



# **THE COMPANY OF BIOLOGISTS LIMITED**

**(A company limited by guarantee)**

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

**Registered number: 00514735**

**Charity number: 277992**

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### Strategic report

#### Business review

The Company's principal means of achieving its primary objective is the production of high quality scientific journals.

The Company of Biologists' journals exemplify what can be achieved in terms of scientific quality, production standards and overall value for money. It is hoped that sustaining subscription numbers will allow us to cover the inevitably large expenses associated with maintaining high-quality journals.

The Company continues to allow librarians to copy articles from the journals free of charge if used for educational purposes. Our journals also give authors the option to pay a fee to make their articles immediately open access i.e. accessible without subscription under a Creative Commons licence.

Following the development of a cost-neutral Read & Publish agreement for the UK during 2019, the model was rolled out to the rest of world. These agreements grant full access to the Company's hybrid journals dating back to 1853 and unlimited Open Access publication. In addition, the Company was granted Transformative Journal status ensuring our journals remain compliant with cOAlition Plan S Open Access mandates, thereby ensuring all our authors have a route to publication.

Trustees continue their policy of returning article processing fees (APCs) received on the hybrid journals through discounting of subscription prices, thereby preventing charging both authors and subscribers for the same content. The effectiveness of the model is monitored and adjustments made annually to ensure there is full repayment to the community.

The Company participates in Stanford University's LOCKSS archive programme and CLOCKSS extended 'dark' archive service, designed to create a free, permanent repository of published material in the unlikely event that, at some point in the future, the Company is unable to carry out its publication responsibilities.

As a result of the pandemic, the Company's programme of scientific workshops and journal meetings was almost entirely cancelled for 2020, with only one in-person workshop and two virtual meetings taking place. The Company continues to work with organisers and editors, exploring IT solutions for virtual meetings and format options, for example hub meetings.

The Company's Sustainable Conferencing Initiative successfully launched during 2020 and will be offering grants to organisers of a variety of events during 2021 to help:

- pilot specialised IT and innovative technology solutions and

- provide a supplement to accommodate cost differences between plane and train travel.

With the growing interest in science communication through social networking, the Company has continued to expand its outputs, having Twitter feeds and Facebook pages for the journals and a Twitter feed for Company news. The Company has also focused on the development of a number of community sites that promote the wider engagement of a diverse audience, including early-career researchers.

In 2020, we celebrated 10 years of 'the Node', our community site for developmental biologists, which has its own blog, Facebook and Twitter pages. The Node has grown to reflect the interests of the community by featuring careers, research, resources, scientific meetings, advocacy and public outreach, and has initiated community discussion points. In 2020, we also launched the Node Network, a global directory of developmental and stem-cell biologists with the aim of increasing equity and diversity, for example as organisers line up speakers for conferences or members for committees.

The Company has engaged positively with preprints - emerging in the life sciences as a way to speed up the communication of research findings. The Company's community site 'preLights' provides preprint highlighting and commenting - the site had an extremely successful 2020 (with researchers having more time to engage when away from their labs during lockdowns). The community of early-career researchers contributing to the site increased to around 250 and we covered a wider set of biological topics. The preLights team also engage with the authors of the original preprints and the proportion of these authors responding with more information for the preLights site increased to 60%. The website reached its 1,000<sup>th</sup> post in December 2020, has around 13,000 views per month and has a significant Twitter presence (6,900 followers). The need for rapid communication of COVID-19 research meant that preprints were more important than ever and the preLights team became involved in a number of COVID-related initiatives to support this communication effort. We ran a series of webinars for the early-career team with invited speakers on various topics.

A new community site, FocalPlane, was launched mid-2020 to bring together the microscopy and imaging communities. This has been well received, already gaining more than 2,300 Twitter followers.

The Company has a WeChat channel to grow our social media presence in China, where the output of important biomedical research has grown very significantly. Through the channel we have provided a series of videos to help authors with journal publishing (policies and processes) and this should lead to more successful submissions to the journals. We have featured a wide range of research stories and interviews with Chinese researchers. We also maintain a biologists.cn website for China to act as a gateway to information about our journals, grants

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and meetings. During 2020, we created a working group of Chinese early-career researchers - both within China and working internationally - to support our development of this community channel.

The Company's YouTube channel continued to provide access to informative video-style content from the journals, interviews with early-career researchers working on preLights, our GDPR policies and videos from the Company's scientific workshops. We also explained the ways in which we are promoting diversity and inclusion through our journals and presented the range of author publication options as we progress our Open Access strategy.

Digital presence in 2020:

- 16m page views (13% increase)
- 3,406 YouTube subscribers (13% increase)
- 26,132 Facebooks likes (6% increase)
- 74,577 Twitter followers (30% increase)
- 1,376 Instagram followers (22% increase)
- 940 WeChat followers (101% increase)

### Performance against 2020 objectives

The Company uses a number of financial and non-financial key performance indicators to monitor performance.

The Company appointed a Sustainable Conferencing Officer during 2020 to launch and manage the new Sustainable Conferencing Initiative which will provide technical, logistical and financial support to help biologists make their conferences more sustainable. It aims to provide support to the scientific community when it comes to addressing environmental sustainability and social responsibility issues. The aim of the Initiative is to assist the scientific community navigate the changes in the event landscape, identifying new ways of communication, facilitate discussion and offer suggestions. Support will also be available in the form of grants in 2021.

A dedicated website, which will include a discussion forum, launched in early 2021, alongside grants to encourage organisers to pilot specialised IT and innovative technology solutions, and attendees to switch plane travel to train.

The Company's journals were the first to be afforded Transformative Journal status by cOAlition Plan S. We believe this clearly signals our commitment to move towards Open Access, while allowing us to provide publishing options that support all our authors as we approach this change in the publishing landscape. During the transition phase, authors will still have the same routes to publication: Free publication (not Open Access), Gold Open Access (author pays) and Read & Publish deals.

As Transformative Journals, we have committed to continue and extend our Open Access support by gradually increasing published Open Access research content year on year, providing transparent and

comparative metrics, greater transparency on the services covered by article processing charges and continuing to offset subscription revenue to avoid 'double dipping'.

During 2020 the Company negotiated Read & Publish agreements with two consortia and multiple institutions worldwide. Negotiations in respect of alternative model Read & Publish agreements also commenced with two large research-intensive consortia in Europe and USA.

The Read & Publish agreements combine access to our journals dating back to 1853 with unlimited Open Access publishing for authors at participating institutions. They require a great deal of effort on our part to make them work effectively, but we believe that Open Access is the future of publishing and that these agreements will be key to our successful transition to a fully Open-Access publisher. This is not necessarily straightforward however, and we note that during 2020 our Read & Publish agreements supported a 5% increase in the percentage of Open-Access research content in two journals (Development and Journal of Experimental Biology) while the third (Journal of Cell Science) saw a decrease.

The Company has actively engaged with institutions that have signed Read & Publish agreements to ensure that:

- librarians are able to engage effectively with their researchers about the opportunities these agreements offer, with a variety of resources available from our website and
- authors are aware of the routes they may use to publish their papers on an Open Access basis and comply with their funder and institute mandates.

In addition, since late 2020, the Company has proactively embarked on a knowledge-sharing agenda with librarians and other small publishers to develop a global understanding of Read & Publish agreements and Transformative Journal status.

In response to the financial difficulties anticipated by libraries as a result of COVID, the Company froze subscription prices and waived contractual price increases for multi-year agreements for 2021.

Transparent metrics on journal publishing are seen as important to develop trust, especially around the services offered to authors (and this is particularly relevant when the author is paying an Article Processing Fee for Open Access publication). Company representatives were involved in consultations between publishers, funders and librarians on which metrics would be useful and practical to provide. Open Access articles see a usage advantage (over non-OA articles) with average usage at least twofold higher over the first 12 months after publication.

The Company committed to developing transparent metrics on two of its journals, but was able to implement this across all five journals. The Company selected a transparency scheme that is compliant

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with cOAlition Plan S Open Access principles to ensure that authors can fulfil their funder mandates. The metrics include measures of speed to publication, acceptance rates, usage (readership) and citation as well as a price / cost breakdown.

An example can be seen here:

<https://cob.silverchair.com/dev/pages/transparent-metrics>

The Company also committed to a 2021 migration for its journal content to a new online hosting platform. This was based on a landscape review and full tender process carried out in 2019. The new platform (called Silverchair) is more dynamic, developing features in tune with industry changes, and also provides us with cost savings.

This is a very significant project, so one of our key objectives for 2020 was to create a robust migration plan ready for 2021 implementation. Content went through testing to identify and implement necessary metadata updates. Features and functionality on the new site were assessed in detail and customisations requested where necessary. A particular focus was on planning the migration experience for our library customer base including the creation of a thorough communication plan. We were supported by independent industry experts to ensure that the planning phases were appropriate to the importance of the project.

### The journals

The journal Development published a special issue on The Origins and Mechanisms of Developmental Disorders - an area in which developmental biology can be leveraged to understand human disease. Its scientific meeting From Stem Cells to Human Development was successfully converted to a virtual format with increased attendance numbers as a result. As reported above, the journal also launched the Node Network, a global directory of developmental and stem cell biologists, with the aim of supporting equity and diversity. The journal appointed a set of earlier-career Associate Editors to expand its coverage in areas such as computational modelling and bioengineering.

