or items where the original cost is less than €1,500 and they are fully written off in the year of purchase.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives on the following basis:

Office equipment	-	25% straight line
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1.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.9 OPERATING LEASES

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 DEBTORS

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

1.11 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.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

1.13 FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 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.

1.15 FOREIGN CURRENCIES

The functional and presentational currency is Euros. Transactions in overseas currencies during the year under review and balances denominated in such currencies at the balance sheet date have been translated into euros. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. INCOME FROM DONATIONS

	Unrestricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
Membership subscriptions	39,563	39,563	40,112
	<hr/>	<hr/>	<hr/>
TOTAL 2019	40,112	40,112	
	<hr/>	<hr/>	

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
Income from journals	2,713,158	2,713,158	2,709,170
Conference income	15,300	15,300	2,262
	<u>2,728,458</u>	<u>2,728,458</u>	<u>2,711,432</u>
TOTAL 2019	<u>2,711,432</u>	<u>2,711,432</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
Income from equities	247,546	247,546	261,907
Bank interest receivable	2,029	2,029	5,802
	<u>249,575</u>	<u>249,575</u>	<u>267,709</u>
TOTAL 2019	<u>267,709</u>	<u>267,709</u>	

5. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2020 €	Total funds 2020 €	Total funds 2019 €
Investment management fees	43,390	43,390	89,018
TOTAL 2019	<u>89,018</u>	<u>89,018</u>	

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES

	Direct costs (note 8) €	Grant costs (note 7) €	Support costs (note 9) €	2020 €	2019 €
Publications	252,276	-	118,513	370,789	335,251
Events	102,301	-	59,632	161,933	172,708
Grants and Awards	42,237	472,476	59,810	574,523	540,754
Projects	27,137	-	64,753	91,890	110,566
Business Development and Support Services	78,788	-	98,946	177,734	212,789
Communications	103,909	-	59,631	163,540	120,326
Total	606,648	472,476	461,285	1,540,409	1,492,394
Total 2019	657,451	448,030	386,913	1,492,394	

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. ANALYSIS OF GRANTS AND AWARDS

	Grants to Institutions 2020 €	Grants to Individuals 2020 €	Total 2020 €	Total 2019 €
Grants	241,456	220,918	462,374	425,146
Awards	-	10,102	10,102	22,884
Total	<u>241,456</u>	<u>231,020</u>	<u>472,476</u>	<u>448,030</u>
Total 2019	<u>174,000</u>	<u>274,030</u>	<u>448,030</u>	

During 2020, 48 meeting organizer grants were dispersed ranging from €1,000 to €10,000 and no meeting attendance grants were dispersed. 44 research and training grants were dispersed to institutions ranging from €1,500 to €4,000, 1 joint fellowship was dispersed for €1,000 in total. 5 Article Awards were also dispersed in the year for €1,000 each.

During 2019, 34 meeting organizer grants were dispersed ranging from €500 to €10,000 and 31 meeting attendance grants were dispersed ranging from €250 to €600. 50 research and training grants were dispersed to institutions ranging from €1,600 to €4,000, 1 joint fellowship was dispersed for €1,000 in total.

	2020 €	2019 €
Grants Payable		
Grants to institutions		
Meeting organizer grants	241,456	174,000
Total grants to institutions	<u>241,456</u>	<u>174,000</u>
Grants to individuals		
Meeting Attendance Grants	(680)	11,100
Research and Training Grants	201,743	143,250
Congress grants	-	96,796
Conference grants	19,855	-
	<u>220,918</u>	<u>251,146</u>
FEMS/ASM (Makela Cassel) Award	-	4,083
FEMS/ESCMID Award	1,000	1,000
Article awards	5,005	5,000
Jensen award	-	10,000
Lwoff Award	-	5,000
Grant Committee travel and development	1,320	1,738
Other grants and awards	2,777	588
Less refunds relating to Research & Training Grants	-	(4,525)
Less refunds relating to Meeting Attendance Grants	-	-
Total grants to individuals	<u>231,020</u>	<u>274,030</u>
Total	<u>472,476</u>	<u>448,030</u>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. DIRECT COSTS

