



THE COMPANY OF BIOLOGISTS LIMITED

(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

Registered number: 00514735

Charity number: 277992

Trustees' Report and Financial Statements for the year ended 31 December 2022

Strategic report

Business review

As a charity, The Company of Biologists does not seek revenue surplus for financial gain or as a return for shareholders. 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 customer numbers will allow us to cover the inevitably large expenses associated with maintaining high-quality journals.

Governance review

The Trustees reviewed the UK Charity Governance Code during 2022 and, while it is not a mandatory requirement at this time, agreed to adopt some changes based on recommended best practice. These included the purchase of a secure Board portal for management of information, creation of a nominations committee and annual training for directors. Trustees agreed further changes in principle which will be reviewed during 2023 but were pleased to note that the Company was in compliance with the majority of principles listed.

Investments

In 2020, the Company agreed to pursue a policy of divestment from companies actively extracting fossil fuels with the aim to move to ESG-compliant investments. Actions taken since November 2020 have reduced fossil fuel exposure at the portfolio level from 3.1% to 0.5% (2021: 0.8%). All Global Equities trackers are ex-fossil fuels.

The value of the portfolio increased in line with the expectations of the Company. The benchmark for the investment portfolio is derived from an accumulation of weighted composites of underlying manager benchmarks, which vary from investment to investment, reviewed against a Strategic Asset Allocation. For 2022 the annual portfolio return was -9.8% (2021:10.6%) compared to a benchmark of -15.7% (2021: 14.4%).

Performance against objectives

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

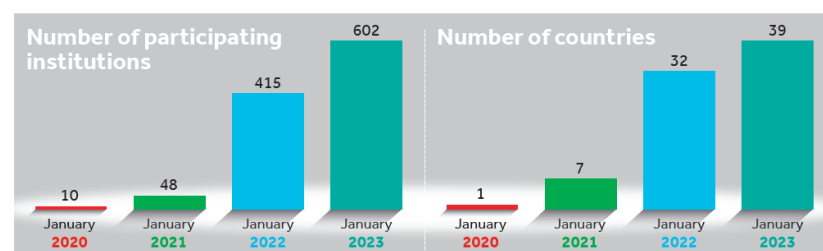
Publishing

Read & Publish

The Company continued to expand its Read & Publish initiative during 2022. Read & Publish agreements combine access to our journals dating back to 1853 with unlimited Open Access publishing for corresponding 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.

Read & Publish agreements have now been signed with over 600 institutions in 39 countries and consortia in Australia, Germany, Ireland, Israel, Mexico, Spain, Sweden, United Kingdom, and the USA. In addition, a further

Our Read & Publish initiative in numbers



108 institutions benefit from our agreement with EIFL (Electronic Information for Libraries) which enables researchers in 30 developing and transition economy countries to publish Open Access articles in our hybrid journals without paying an article processing charge.

The success of our Read & Publish initiative has led to a further >5% increase in the proportion of Open Access research content in each of our hybrid subscription journals: Development, Journal of Cell Science and Journal of Experimental Biology.

The Company continues to actively engage with institutions that have signed Read & Publish agreements to ensure that:

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- librarians can engage effectively with their researchers about the opportunities these agreements offer, with a variety of resources available from our library hub www.biologists.com/library-hub/read-publish/
- authors are made aware of the routes they may use to publish their papers on an Open Access basis to comply with their funder and institute mandates.

Trustees made no change to the double dipping policy, which was updated in 2021 to reflect the specific requirements of the cOAlition Plan S Open Access mandate. Double dipping arises where a publisher seeks to increase revenues by levying article processing charges for publication in hybrid journals, while not providing a proportionate decrease in subscription costs. Application of the policy on 2022 and 2023 pricing resulted in a reduction in the price increase.

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.

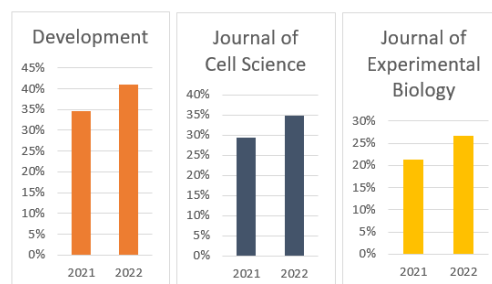
The Company participates in Stanford University's LOCKSS archive programme and CLOCKSS extended 'dark' archive service, designed to create a free, permanent repository of published material in the unlikely event that, at some point in the future, the Company is unable to carry out its publication responsibilities.