Journal of Cell Science received more submitted articles during 2020 and was able to publish more research content as a result. The journal also published a special issue on Cell Biology of the Immune System. The journal appointed earlier-career researchers to its Editorial Board. As reported above, the journal launched FocalPlane as a community site for the microscopy / imaging community. The journal's regular correspondent produced a series of articles about how the COVID-19 pandemic is changing the landscape for researchers.

Journal of Experimental Biology announced its new Editor-in-Chief, Craig Franklin, a prestigious Australian researcher focusing on conservation physiology. He aims to promote an interdisciplinary and meta-analytic approach. The journal published a special issue on Genome Editing for Comparative

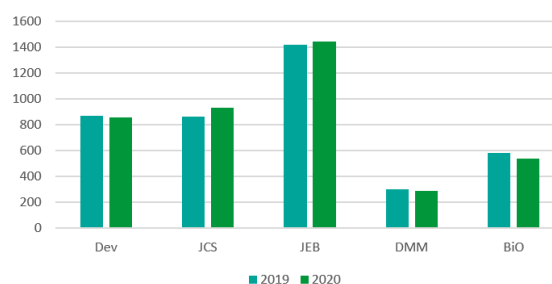
Physiology including a popular article on How to Turn an Organism into a Model Organism. Significant media attention was received on a range of articles including an article about extreme diving in mammals. The journal's symposium on Predicting the Future: Species Survival in a Changing World was unable to go ahead but did produce a set of climate change content ready for publication in 2021. JEB submissions have grown steadily over the past ten years (now 54% higher) and in 2020 the journal introduced cross-referee commenting to broaden the discussion around accepted papers.

The Company's two fully Open Access journals, Disease Models & Mechanisms and Biology Open, are listed in the Directory of Open Access Journals (DOAJ) and are members of the Open Access Scholarly Publishers Association (OASPA).

Disease Models & Mechanisms appointed a new Editor-in-Chief ready to start in January 2021 with an increased focus on the medical impact of translational research. The journal published a special issue: A Guide to Using Neuromuscular Disease Models for Basic and Preclinical Studies. The most-read article of 2020 was 3D Quantification of Changes in Pancreatic Islets in Mouse Models of Diabetes type I and II. Reflecting the global pandemic, the journal published a special article on cell and animal models of SARS-CoV-2 pathogenesis and immunity - and an early-career researcher's view on labs in the time of COVID.

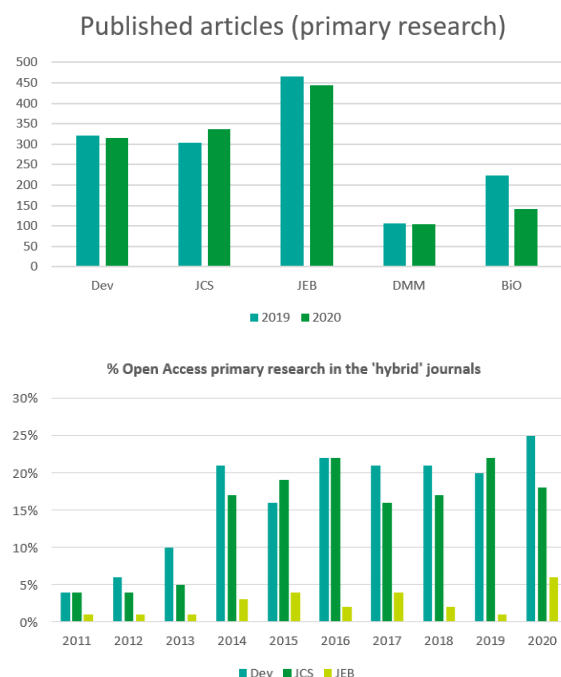
Biology Open accepts articles that are scientifically sound (and therefore of interest to the community) without being "trendy" or "insightful" with the aim of reducing the 'pain to publish' for authors. It has attracted a significant number of articles and authors confirm that it provides an important service. We need to be careful about the scientific standards on these articles, however, and the journal increased its acceptance requirements during 2020 resulting in a lower acceptance rate. The journal continues to focus on support for early-career researchers, for example introducing 'Future Leader' Review articles.

Submitted articles (primary research)





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### Investments

Following a review of the Company's position with regard to ethical investment, the Trustees approved a policy of divestment from companies actively extracting fossil fuels. Actions over the coming years will progressively reduce such investments to little more than 1% of the total value of the portfolio. The Company aims to move to ESG (Environmental, Social and Governance) compliant investments.

### Grants

The Company offered the scientific community the following grants during 2020:

#### Scientific meeting grants

In response to COVID, grants awarded for 2020 events remained in place where organisers were able to re-schedule meetings or convert them to virtual. While new applications for virtual meetings were encouraged, demand for funding fell dramatically following the pandemic outbreak.

166 meetings, conferences and workshops (2019: 286) benefited from funding that assisted with the cost of running the events, or speaker/delegate travel.

#### Travelling fellowships

As with scientific meeting grants, Travelling Fellowship awardees were given the opportunity to transfer funding to a rescheduled visit, or alternatively to repurpose funding to cover online collaboration, training or the development of online learning resources.

Eighty four (2019: 116) awards were made to graduate students and post-doctoral researchers providing funding to undertake collaborative visits to other laboratories to learn new techniques.

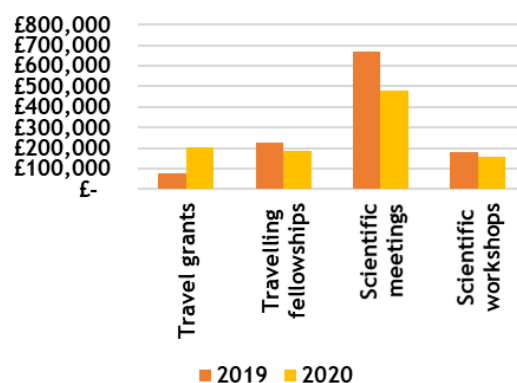
#### Disease Models & Mechanisms (DMM) conference travel grants

With all in-person meetings being cancelled during COVID, successful applicants were encouraged to use their funding to attend virtual conferences or courses.

Ten (2019:72) awards were made to early-career scientists and independent group leaders and Principal Investigators with no independent funding enabling them to attend meetings and courses relating to the areas of research covered by DMM.

The Company also provided funding to biological societies. Three of the societies - the British Society for Developmental Biology, the British Society for Cell Biology and the Society for Experimental Biology - used part of the funding to provide travel grants to support students and early career scientists wishing to attend virtual conferences and training workshops.

#### Expenditure on charitable activities



#### Scientific Workshops

The Company's workshops are designed to provide leading experts and early-career scientists with a stimulating environment for the cross fertilization of interdisciplinary ideas. The programmes are carefully developed to champion the novel techniques and innovations that will underpin important scientific advances.

At the beginning of 2020, we recognised the threat posed by COVID when it started to spread in China and monitored developments closely. By the end of March all our employees were working remotely and lockdowns began globally. As a result, only two workshops were held during 2020:

- Data Science in Cell Imaging (in person)
- Cell State Transitions: Approaches, Experimental Systems and Models (virtual)

The Company swiftly put into place a postponement programme, shifting the events calendar initially to later dates in 2020/21 and then into 2022/23. We have agreed the rescheduling of nine workshops and have avoided cancellation costs by rescheduling dates with existing venues. The Company continues to explore with organisers options for virtual workshops and to seek alternative venues with

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shorter cancellation dates and facilities that accommodate social distancing. Implicit in all our decisions is the wellbeing of colleagues, organisers and delegates and this will remain our priority going forward.

### Principal risks and uncertainties

The Company has a robust management of risk process, designed to identify and prioritise the risks to the achievement of the Company's aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and actions to manage them efficiently and effectively.

Overall responsibility for risk management rests with the Trustees. The task of implementing and maintaining the Company's risk policy is delegated to senior management.

All principal risks are identified on a risk register which is reviewed by Trustees on a quarterly basis. The Company's risk appetite and tolerance statement are reviewed annually.

The principal risks and uncertainties facing the Company include:

- **COVID:** The coronavirus pandemic, which has resulted in the imposition of lockdowns, restrictions and closures is an ongoing risk which management and the Trustees continue to actively monitor and respond to.
- **Significant downturn in revenue:** Reduced budgets for academic libraries and institutions as a result of COVID may impact on revenue. Changes in financial models and content dissemination continue to threaten the Company and its ability to generate sufficient income to continue high-quality publication and support the Company's other charitable activities. To manage risk, the Trustees continue to experiment with alternative revenue models. A push by cOAlition Plan S to force publishers to flip the current subscription model to an author-pays model within a specified timeframe could present major challenges.
- **Failure to diversify income:** The Company is heavily reliant on subscriptions and pay-walled articles. To manage risk, the Company continues to look for opportunities to diversify income, including Read & Publish agreements, and is working with partners to develop important relationships with funders.
- **Currency risk:** The Company's US Dollar publishing revenues exceed levels of USD expenditure and as a result the Company's financial position can be significantly affected by the USD:GBP exchange rate. To manage exposure to this risk, forward exchange contracts are used, reducing uncertainty over future revenues.
- **Technological change:** The technology needs of the Company, its readers and authors continue to

evolve, requiring regular review of the Company's technology strategy and appropriate investment. This is mitigated by investment in new technology solutions and product offerings.