	Staff costs	Other direct costs	2020	2019
	€	€	€	€
Publications	62,821	189,455	252,276	222,800
Events	66,985	35,316	102,301	124,170
Grants and Awards	42,237	-	42,237	47,245
Projects	5,123	22,014	27,137	58,806
Business Development and Support Services	5,870	72,918	78,788	126,723
Communications	<u>70,158</u>	<u>33,751</u>	<u>103,909</u>	<u>77,707</u>
Total	<u>253,372</u>	<u>373,131</u>	<u>606,648</u>	<u>657,451</u>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. SUPPORT COSTS

	Publications	Events	Grants and Awards	Projects	Business Development and Support Services	Communications	2020
	€	€	€	€	€	€	€
Office	13,694	13,694	13,694	13,693	13,693	13,693	82,161
Governance	10,700	10,700	10,700	10,700	10,700	10,700	64,200
Finance	11,061	11,061	11,061	11,060	11,060	11,060	66,363
Personnel	69,188	10,307	10,485	15,430	49,623	10,307	165,340
Systems	13,870	13,870	13,870	13,870	13,870	13,871	83,221
Marketing	9,196	9,196	-	25,753	25,753	25,753	34,949
Total	118,513	59,632	59,810	64,753	98,946	59,631	461,285

Included in governance costs is €10,234 (2018 - €9,774) relating to auditors' remuneration.

2019 support costs were: Publications €112,451, Events €48,538, Grants and Awards €45,479, Projects €51,760, Business Development and Support Services €86,066 and Communications €42,619.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
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11. AUDITORS' REMUNERATION

	2020 €	2019 €
Fees payable to the company's auditor for the audit of the company's annual accounts	8,800	8,440
Fees payable to the company's auditor in respect of other services		
All taxation advisory services not included above	2,200	2,110

12. STAFF COSTS

	2020 €	2019 €
Dutch staff remuneration	411,946	402,662
Dutch staff social security costs	55,342	62,527
Dutch staff pension costs	33,559	33,542
	500,847	498,731

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Publications and administration	8	9

The number of employees whose employee benefits (excluding employer pension costs) exceeded €60,000 was:

	2020 No.	2019 No.
In the band €80,001 - €90,000	1	-

The key management personnel of the charity comprise the Trustees and the Managing Director. No Trustees are entitled to any emoluments in respect of their services and they did not receive any remuneration or benefits in kind in this or the prior year. The total employee benefits of the key management personnel of the charity were €102,615 (2019 - €83,703). This represents salaries, employer's pension contribution and employer's social security costs.

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2019 - €NIL).

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13. TRUSTEES' REMUNERATION AND EXPENSES (CONTINUED)

During the year ended 31 December 2020, expenses totalling €2,155 were reimbursed or paid directly to 5 Trustees (2019 - €24,280 to 8 Trustees). The reimbursed expenses primarily represent travel and subsistence expenses incurred in connection with attendance at FEMS meetings and postage and stationery costs.

14. TANGIBLE FIXED ASSETS

	Office equipment €
COST OR VALUATION	
At 1 January 2020	37,343
Additions	1,389
	<hr/>
At 31 December 2020	38,732
	<hr/>
DEPRECIATION	
At 1 January 2020	28,774
Charge for the year	4,478
	<hr/>
At 31 December 2020	33,252
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 December 2020	5,480
	<hr/>
At 31 December 2019	8,569
	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. FIXED ASSET INVESTMENTS

	Listed investments €	Cash investments €	Total €
COST OR VALUATION			
At 1 January 2020	13,618,665	158,266	13,776,931
Additions	3,776,720	-	3,776,720
Disposals (Proceeds €124,848)	(2,748,192)	-	(2,748,192)
Revaluations	280,043	-	280,043
Movement in cash	-	304,041	304,041
AT 31 DECEMBER 2020	14,927,236	462,307	15,389,543
NET BOOK VALUE			
AT 31 DECEMBER 2020	14,927,236	462,307	15,389,543
AT 31 DECEMBER 2019	13,618,665	158,266	13,776,931

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 recognised at the date of trade at cost (that is their transaction value).