- **Cyber security breach:** Cyber attacks and/or intentional hacking of our systems could adversely affect the performance or availability of our products, result in loss of customer data, adversely affect our ability to conduct business, or result in theft of funds or proprietary information. The Company has in place strong policies and processes, and regularly trains staff in order to prevent serious security incidents and data breaches. Laptops were rolled out to all staff during 2020, ensuring the Company could manage, maintain and improve both support and security whilst staff worked from home.
- **Business disruption due to key supplier failure:** This is mitigated by using multiple suppliers where possible and practical. All key suppliers are subjected to detailed reviews to ensure the Company's supplier chain is robust.
- **Staff:** The loss of knowledge or skills and the operational impacts of losing key staff are major risks. This is particularly true of a small organisation with a number of different activities, which inevitably leads to reliance on one or two key individuals for some important functions. The Company mitigates risk by ensuring robust recruitment procedures, sharing information effectively and implementing strong HR policies.

Liquidity and cash flow risk is considered minimal at this time, with the majority of the Company's income payable in advance of the related costs.

### Plans for future periods

It is anticipated that the business of the Company will continue uninterrupted throughout the pandemic.

Financial systems and controls have been adjusted to accommodate working from home and remain robust. The mental wellbeing of staff is a primary concern and is being addressed through virtual meetings, chat rooms and links to support websites.

The Company considers there to be no need to revise the Reserves Policy.

The Company plans to continue all the activities outlined above in the forthcoming year.

More specifically, in 2021 the Company will:

- Develop a plan to reopen the office in line with HSE guidance and with employee safety remaining paramount.
- Continue to roll out our Read & Publish agreements to libraries and consortia

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worldwide and experiment with new variations/models.

- Report on its transformative status, as the three hybrid journals aim to grow the percentage of Open-Access research content.
- Migrate the journals to a new online hosting platform, optimising use of new features and functionality.
- Review the existing manuscript tracking system and consider migration to a more flexible platform.

Approved by the board of Trustees on 7 May 2021 and signed on its behalf by:



K A Richmond  
Company Secretary

Dated: 7 May 2021

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### Trustees' report

The Directors of the charity are its Trustees for the purpose of Charity Law. The Trustees present their report and audited financial statements for the year ended 31 December 2020. 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 2019).

### Objectives and activities

The Company of Biologists Limited was established for the general advancement and promotion of research and the knowledge and study of biology in all its branches and the undertaking of all activities conducive thereto.

In pursuit of its aims, the Company activities include:

- Publication and dissemination of high-quality journals: Development, Journal of Cell Science, Journal of Experimental Biology, Disease Models & Mechanisms and Biology Open.
- Distribution of grants to individuals, societies and institutions, both within the UK and internationally, in support of biology within the general area of the Company's journals.
- Facilitating through the provision of travelling fellowship grants, new collaborations between universities and opportunities to learn new techniques.
- Organisation and sponsorship of scientific workshops, providing a platform for collaboration and networking, with emphasis on cross-disciplinary interactions and the application of new technologies.
- Facilitating the sharing of scientific knowledge through the free provision of educational resources and the sponsorship of public outreach lectures encouraging scientific debate.
- Hosting of community forums, such as 'the Node', the community site for and by developmental biologists; 'preLights', the community site for highlighting and commenting on preprints; and 'FocalPlane', a place to share microscopy news, events and resources.

In order to achieve the Company's aims, the Trustees have looked at both short-term and longer-term strategies and implemented those that are

considered to be most appropriate. In addition to those listed within 'Plans for future periods' within the Strategic Report, the short term aims of the Company include: a review of the Company's 5 year plan; celebration of the Company's centenary, trialling of technology solutions for virtual meetings and meeting formats; developments around peer review such as publishing peer review reports and engaging more with preprints; and involving earlier-career researchers, e.g. through early-PI appointments to journal editorial boards and first-author interviews.

The longer term aims of the Company are to ensure the Company is a leading publisher in the life sciences, continuing to publish internationally recognised, quality life science research; strive to achieve the Transformative Journal targets set by Plan S; develop a financial model with agreements and workflows that enable a smooth transition to Open Access and financial stability for the future of the journals; expand our publishing presence in China to capture their significant growth in scientific output; increase and expand the breadth of reinvestment in science by way of grants and workshops; and move to ESG compliant investments.

The Company is committed to the widest possible dissemination of the research it publishes to the greatest number of people who can benefit from it, irrespective of their ability to pay, and to educational and charitable initiatives that seek to build awareness of the tremendous importance of developments in life sciences in all our lives.

All the articles the Company publish are freely available online after 6 months without restriction and the Company's digital archives (going back as far as 1853 in the case of Journal of Cell Science) makes a wealth of classic material freely available to everyone in perpetuity. As participants in the United Nation's HINARI and OARE initiatives, the Company makes all its online articles freely available to users in developing countries immediately on publication.

The Company was an early adopter of the contractual principle that authors should retain copyright in their own works. Our contract with authors leaves them free to disseminate their work in a wide variety of ways such as posting it on their own websites, re-using it in other publications and storing it in public (PMC) or institutional repositories (if required by their funder or institute) so offering unrestricted access to many different communities.

Trustees are careful to ensure that a significant proportion of charitable giving each year is reserved for educational initiatives that aim to bring biology to life for all. Much of the Company's charitable giving is focussed on helping young biologists gain a wider appreciation of the work done by other biologists and in other countries through the many travelling fellowships and travel grants offered each year. The Company website features stories from grant and travelling fellowship recipients. A range of free educational materials are also created, such as Highlights and Classic Articles booklets, which provide an easily understood summary of the

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important breakthroughs described in full research articles for the benefit of school students and interested general readers.

With Disease Models & Mechanisms, the Company is helping to bring together academic researchers and clinicians as the use of model organisms begins to make real inroads into the study and potential treatment of human diseases. In 2020, the journal carried out a careful recruitment process to identify a new Editor-in-Chief (to start January 2021) who will bring a renewed focus on the medical aspects of translational science.

### Public benefit

The Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and consider that the requirements have been met. Examples of activities that provide direct public benefit include publishing publicly available journals, organising scientific meetings, providing educational materials for outreach and offering a variety of funding grants which are open to all.

### Financial review

Overview	2020 £m	2019 £m	Change %
Total income	7.7	8.3	-7%
Total expenditure	6.2	6.8	-8%
Investment gains/losses	6.6	6.2	6%
Gains/losses on hedging instruments	0.2	0.2	6%
Net movement per the SOFA	8.2	7.9	4%

In the year to 31 December 2020, the Company's publishing income decreased by 3% on prior year from £7,423,388 (2019) to £7,275,002 (2020). The Company has a number of income streams, including subscriptions, Read & Publish agreements and article processing fees on the Open Access journals. Article processing fees received on the subscription journals are returned to the community by way of discount on subscription prices. 2020 subscription income saw minimal impact from COVID, with the majority of subscription income prepaid prior to the outbreak.

Publishing expenditure decreased by 4% on the prior year from £5,002,531 to £4,784,547 as the Company strives to provide the products and services demanded of its scientific community. This included:

- Investment in technology to enable staff to work effectively and securely at home during the pandemic.
- Building of additional office facilities incorporating sensor appliances in readiness for the post-pandemic return to the office.
- Developing the website, communication plans and resources to support the Company's Read & Publish programme for librarians, funders and researchers.
- Planning for the 2021 migration to a new online hosting platform that is better positioned to host

the Company's journal content for the future (and with significant savings).

- Launch of a new database, the Node Network, a global directory of developmental and stem-cell biologists, designed to help the community find speakers, referees, panel members and potential collaborators. We hope that the Node Network will serve as an aid to diversity and inclusion, but it is not limited to that goal.
- Review of gender and other data for researchers contributing to our journals; this was published in the journals as we raise the visibility of diversity issues in science publishing.
- Putting in place the necessary policies and processes to support Plan S compliant Open Access publishing through the Transformative Journal route.
- Planning for the 2021 launch of a new community site, FocalPlane, which supports the microscopy / imaging research community.

Expenditure on charitable activities included scientific workshops £154,510 (2019 £261,355) and grant funding £1,017,871 (2019 £1,182,685). Further details of grants made in excess of £5,000 are given in the notes to the financial statements.

The Company achieved a total surplus of £8,166,292 compared to £7,929,882 in 2019 after exceptional items and movement on financial instruments.

The activities undertaken during 2020 were carried out within the budget approved by Trustees and all income generated by the Company has been spent on charitable activities or retained in reserves. Overall the Company's financial position remains healthy, with reserves readily available to fund future activities. The Company will continue to focus on allocating resources to deliver the Company's strategy in a sustainable and effective way.