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

The main risk to the charity 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 the ability to buy and sell quoted equities and stock is anticipated to continue. The Company's investments are mainly traded in markets with good liquidity and high trading volumes.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity 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 total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

	2020 €	2019 €
Trade debtors	708,627	675,778
Other debtors	118,375	41,408
	<u>827,002</u>	<u>717,186</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 €	2019 €
Trade creditors	35,006	16,937
Other taxation and social security	367,127	380,964
Grants payable	438,372	118,150
Deferred income	2,047,117	2,120,472
Other creditors	-	1,372
Accruals	231,477	93,691
	<u>3,119,099</u>	<u>2,731,586</u>

Monies were received in advance for the journal production contract which commenced with Oxford University Press from 1 January 2020. This income has been deferred and is being released over the period to which the services relate.

	2020 €	2019 €
Deferred income at 1 January 2020	2,909,576	1,990,553
Resources deferred during the year	2,644,077	2,909,576
Amounts released from previous periods	(2,909,576)	(1,990,553)
	<u>2,644,077</u>	<u>2,909,576</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 €	2019 €
Deferred income	<u>626,960</u>	<u>829,104</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2020 €
UNRESTRICTED FUNDS						
General Funds	<u>14,226,712</u>	<u>3,017,596</u>	<u>(1,583,799)</u>	<u>(10,227)</u>	<u>321,055</u>	<u>15,971,337</u>
RESTRICTED FUNDS						
Restricted fund - Jensen award	<u>100,266</u>	<u>-</u>	<u>-</u>	<u>10,227</u>	<u>-</u>	<u>110,493</u>
TOTAL OF FUNDS	<u><u>14,326,978</u></u>	<u><u>3,017,596</u></u>	<u><u>(1,583,799)</u></u>	<u><u>-</u></u>	<u><u>321,055</u></u>	<u><u>16,081,830</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2019 €
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Emergency congress support fund	70,000	-	-	(70,000)	-	-
Congress attendance support fund	61,710	-	-	(61,710)	-	-
EAM reserve	41,900	-	-	(41,900)	-	-
IT upgrade	50,000	-	-	(50,000)	-	-
Publications strategic development	24,184	-	-	(24,184)	-	-
Strategic development	151,894	-	-	(151,894)	-	-
	<u>399,688</u>	<u>-</u>	<u>-</u>	<u>(399,688)</u>	<u>-</u>	<u>-</u>
GENERAL FUNDS						
General Funds	10,587,652	3,019,253	(1,581,412)	386,609	1,814,610	14,226,712
TOTAL UNRESTRICTED FUNDS	<u>10,987,340</u>	<u>3,019,253</u>	<u>(1,581,412)</u>	<u>(13,079)</u>	<u>1,814,610</u>	<u>14,226,712</u>
RESTRICTED FUNDS						
Restricted fund - Jensen award	87,187	-	-	13,079	-	100,266
TOTAL OF FUNDS	<u>11,074,527</u>	<u>3,019,253</u>	<u>(1,581,412)</u>	<u>-</u>	<u>1,814,610</u>	<u>14,326,978</u>

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19. STATEMENT OF FUNDS (CONTINUED)

Designated Funds

In 2019, the transfer from designated to unrestricted funds represents expenditure during the year which meets the purpose of the designated fund, but has been allocated to general funds.

Emergency Congress Support Fund

FEMS Congresses of European Microbiologists are an extension of its activities in support of microbiology in Europe. They are financially self-sufficient. The Emergency Congress Support Fund was set up to ensure that unexpected costs can be met.