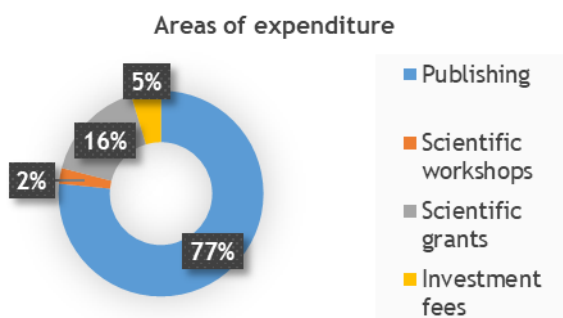
A breakdown of the Company's sources of income and areas of expenditure are shown in the following charts:

Sources of income





## Trustees' Report and Financial Statements for the year ended 31 December 2020



### Investments

The purpose of the Company's investments is to provide security for its continuing business activities, to provide for the development of future business activities and to provide in perpetuity for the achievement of the Company's charitable aims - the general advancement and promotion of research and knowledge and study of biology in all its branches.

The Company has wide powers to invest surplus funds at its discretion. Responsibility for investment strategy resides with the Finance and Investments Committee, who agree the investment parameters with the Company's discretionary managers, while monitoring performance in the context of long-term objectives and external benchmarks.

Investment policy is to maximize the real value of the portfolio over the long term, subject to an acceptable level of risk.

During 2020 the Trustees agreed to pursue a policy of divestment from companies actively extracting fossil fuels and will aim to move to ESG (Environmental, Social and Governance) compliant investments.

From 2021, a programme of investment in Private Equity will commence having due regard for risk, supplementing the allocation to Private Debt which will be funded by reducing the allocation to global equities.

Trustees adopt an investment time horizon of at least 10 years, over which they aim to achieve their objectives and expect the portfolio to remain substantially invested. Trustees accept that investment performance objectives may not be achievable every year and, as a result, will review investment performance over relevant timeframes.

Risk is managed through diversification of the portfolio between different asset classes and geographic markets. Rebalancing, so as to maintain the agreed level of risk within the portfolio, is considered at each quarterly review.

The Company received investment income of £473,328 (2019 £915,840) which was reinvested. Investment gains of £6,611,103 (2019 £6,263,816) and investment management costs of £294,829 (2019 £352,353) contributed to the value of the Company's investments increasing overall to £59,416,984 (2019

£51,928,768), an increase of £7,488,216 during the year.

### Reserves policy

Overview	2020 £m	2019 £m	Change %
General fund (unrestricted)	28.9	26.2	10%
Charity reserve (designated)	35.5	30.0	18%

The Trustees review the need for, and the appropriate level of, reserves on an annual basis, taking into account all relevant information, to ensure our financial resilience and sustainability, including protecting the Company against risks identified in the risk register. The annual review includes an analysis of the Company's income and expenditure streams, the necessity to match any large financial commitments with variable incoming resources over the financial period and the current operational liquidity requirements.

Trustees aim to strike the appropriate balance between ensuring a sustainable financial position and using the Company's funds to fulfil its charitable mission.

The general fund is retained to provide sufficient resources to enable the Company to continue to fund its publishing activities and to fund the development of new projects.

The strategic reasons for the Company to retain the general fund at its current level, rather than to simply spend all of its income as it arises, are as set out below:

- In the event of a material and sustained fall in publishing income, to provide sufficient reserves to enable the Company to make changes in its organisation and activities necessary to respond in an orderly and planned way.
- To be able to make short- and medium-term expenditure commitments without the risk of short-term fluctuations in income forcing reduction in, or cancellation of, planned activity.
- To plan for growth and grasp opportunities as they arise.

The charity reserve is retained as a designated fund in order that any income generated from investments held by the Company may be used to make grants to support scientific events, conference travel, travelling fellowships, hosting of scientific workshops and development of technology to support virtual conferences. Currently the capital within the charity reserve is retained in order that grant payments in excess of £1m may continue to be made annually from the investment income received.

For the year ended December 2020, the Company held total unrestricted funds of £64,478,121, of which £59,416,984 was held in investments (the charity reserve) for the purpose of income generation. A further £3,231,634 is held in fixed

## Trustees' Report and Financial Statements for the year ended 31 December 2020

assets, which leaves £25,655,319 as 'free' reserves for operational purposes.

The Finance and Operational Performance Audit Committee and Board of Trustees have reviewed the level of the reserves and believe that approximately £25m is required in order to mitigate financial risks associated with operational and capital expenditure identified in the risk register whilst maintaining ongoing operations and charitable giving. Consequently, the current level of reserves are considered sufficient.

The Trustees are satisfied that the Company's assets are available and adequate to fulfil the objectives of the Company.

### Structure, governance and management

The Company of Biologists Limited is a charity registered in England and Wales and was incorporated by guarantee on 31 December 1952. It has no share capital and the liability of each member is limited to £10.

The Company's Articles of Association were deleted and replaced by Special Resolution at a General Meeting held on 28 September 2020.

All Trustees give their time freely and receive no remuneration. Details of the Trustees' expenses are disclosed in notes to the accounts. Internal controls are in place to ensure that any related party transactions involving Directors or their connected persons are carried out on an arm's-length basis and are properly recorded and disclosed where appropriate. There were no related party transactions during 2020.

### Board composition

The Chairperson is elected by the members of the Company. The appointment is for 5 years, with a maximum of two re-appointment terms of 3 years.

New Trustees are appointed by the Trustees after a process of selection with the Trustees being mindful of any shortfall in knowledge or experience within their ranks. There were no new appointments during 2020. However, Trustees were deeply saddened by the loss of Professor Simon Maddrell, FRS, a much respected colleague and scientist, who passed away during 2020. He had, over the last 55 years, been instrumental in the Company's financial success.

### Trustees' induction and training

New Trustees receive on appointment a link to the Company's online board operations manual, which provides access to all key governance documents, the annual financial accounts, terms of reference for the board and its subcommittees, together with links to documents on the Charity Commission and Companies House websites. In addition, Trustees are encouraged to attend external training courses.

Trustees are also encouraged to visit the Company's premises to meet with the Senior Managers and gain an understanding of how the business operates. This also gives new Trustees an opportunity to discuss the Company's business plan and objectives with senior management.

At appointment, Trustees are required to sign a Deed of Confidentiality and declare any applicable conflicts for inclusion on the conflict register. This document is reviewed at each Trustee meeting.

### Management and organisation

Trustees are responsible for the overall strategy and direction of the Company and meet quarterly.

A number of committees have been established by Trustees, all of which focus on targeted areas of the business. The terms of reference and membership of these committees are approved by the Board of Trustees. Committee membership is not limited to Trustees, but may include specialists and staff. Current committees include:

Grants Committee
Finance & Operational Performance Audit Committee
Finance & Investments Committee

In addition, each journal has an Advisory Group consisting of three Trustees who take special responsibility for the journal, advise its Editor-in-Chief and act as a nucleus of an assessment committee.

The day to day management of the Company is delegated to the Company Secretary and Publisher who report on the performance of the Company against the strategic and operational plans approved by the Trustees.

Scientific content of the journals and editorial policy is the sole responsibility of each journal's Editor-in-Chief. The Editors-in-Chief are not employees of the Company.

### Remuneration policy

The aim of the remuneration policy is to maintain sustainable, fair levels of pay at the same time as attracting and retaining the right people to deliver the Company's charitable objectives.

Remuneration for all staff is periodically benchmarked using proprietary pay surveys and external advisers. The Trustees consider staff to be central to the Company's success and aim to be a good employer by making sure the pay structure is fair and transparent.

The Trustees consider the Company Secretary and Publisher as comprising the key management personnel of the Company, in charge of directing and controlling the Company and running and operating the Company on a day-to-day basis.

In setting appropriate levels of key management pay, the Trustees consider the skills, experience and competencies required and the remuneration level

## Trustees' Report and Financial Statements for the year ended 31 December 2020

for those roles in sectors where suitable candidates would be found.

Remuneration of the Company Secretary and Publisher is reviewed on an annual basis simultaneously with the annual staff pay review and approved by the Trustees.

Editors-in-Chief are appointed by the Trustees and serve an initial term of 5 years, which may be extended on expiry. Editors receive a stipend for their services.

Trustees are unremunerated.

### Management action in response to COVID

In response to the coronavirus pandemic, management acted quickly to implement proactive measures to protect our staff and continue working effectively with our authors, illustrators, customers and suppliers. All staff have been working safely and effectively from home since March 2020. To date it has not been necessary to impose a recruitment freeze or to furlough staff.

Concern remains however in respect of 2021 income as academic institutions face major uncertainties over student recruitment, particularly international students. This could bring financial uncertainty for many of our customers with resulting library budget cuts. Management has modelled a number of scenarios for 2021, including a reduction in income of 15% and 25%. The Company expects to be able to manage these downside assumptions through budget cuts and, ultimately, drawing from reserves.

The situation continues to be closely monitored by management and Trustees.

### Volunteers and fundraising

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. It does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year. The Charity is not a member of the Fundraising Regulator.

### Equality, diversity and inclusion

Trustees are committed to providing an environment free from discrimination, bullying, harassment or victimisation and creating a culture of inclusivity where individual differences and the contributions of all staff are recognised and valued.

The Company provides equality of opportunity for all and will not tolerate discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

During 2020, we published the data from our gender analysis across our journals in Editorials in each journal. We reviewed publications from 2006–2018 and the gender (if it could be determined) for first authors, corresponding authors, invited reviewers and appointed reviewers alongside the outcome of the article submission (rejection or acceptance for publication).

We joined a cross-publisher group to progress diversity and inclusion issues in publishing. Other journals reported that - as a result of the pandemic - some female scientists had been adversely affected during 2020 compared with male colleagues; however, early analysis of our data indicates that this is not the case on our journals.

We launched a new database, the Node Network, a global directory of developmental and stem cell biologists, designed to help the community find speakers, referees, panel members and potential collaborators. Those entering their details into the database can choose to highlight diversity information such as gender, race/ethnicity, sexual orientation and disability, and we hope that the Node Network will serve as an aid to diversity and inclusion.

### Reference and administration information

Registered charity number: 277992

Registered Company number: 514735

#### Registered office

Bidder Building, Station Road, Histon,  
Cambridge CB24 9LF

#### Auditor

Price Bailey LLP  
Tennyson House  
Cambridge  
CB4 0WZ

#### Legal advisors

Penningtons Manches LLP  
Clarendon House, Clarendon Road, Cambridge  
CB2 8FH

K&L Gates LLP  
70 West Madison Street, Suite 3100, Chicago,  
Illinois, 60602-4207, USA

Charles Russell Speechlys LLP  
5 Fleet Place, London EC4M 7RD

Blake Morgan LLP  
4<sup>th</sup> Floor, 6 New Street Square, London EC4A 3DJ

#### Bankers

Barclays Bank UK plc  
Mortlock House, Station Road, Histon,  
Cambridge CB24 9DE

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### Investment managers

**Partners Capital LLP**  
5<sup>th</sup> Floor, 5 Young Street, London W8 5EH

### Web page

<https://www.biologists.com>

## Trustees

Directors of the charity are its Trustees for the purpose of Charity Law. The Trustees and officers serving during the year were as follows:

### Appointed under Articles 45(b) and 46

M Freeman  
C M Isacke  
S E Lowell  
L M Machesky  
R D St Johnston  
K Storey

### Appointed under Article 45(a)

S J Bray  
J F Burke  
A Downie  
I S Farooqi  
J A Langdale  
S H P Maddrell (deceased 10.09.2020)  
B S Munro  
G E Nilsson  
P W J Rigby  
S J Royle  
H A Shiels  
P Vyas  
A M Wilson

### Secretary

K A Richmond

### Key management personnel

K A Richmond  
Company Secretary  
[kay.richmond@biologists.com](mailto:kay.richmond@biologists.com)  
  
O C Moulton  
Publisher  
[claire.moulton@biologists.com](mailto:claire.moulton@biologists.com)

## Statement of Trustees' responsibilities

The Trustees (who are also the Directors of The Company of Biologists Limited) 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 and Charity law requires the Trustees to prepare financial statements for each financial year, which 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

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 Statement of Recommended Practice (SORP).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and to 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable Company's auditors are unaware and
- the Trustees have taken all steps that they ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Auditors

The Auditors, Price Bailey LLP, will be proposed for re-appointment at the next annual general meeting.

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

Approved by the board of Trustees on 7 May 2021 and signed on its behalf by:



K A Richmond  
Company Secretary



## Independent Auditor's Report to the Members of The Company of Biologists Limited for the year ended 31 December 2020

### Independent Auditor's report to the members of the Company of Biologists Limited

#### Opinion

We have audited the financial statements of The Company of Biologists Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance sheet, the Statement of Cash Flows and notes to the financial statements, including 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions 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 12 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.

#### Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of 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 strategic



## Independent Auditor's Report to the Members of The Company of Biologists Limited for the year ended 31 December 2020

report or the Directors' report included within the Trustees' report.

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

- adequate and proper 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.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 12, 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity this included data protection, health and safety, employment law and financial reporting.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Management override: We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- Reviewing minutes of Trustee Board meetings, minutes of Audit Committee meetings and correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations and a review of the risk management processes and procedures in place including a review of the risk register maintained by the charitable company. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.

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

### 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

## **Independent Auditor's Report to the Members of The Company of Biologists Limited for the year ended 31 December 2020**

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matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, for our audit work, for this report, or for the opinions we have formed.

**Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)**

**For and on behalf of Price Bailey LLP**

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

Date: 21 May 2021

**Trustees' Report and Financial Statements for the year ended 31 December 2020**
**STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating income and expenditure account)**

	notes	General Fund  (unrestricted) £	Charity Reserve (unrestricted designated) £	Baker/Godfrey Fund (restricted) £	2020 Total £	2019 £
<b>Income</b>						
<b>Income from:</b>						
Charitable activities	4	7,272,914	-	-	7,272,914	7,418,169
		<u>7,272,914</u>	<u>-</u>	<u>-</u>	<u>7,272,914</u>	<u>7,418,169</u>
Investments	3	-	471,469	1,859	473,328	915,840
		<u>-</u>	<u>471,469</u>	<u>1,859</u>	<u>473,328</u>	<u>915,840</u>
Other	5	2,088	-	-	2,088	5,219
<b>Total Income</b>		<b>7,275,002</b>	<b>471,469</b>	<b>1,859</b>	<b>7,748,330</b>	<b>8,339,228</b>
<b>Expenditure on:</b>						
Raising funds						
Investment Manager Fees		-	294,829	-	294,829	352,353
Charitable activities						
Scientific & Educational Grants	6	-	1,017,871	-	1,017,871	1,182,685
Scientific workshops	6	-	154,510	-	154,510	261,355
Publishing	6	4,784,547	-	-	4,784,547	5,002,531
<b>Total expenditure</b>		<b>4,784,547</b>	<b>1,467,210</b>	<b>-</b>	<b>6,251,757</b>	<b>6,798,924</b>
<b>Net income/ (expenditure) before investment gains/ (losses)</b>		<b>2,490,455</b>	<b>(995,741)</b>	<b>1,859</b>	<b>1,496,573</b>	<b>1,540,304</b>
Net gains on investments		-	6,599,105	11,998	6,611,103	6,263,816
Net gains on forward currency contracts		160,637	-	-	160,637	151,699
<b>Net income for the year</b>		<b>2,651,092</b>	<b>5,603,364</b>	<b>13,857</b>	<b>8,268,313</b>	<b>7,955,819</b>
<b>Other recognised gains/ (losses)</b>						
Foreign exchange losses	14	-	(102,021)	-	(102,021)	(25,937)
<b>Net movement in funds for the year</b>		<b>2,651,092</b>	<b>5,501,343</b>	<b>13,857</b>	<b>8,166,292</b>	<b>7,929,882</b>
<b>Reconciliation of funds:</b>						
Fund balances at 1 January 2020		26,235,861	29,969,295	106,673	56,311,829	48,381,947
<b>Fund Balances at 31 December 2020</b>		<b>28,886,953</b>	<b>35,470,638</b>	<b>120,530</b>	<b>64,478,121</b>	<b>56,311,829</b>

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included above.

The attached notes form part of these Financial Statements.

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### BALANCE SHEET

Registered no 514735 - Charity no 277992

	notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed Assets</b>					
Tangible assets	13		3,231,634		3,175,657
Investments	14		<u>59,416,984</u>		<u>51,928,768</u>
			62,648,618		55,104,425
<b>Current Assets</b>					
Debtors	15	872,886		641,724	
Cash at bank and in hand		<u>6,035,645</u>		<u>5,998,675</u>	
		<u>6,908,531</u>		<u>6,640,399</u>	
<b>Creditors: amounts falling due within one year</b>					
Journal subscriptions in advance	16	4,034,049		4,636,465	
Publishing income in advance	16	97,915		-	
Author fees in advance	16	61,908		96,162	
Trade creditors		345,040		272,884	
Other creditors	17	475,768		368,151	
Other taxation & social security costs		<u>64,348</u>		<u>59,333</u>	
		<u>5,079,028</u>		<u>5,432,995</u>	
<b>Net current assets</b>			1,829,503		1,207,404
<b>Net Assets</b>	19		<u>64,478,121</u>		<u>56,311,829</u>
<b>The funds of the Charity</b>					
<b>Restricted income funds:</b>					
P Baker & P Godfrey Memorial Funds (restricted)			120,530		106,673
Total restricted funds			<u>120,530</u>		<u>106,673</u>
<b>Unrestricted income funds:</b>					
General Fund (unrestricted)			28,886,953		26,235,861
Charity Reserve (designated)			<u>35,470,638</u>		<u>29,969,295</u>
Total unrestricted funds			<u>64,357,591</u>		<u>56,205,156</u>
<b>Total funds</b>	19		<u>64,478,121</u>		<u>56,311,829</u>

Approved by the Board and authorised for issue on 7 May 2021

Matthew Freeman  
Chairman



The attached notes form part of these Financial Statements.

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### STATEMENT OF CASH FLOWS

	notes	2020 £	<i>As restated</i> 2019 £
Cashflow from operating activities	21	1,183,591	1,256,940
Cashflow from investing activities	21	2,042,758	(7,091,258)
Net increase/(decrease)in cash and cash equivalents in the year		3,226,349	(5,834,318)
Cash and cash equivalents at 1 January	21	6,240,054	12,100,309
Change in cash and cash equivalents due to foreign exchange losses		(102,021)	(25,937)
Total cash and cash equivalents at 31 December		9,364,382	6,240,054

Following a review during the year, cash held within the investment portfolio has now been included within cash and cash equivalents within the cash flow statement. Further disclosure and analysis has also been included within the cash flow statement to better reflect the underlying transactions.