Congress Attendance Support Fund

FEMS is committed to supporting young scientists to the extent that financial resources permit. The Congress Attendance Support Fund was set up to provide grants to young scientists in order to enable them to attend the biennial "FEMS Congress of European Scientists".

EAM Reserve Fund

One of the goals of FEMS has been to amplify the impact of microbiology and microbiologists in Europe. For this purpose, it was important to establish a group of leading European microbiologists that is able to work in close association with FEMS. The European Academy of Microbiology was established to promote excellence in microbiology in Europe through targeted programmes and activities. The EAM fund supported this group.

IT Upgrade Fund

This fund was established to fund upgrades and development to the FEMS IT infrastructure.

Publications Strategic Development Fund

This fund was set up in support of FEMS' future publishing activities.

Strategic Development Fund

This fund was set up to support the development and expansion of FEMS future activities and initiatives, as defined in its statutes.

Restricted Funds

Jensen Fund

FEMS-Jensen Fund, established through the generosity of J R Norris in honour of Dr Hans Laurits Jensen (1898-1977), to enable the Federation to support an outstanding early career researcher to spend at least 6 months in a research laboratory of the awardees choosing. The fund balance is invested as part of FEMS' investment portfolio and a transfer to the fund is made annually representing a proportionate share of the total return on the investment portfolio from 2012 to 2020.

The transfer to restricted fund is the allocation of the investment gains in the year to this fund.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2020 €
General funds	14,226,712	3,017,596	(1,583,799)	(10,227)	321,055	15,971,337
Restricted funds	100,266	-	-	10,227	-	110,493
	<u>14,326,978</u>	<u>3,017,596</u>	<u>(1,583,799)</u>	<u>-</u>	<u>321,055</u>	<u>16,081,830</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 January 2019 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2019 €
Designated funds	399,688	-	-	(399,688)	-	-
General funds	10,587,652	3,019,253	(1,581,412)	386,609	1,814,610	14,226,712
Restricted funds	87,187	-	-	13,079	-	100,266
	<u>11,074,527</u>	<u>3,019,253</u>	<u>(1,581,412)</u>	<u>-</u>	<u>1,814,610</u>	<u>14,326,978</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 €	Restricted funds 2020 €	Total funds 2020 €
Tangible fixed assets	5,480	-	5,480
Fixed asset investments	15,279,050	110,493	15,389,543
Current assets	4,432,866	-	4,432,866
Creditors due within one year	(3,119,099)	-	(3,119,099)
Creditors due in more than one year	(626,960)	-	(626,960)
TOTAL	<u>15,971,337</u>	<u>110,493</u>	<u>16,081,830</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €
Tangible fixed assets	8,569	-	8,569
Fixed asset investments	13,676,665	100,266	13,776,931
Current assets	4,102,168	-	4,102,168
Creditors due within one year	(2,731,586)	-	(2,731,586)
Creditors due in more than one year	(829,104)	-	(829,104)
TOTAL	14,226,712	100,266	14,326,978

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 €	2019 €
Net income for the period (as per Statement of Financial Activities)	1,754,345	3,238,134
ADJUSTMENTS FOR:		
Depreciation charges	4,478	4,131
Net (gains)/losses on investments	(320,548)	(1,800,293)
Dividends, interests and rents from investments	(249,575)	(267,709)
Increase in debtors	(109,816)	(9,359)
Increase in creditors	185,369	983,540
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,264,253	2,148,444

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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 €	2019 €
Cash in hand	3,605,864	3,384,982
TOTAL CASH AND CASH EQUIVALENTS	3,605,864	3,384,982

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020 €	Cash flows €	At 31 December 2020 €
Cash at bank and in hand	3,384,982	220,882	3,605,864
	3,384,982	220,882	3,605,864

25. OTHER FINANCIAL COMMITMENTS

The charity has given guarantees in the normal course of business amounting to €32,478 (2019 - €32,478).

26. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year (2019: none).

27. CONTROLLING PARTY

The charitable company is under the control of the Trustees. No one trustee has individual control.