The attached notes form part of these Financial Statements.



## Trustees' Report and Financial Statements for the year ended 31 December 2020

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### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### a) Basis of preparation

These accounts have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and with the Statement of Recommended Practice Accounting and Reporting by Charities' FRS 102, (effective 1 January 2019) together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011.

The Company of Biologists 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 note, stated in pounds sterling.

##### b) Going Concern

The trustees have a reasonable expectation that the Company 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 as there are no material uncertainties about the Company's ability to continue to operate.

Trustees review the strategic plans of the Company regularly and income is monitored against budget. In addition, the Company's reserves policy aims to ensure that the Company is not solely dependent on a single year's income.

##### c) 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 charity 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 that can only be used for particular restricted purposes within the objects of the charity.

##### d) Income

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 charitable activities includes all income from publishing and is recognised as earned (as the related goods or services are provided). Income from journal subscriptions received in advance is deferred and recognised in the period to which it relates. See note 16.

##### e) Expenditure

Expenditure is recognised when a legal or constructive obligation to make a payment to a third party is established, when it is probable that the payment will be required and the amount of the expenditure can be measured reliably.

Contractual arrangements are recognised as goods and services are supplied.

Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable. (See accounting policy m).

Costs of raising funds are those costs incurred in attracting voluntary income and investment management fees.

Expenditure on charitable activities includes expenditure associated with publishing and includes both the direct costs and support costs relating to these activities.

Support costs include governance costs which are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Accounting Policies (cont.)

##### f) Allocation of support costs

Support costs are those costs which assist the operation of the Charity but are not directly attributable to one particular charitable activity. These costs include administration costs, personnel costs, governance costs, consultancy and finance costs, and have been allocated to activity categories based on staff headcount and use of the resources. For those resources used exclusively by a particular activity, 100% of the cost has been allocated to that category.

##### g) Irrecoverable VAT

All resources expended are classified under headings that aggregate all costs related to this category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

##### h) Tangible fixed assets

Tangible fixed assets exceeding £1,000 are capitalised. The assets are stated within the financial statements 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 basis:

Freehold buildings	2%-10% on cost
Fixture, fittings and equipment	10% - 33.33% on cost

Freehold land is not depreciated.

##### i) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value, and subsequently measured at their fair value as at the balance sheet date using the closing bid market price.

The Statement of Financial Activities includes all gains and losses arising on revaluations and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or purchase value when acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

##### j) Debtors

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

##### k) 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 the deposit or similar account.

##### l) Creditors

Creditors and provisions are recognised 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 recognised at their settlement amount after allowing for any trade discounts due.

##### m) Grants payable

Grants payable are charged in the year when the offer is conveyed to the recipient, 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 as accrued expenditure.

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Accounting Policies (cont.)

##### n) Financial instruments

The Company uses various derivative financial instruments to reduce exposure to foreign exchange risks, including forward currency contracts. Derivatives are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through the Statement of Financial Activities. The forward foreign exchange contracts which the Company uses all mature within one month of the end of the financial period.

The charity also 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 listed investments which are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date.

##### o) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are recorded at the official HM Revenue & Customs rate of exchange rate for the month and any differences are taken to the Statement of Financial Activities.

##### p) Pensions

The Company operates a defined contribution scheme, the assets of which are held separately from those of the Company. The Company's contributions are written off in the year in which they are incurred.

##### q) Critical accounting estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No critical accounting estimates and assumptions have been made by management in preparing these financial statements.

#### 2 Company status

The charity is a company limited by guarantee. The 96 members of the company (2019: 96) are drawn from the current trustees, former trustees, current employees, current editors and former editors. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

#### 3 Investment Income

	Charity Reserve	2020 Baker/Godfrey Fund	Charity Reserve	2019 Baker/Godfrey Fund
Income	£	£	£	£
from UK listed investments	232,019	-	610,048	46
from overseas listed investments	209,017	1,859	250,669	1,970
Bank, building society and other interest	30,433	-	53,107	-
	<u>471,469</u>	<u>1,859</u>	<u>913,824</u>	<u>2,016</u>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 4 Analysis of charitable activity income by geographical sectors

	2020 £	2019 £
Distribution of readership:		
North America	3,068,976	3,125,666
South America	78,292	83,187
Europe	1,196,113	1,263,449
Asia & Pacific	718,939	860,085
Rest of World	421,161	440,827
United Kingdom	516,519	525,782
	<u>6,000,000</u>	<u>6,298,996</u>

	2020 £	2019 £
Analysis of other charitable activity income		
North America	294,269	270,528
South America	6,343	8,530
Europe	284,603	363,859
Asia & Pacific	132,710	181,309
Rest of World	96,875	74,970
United Kingdom	458,114	219,977
	<u>1,272,914</u>	<u>1,119,173</u>
Charitable activity income	<u>7,272,914</u>	<u>7,418,169</u>

In 2019 and 2020 all the income from charitable activities was unrestricted.

#### 5 Other income

	2020 £	2019 £
Investment recovery	<u>2,088</u>	<u>5,219</u>

An exceptional item in 2008 related to a cash reserve held at Kaupthing, Singer & Friedlander Bank, which was declared insolvent in October 2008. As a result the Company made a provision of £694,564 at that time. Subsequently, from 2009 to date, recoveries totalling £604,022 (2019: £601,934) have been received.

In 2019 and 2020 all other income was unrestricted.

#### 6 Analysis of expenditure on charitable activities

	Scientific & Educational Grants £	Workshops £	Publishing £	2020 Total £
Grants	865,175	-	-	865,175
Workshop costs	-	56,519	-	56,519
Publication costs	-	-	927,815	927,815
Staff costs	98,404	53,326	2,870,221	3,021,951
Support costs	54,292	44,665	986,511	1,085,468
	<u>1,017,871</u>	<u>154,510</u>	<u>4,784,547</u>	<u>5,956,928</u>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 6 Analysis of expenditure on charitable activities (cont.)

2019:	Scientific & Educational Grants £	Workshops £	Publishing £	2019 Total £
Grants	972,298	-	-	972,298
Workshop costs	-	156,314	-	156,314
Publication costs	-	-	791,031	791,031
Staff costs	137,537	55,790	2,646,661	2,839,988
Support costs	72,850	49,251	1,564,839	1,686,940
	<u>1,182,685</u>	<u>261,355</u>	<u>5,002,531</u>	<u>6,446,571</u>

Staff costs comprise the salaries of permanent employees, agency staff costs and academic editors' stipends.

In 2019 and 2020 all expenditure on charitable activities was unrestricted.

#### 7 Analysis of support costs

	Basis of allocation	2020 Total £	2019 Total £
<b>Support costs</b>			
Depreciation	Pro rata to staff head count, and actual use	147,083	132,401
Administration expenses	Pro rata to staff head count	363,647	533,111
Editorial expenses	Allocated to activity of use	326,753	662,204
Sales and Marketing expenses	Allocated to activity of use	160,212	242,933
		<u>997,695</u>	<u>1,570,649</u>
<b>Governance costs</b>			
Company Secretarial costs		61,907	60,494
Trustee meeting costs		8,242	38,332
Trustee insurance costs		3,774	3,710
Audit fees		13,850	13,755
		<u>87,773</u>	<u>116,291</u>
		<u>1,085,468</u>	<u>1,686,940</u>

Governance costs are allocated evenly to all three charitable activities.

Company Secretarial costs include an allocation of staff costs.

#### 8 Scientific/Educational Grants & COB Scientific Workshops

a)	No	2020 Charity Reserve £	No	2020 Baker/ Godfrey Fund £	No	2019 £
The following grants were made during the year:						
Block grant	3	105,000	-	-	-	-
Society Travel Grants	4	200,000	-	1	37,500	37,500
Other grants	166	374,807	-	286	671,685	671,685
Grants to institutions		<u>679,807</u>		<u>-</u>		<u>709,185</u>
Journal Travelling Fellowships	84	183,552	-	116	224,094	224,094
DMM Conference Attendance Grants	10	1,816	-	72	39,019	39,019
Grants to individuals		<u>185,368</u>		<u>-</u>		<u>263,113</u>
		<u>865,175</u>		<u>-</u>		<u>972,298</u>



# Trustees' Report and Financial Statements for the year ended 31 December 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 8 Scientific/Educational Grants & COB Scientific Workshops (cont.)

Grants made in excess of £5,000 include:	Block Grant £	Travel & Travelling Fellowships £	Other £
British Society of Developmental Biology	35,000	62,500	
British Society of Cell Biology	70,000	62,500	
British Society of Experimental Biology		75,000	
Journal of Experimental Biology		69,376	
Journal of Cell Science		56,635	
Development		31,575	
Disease Models & Mechanisms		25,966	
EMBO			
Workshop grant			70,000
Other grants below £5,000		1,816	304,807
<b>Total</b>	<b>105,000</b>	<b>385,368</b>	<b>374,807</b>

### 2019:

Grants made in excess of £5,000 include:		Travel & Travelling Fellowships £	Other £
British Society of Experimental Biology		37,500	
Journal of Experimental Biology		81,947	
Journal of Cell Science		49,634	
Development		42,374	
Disease Models & Mechanisms		50,139	
Disease Models & Mechanisms	Conference Attendance Grants	39,019	
EMBO	Workshop grant		70,000
Marine Biological Association of the UK	Microelectrode Techniques for Cell Physiology		23,000
Marine Biological Laboratory	Embryology: Concepts & Techniques in Modern Developmental Biology		15,000
The Marine Biological Association	10-Day Practical Course on Advanced Optical Microscopy for Cell Biology		6,000
Spanish Society of Developmental Biology	European Developmental Biology Congress 2019		5,000
University of Ottawa	The 10th International Congress of Comparative Physiology		5,000
University of Washington	Merging Histology and Biomechanics		5,000
LASDB	International Course and Symposium on Developmental Biology		5,000
Other grants below £5,000			537,685
<b>Total</b>		<b>300,613</b>	<b>671,685</b>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 8 Scientific/Educational Grants & COB Scientific Workshops (cont.)

Where a number of grants have been provided to a single institution to undertake different activities or projects, the individual grant total may not be material, but the total value of the grants to that institution is required to be disclosed. The below information shows the total material value of the grants, and the number of grants which comprise that figure.

	2020		2019	
	Total grants awarded		Total grants awarded	
	No	£	No	£
Centre National de la Recherche Scientifique (CNRS)	9	19,500	7	11,200
University of Cambridge	4	8,000	11	16,701
University of Oxford	5	7,500	1	2,000
University College London	4	7,000	5	11,070
University of Exeter	4	6,500	0	-
Consejo Superior de Investigaciones Cientificas (CSIC)	3	5,417	0	-
University of California	3	5,000	0	-
Institut Pasteur	2	5,000	0	-
University of Barcelona	3	5,000	0	-
Kings College London			16	22,915
Virginia Polytechnic Institute and State University			4	9,100
University of Vienna			3	8,400
University of Warwick			3	7,500
University of Queensland			3	7,000
Imperial College London			3	6,960
University of Bristol			4	6,600
Centre for Genomic Regulation (CRG)			3	6,500
University of Konstanz			2	6,000
Indian Institute of Science Education and Research (IISER)			4	5,700
Center for Biochemical Research (CIQUIBIC)			3	5,600
California State University			2	5,500
Ghent University			2	5,500
University of Zurich			3	5,500
University of Turin			3	5,500
University of Roehampton			2	5,200
University of Manchester			3	5,100
Centro de Investigación y de Estudios Avanzados (CINVESTAV)			2	5,000

Grants and Workshops are charged to the Statement of Financial Activities when made.

Grants were made in support of meetings, workshops, conferences, summer schools, plenary/keynotes speakers, educational initiatives and prizes for conference presentations by young scientists. Grants were also made via the Company's journals and through the SEB enabling postgraduate post-doc students to make collaborative visits to other laboratories, attend research conferences and skill-acquiring workshops. Each grant fulfilled reinforces the Company's mission, being the general advancement and promotion of research and the knowledge of study of biology in all its branches.

Due to the COVID-19 pandemic, a significant number of grant applications were cancelled during the year. However, many more have been carried forward to 2021 in the hope that the funds may be utilised in furtherance of the Company's aims and objectives.

In addition to the above grants detailed, there were 112 (2019: 198) grants made of less than £5,000 to institutions around the world in support of Biology. Case studies of how some of these grants have been used can be found on the Company's website: <https://www.biologists.com/storycategory/grant-recipients>.

# Trustees' Report and Financial Statements for the year ended 31 December 2020

## NOTES TO THE FINANCIAL STATEMENTS

### 8 Scientific/Educational Grants & COB Scientific Workshops (cont.)

b)	2020		2019	
	No	Total £	No	Total £
The Company of Biologists Scientific Workshops	2	<u>56,519</u>	4	<u>156,314</u>

The Company hosted two Scientific Workshops during 2020. One was run in February, before COVID-19 led to a country-wide lockdown, which forced 4 further workshops to be cancelled. The second workshop was run virtually at the end of the year. These workshops are run annually and are intended to support cutting edge research in the areas of Cell and Developmental Biology, including disease models and mechanisms, with emphasis on cross-disciplinary interactions and the application of new technologies.

It is hoped the workshops might also serve to provide input for strategic funding decisions by Research Councils and major charities, as well as for Government policy.

No grants were made from restricted funds in 2020 or 2019.

### 9 Analysis of Staff Costs

	2020 £	2019 £
Staff costs include:		
Salaries	2,209,476	2,103,650
Social Security costs	232,222	220,208
Other pension costs	179,068	169,475
	<u>2,620,766</u>	<u>2,493,333</u>
Editorial stipends	<u>400,844</u>	<u>397,012</u>

	2020	2019
The average number of employees, analysed by function was:		
Charity administration	2	2
Charitable activities and publishing	53	53
Management and administration of the charity	2	2
	<u>57</u>	<u>57</u>

Emoluments including taxable benefits in kind was as follows:

No of employees earning £60,001 to £70,000	3	3
No of employees earning £90,001 to £100,000	2	2

The Key Management of the Charity comprise the Trustees, the Company Secretary and the Publisher.

The Trustees were not paid nor received any other benefit from employment during the year, or the preceding year.

	2020 £	2019 £
During the year total emoluments paid to Key Management were:		
Staff costs	193,817	194,306
Social Security costs	24,333	24,447
Pension costs	19,481	19,423
	<u>237,631</u>	<u>238,176</u>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 10 Trustees' Remuneration

The Articles of Association do not permit trustees to be employed by the Company. However, expenses totalling £3,157 were reimbursed/ incurred by the Charity on behalf of 12 trustees.

	No	2020 No £	2019 £
Travel and subsistence	12	<u>3,157</u>	<u>17,934</u>

#### 11 Related Party Transactions

Trustees were associated with the following organisations during the year:

All transactions with these organisations occur at arms length, on a commercial basis.

Director	Relationship	Organisation
Bray, S	Member	BSDB, EMBO, Cambridge University, Biochemical Society, SDB (USA)
Burke, J	Member	ASCB, BSCB, BSDB, SEB and Biochemical Society
Downie, A	IT Manager	Cambridge University
Freeman, M	Member	BSDB, EMBO
Freeman, M	Head of Research Group	University of Oxford
Isacke, C M	Member	BSCB, CRUK, Institute of Cancer Research, AACR, EMBO
Langdale, J	Member	EMBO, SEB
Langdale, J	Lab Leader	University of Oxford
Lowell, S	Member	BSDB, ISSCR
Lowell, S	Senior Research Fellow	University of Edinburgh,
Machesky, L	Member	EMBO, ASCB, BSCB, Biochemical Society
Machesky, L	Lab Leader	CRUK
Munro, B S	Member	ASCB, BSCB, EMBO, AAAS
Munro, B S	Group Leader	Medical Research Council
Nilsson, G	Member	SEB
Rigby, P	Member	EMBO, BSDB
Rigby, P	Chair of Trustees	Babraham Institute
Royle, S	Lab Leader	University of Warwick
Royle, S	Member	BSCB and ASCB
St Johnston, R D	Member	BSDB, EMBO
St Johnston, R D	Lab Leader	Wellcome/CRC UK Gurdon Institute, Cambridge University
Shiels, H	Lab Leader	University of Manchester
Storey, K	Member	BSDB, BSCB, ISSCR
Storey, K	Department Head	University of Dundee
Vyas, P	Group Leader	University of Oxford
Wilson, A	Member	SEB

The Company provided support to the British Society for Developmental Biology for £97,500 (2019:£0); The British Society for Cell Biology for £132,500 (2019: £0), The Society of Experimental Biology (SEB) for £75,000 (2019: £37,500); European Molecular Biology Organisation (EMBO) for £70,000 (2019: £70,000); University of Edinburgh for £4,000 (2019: £2,394); Cambridge University for £8,000 (2019: £16,701); University of Oxford for £9,750 (2019: £2,000); the University of Dundee for £3,000 (2019:£2,000); The Institute of Cancer Research for £2,000 (2019: £0), Cancer Research UK for £3,000 (2019:£0), the American Society of Cell Biology (ASCB) for £0 (2019: £4,000), the University of Manchester for £0 (2019: £2,000) and the University of Warwick for £0 (2019: £7,500).

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

12 Net income/ (expenditure ) for the year is stated after charging:	2020 £	2019 £
a) Foreign currency losses/ (gains)	(7,475)	112,554
b) Depreciation	147,083	132,401
c) Trustee indemnity insurance	3,774	3,710
d) Auditors' remuneration		
Audit services	13,850	13,755
Other services	3,593	5,228
	17,443	18,983
e) Loss on sale of tangible fixed assets	-	335

13 Tangible fixed assets	Freehold Land & Buildings £	Fixtures, fittings & equipment £	Total £
Cost at beginning of year	3,323,533	503,881	3,827,414
Additions at cost	179,212	49,226	228,438
Disposals at cost	(28,568)	(101,334)	(129,902)
Cost at end of year	3,474,177	451,773	3,925,950
Accumulated depreciation at beginning of year	271,097	380,660	651,757
On disposal	(3,190)	(101,334)	(104,524)
Charged in year	67,545	79,538	147,083
Accumulated depreciation at end of year	335,452	358,864	694,316
Net book value at end of year	3,138,725	92,909	3,231,634
Net book value at beginning of year	3,052,436	123,221	3,175,657

Tangible fixed assets are all used for the purposes of journal production.

14 Investments	UK Listed £	Overseas Listed £	Cash £	Total £
Market value at beginning of year	36,732,146	14,955,243	241,379	51,928,768
Additions at cost	123,489	8,045,378	-	8,168,867
Disposal at opening book value	(952,304)	(8,208,912)	-	(9,161,216)
Net unrealised gain	4,026,396	1,366,811	-	5,393,207
Foreign exchange loss	-	-	(102,021)	(102,021)
Cash movement in the year	-	-	3,189,379	3,189,379
Market value at end of year	39,929,727	16,158,520	3,328,737	59,416,984
Actual cost at year end	33,638,703	13,946,511	3,328,737	50,913,951

At the end of the year, included within investment cash there was a balance of £3,229,884 which was not deposited to the investment portfolio until 1 January 2021.

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 14 Investments (cont.)

The Company has wide powers to invest surplus funds at its discretion. The Trustees have established a Finance and Investments Committee which includes external advisors and makes investment recommendations to the Board of Trustees. The agreed investment policy is to maximize overall long term return without undue risk by sustained investment in equities with significant exposure to all the main stock markets of the world. This involves purchases of units, partly in actively managed funds which have the aim of getting superior returns to the other main part of the company's investment in index tracking funds that track stock market indices of the US, UK, Europe and, to a lesser extent, Japan, the Far East and other Emerging Markets.

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 main form of financial risk in relation to investments is the volatility of the equity markets and investment markets due to worldwide economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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.

	2020	2019
	£	£
Due within one year		
Trade debtors	457,451	239,541
Other debtors	224,202	194,090
Prepayments	191,233	208,093
	<u>872,886</u>	<u>641,724</u>

#### 16 Deferred income

Deferred income relates to journal subscription received in advance of the start of the subscription year (1 January 2020), the publish element of new agreements and author fees received in advance of articles being published.

	Journal Subscriptions	Publishing income	Author Fees	Total
	£	£	£	£
Deferred income at 1 January 2020	4,636,465	-	96,162	4,732,627
Amount released to income earned from charitable activities	(4,636,465)	-	(96,162)	(4,732,627)
Amount deferred in year	4,034,049	97,915	61,908	4,193,872
Deferred income at 31 December 2020	<u>4,034,049</u>	<u>97,915</u>	<u>61,908</u>	<u>4,193,872</u>



## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 17 Other creditors

Included within other creditors is £315,432 (2019: £114,374) of grants which were committed at the year end, and which will be paid within one year.

Movement in funding commitments during the year	£
Grant commitments recognised at the start of the year	114,374
New grant commitments charged to the SoFA in year	865,175
Grants paid during the year	(664,117)
Amount of grant commitments recognised as at 31 December 2020	<u>315,432</u>

#### 18 Financial instruments

	2020 £	2019 £
<b>Financial Assets</b>		
Financial assets measured at fair value through profit or loss	67,174,849	58,107,514
Financial assets that are debt instruments measured at amortised cost	(1,040,567)	253,560
	<u>66,134,282</u>	<u>58,361,074</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	(820,808)	(641,035)
	<u>(820,808)</u>	<u>(641,035)</u>

Financial assets measured at fair value through profit or loss comprise investments, cash and gains on derivative hedging instruments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, grants committed, accruals and other creditors excluding amounts owed to employees.

#### 19 Analysis of Net Assets Between Funds

	General Fund (Unrestricted) £	Charity Reserve (Designated) £	Baker/Godfrey Funds (Restricted) £	Total Funds £
Fund balances at 31 December 2020 are represented by:				
Tangible fixed assets	3,231,634	-	-	3,231,634
Investments	-	59,304,158	112,826	59,416,984
Current assets	6,900,827	-	7,704	6,908,531
Current liabilities	(4,763,596)	(315,432)	-	(5,079,028)
Internal balance	23,518,088	(23,518,088)	-	-
<b>Total Net Assets</b>	<u>28,886,953</u>	<u>35,470,638</u>	<u>120,530</u>	<u>64,478,121</u>

#### Summary of fund movements

	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	26,235,861	7,275,002	(4,784,547)	-	28,726,316
Designated fund	29,969,295	471,469	(1,467,210)	6,657,721	35,631,275
Restricted Funds	106,673	1,859	-	11,998	120,530
<b>Total Funds</b>	<u>56,311,829</u>	<u>7,748,330</u>	<u>(6,251,757)</u>	<u>6,669,719</u>	<u>64,478,121</u>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

#### 19 Analysis of Net Assets Between Funds (cont.)

2019:	General Fund (Unrestricted) £	Charity Reserve (Designated) £	Baker/Godfrey Funds (Restricted) £	Restated Total Funds £
Fund balances at 31 December 2019 were represented by:				
Tangible fixed assets	3,175,657	-	-	3,175,657
Investments	-	51,829,801	98,967	51,928,768
Current assets	6,632,693	-	7,706	6,640,399
Current liabilities	(5,318,621)	(114,374)	-	(5,432,995)
Internal balance	21,746,132	(21,746,132)	-	-
<b>Total Net Assets</b>	<b>26,235,861</b>	<b>29,969,295</b>	<b>106,673</b>	<b>56,311,829</b>

#### Summary of fund movements

	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	23,663,305	7,423,388	(5,002,531)	151,699	26,235,861
Designated fund	24,630,744	913,824	(1,796,393)	6,221,120	29,969,295
Restricted Funds	87,898	2,016	-	16,759	106,673
<b>Total Funds</b>	<b>48,381,947</b>	<b>8,339,228</b>	<b>(6,798,924)</b>	<b>6,389,578</b>	<b>56,311,829</b>

The General Fund comprises retained surpluses on journal production.

The Charity Reserve comprises a designated fund, established by the Company for the support of biological science. The general fund makes available to the charity reserve the Company's investments and cash and other deposit accounts, the income from which is credited to this fund each year. Expenditure from the fund comprises scientific grants and workshops.

The Peter Baker Memorial Fund and Philip Godfrey Fund are restricted funds established to support biological research.

#### 20 Pension Costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charge represents contributions payable by the Company to the fund and amounted to £179,068 (2019: £169,475). Contributions of £19,823 were due to the fund at the year end (2019: £18,399).

21 Notes to the Statement of Cash Flows	Note	2020 £	As restated 2019 £
a) Reconciliation of net income to net cash flow from operating activities			
Net income/ (expenditure) for year	SOFA	8,268,313	7,955,819
		<u>8,268,313</u>	<u>7,955,819</u>
Depreciation	13	147,083	132,401
Loss on sale of tangible fixed assets		25,378	27,484
Change in debtors	BALANCE SHEET	(231,162)	(73,078)
Change in creditors	BALANCE SHEET	302,336	(271,632)
Change in income in advance	16	(538,755)	313,249
Investment manager fees	SOFA	294,829	352,353
(Gains) on investments	SOFA	(6,611,103)	(6,263,816)
Dividends and interest from investments	SOFA	(473,328)	(915,840)
<b>Net cash provided by operating activities</b>		<b><u>1,183,591</u></b>	<b><u>1,256,940</u></b>

## Trustees' Report and Financial Statements for the year ended 31 December 2020

### NOTES TO THE FINANCIAL STATEMENTS

21 Notes to the Statement of Cash Flows (cont.)		2020	As restated	
		£	2019	
			£	
b) Cash flows from investing activities				
Payments to acquire tangible fixed assets	13	(228,438)	(93,190)	
Receipts from sale of tangible fixed assets		-	900	
Payments to acquire investments		(8,168,867)	(21,184,878)	
Receipts from sales of investments		9,981,101	13,279,220	
Investment manager costs paid		(14,366)	(9,150)	
Interest received	SOFA	30,433	53,107	
Investment income received	SOFA	442,895	862,733	
		<u>2,042,758</u>	<u>(7,091,258)</u>	
c) Analysis of changes in net debt				
	At 1 Jan 20	Cash flow	Foreign Exchange	At 31 Dec 20
	£	£	Movement	£
			£	
Cash	5,998,675	36,970	-	6,035,645
Cash held in investment portfolio	241,379	3,189,379	(102,021)	3,328,737
Total cash and cash equivalents	<u>6,240,054</u>	<u>3,226,349</u>	<u>(102,021)</u>	<u>9,364,382</u>
2019:				
	As restated		Foreign Exchange	As restated
	At 1 Jan 19	Cash flow	Movement	At 31 Dec 19
	£	£	£	£
Cash	5,845,282	153,393	-	5,998,675
Cash held in investment portfolio	6,255,027	(5,987,711)	(25,937)	241,379
Total cash and cash equivalents	<u>12,100,309</u>	<u>(5,834,318)</u>	<u>(25,937)</u>	<u>6,240,054</u>
22 Capital Commitments				
		2020	2019	
		£	£	
Commitments contracted for but not provided in these financial statements				
Land & Buildings		86,516	28,130	