Update on transformative journals targets

The Company's journals were the first in the world 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 agreements (fee-free Gold Open Access publication).

As Transformative Journals, we have committed to continuing and extending our Open Access support by gradually increasing published Open Access research content year on year, providing greater transparency on the services covered by article processing charges, comparative metrics and continuing to offset subscription revenue to avoid 'double dipping'.

During 2022, all three of the hybrid Transformative Journals achieved or slightly exceeded their Open Access growth targets.

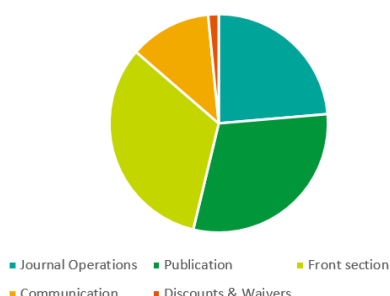


Transparent metrics

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.

The Company selected a transparency scheme that is compliant with cOAlition Plan S Open Access principles - metrics have been provided to Plan S for the Company's journals and further metrics are available on our journal websites e.g., <https://cob.silverchair.com/dev/pages/transparent-metrics>

Price breakdown: portfolio level



Plan S requires price transparency based on the costs and effort associated with different areas of our publishing activities - shown here at the portfolio level using one of the approved Plan S reporting models.

Plan S directs other publishers to view examples of transparent metrics on our websites and we have also produced 'how to' videos to support other publishers in adopting transparent metrics.

In addition, we are providing transparent comparative metrics for our Open Access articles when compared with our non-Open-Access articles. During the first 6 months of publication, Open Access articles see at least three times higher usage (readership) compared with non-OA articles (noting that our non-Open-Access articles are free to read after 6 months). Open Access articles also have a citation advantage and a boost to their altmetrics (online attention including social media).



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Community

The Company has a number of community sites to support the biological community.

Our well-established 'the Node' is a community site for developmental and stem cell biologists (with its own social media). 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. The most-popular post in 2022 featured a controversial debate among leaders in the field about the state and future of developmental biology. We also received a lot of attention for the live stream from our meeting 'From Stem Cells to Human Development'. The site also includes 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 to speed up the communication of research findings. The Company's community site 'preLights' provides preprint highlighting and commenting. We have a community of 100+ early-career researchers contributing to the site, covering a broad set of biological topics. Our most popular post from 2022 featured differential mosquito attraction to humans. The preLights team also engage with the authors of the original preprints and around two-thirds of these authors respond with more information for the preLights site. During 2022, we also added 'postLights' highlighting the journey from preprint to published paper. The site has a significant Twitter presence. The need for rapid communication of COVID-19 research meant that preprints have been more important than ever.

FocalPlane was launched to bring together the microscopy and imaging communities and this has been well received. During 2022, we also launched the FocalPlane Network, a global directory with the aim of increasing equity and diversity and ran a popular series on Latin American microscopists.

The Node and FocalPlane recruited six early-career researchers as Correspondents to better represent the community.

Social media

The Company has a significant social media presence, with Twitter feeds and Facebook pages for the journals and for the community sites plus Instagram to showcase our images and a Twitter feed for Company news. Given some of the concerns around Twitter during 2022, the Company also embraced Mastodon as a complementary option for our communities.

The Company's YouTube channel continued to provide access to informative video-style content including scientific content from the journals, interviews with researchers and features from our community webinars. We included a piece on how to promote yourself as an early-career researcher and what happens when you preprint your paper, but our most-viewed video reported the Open Access progress being made by our Transformative Journals.

The Company also has a WeChat channel to grow our presence in China, where the output of important biomedical research has grown very significantly. We saw increases in followers, article views and article shares during 2022. 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. The most-read pieces are interviews with Chinese researchers. Articles addressing the COVID-19 situation for researchers have also been very popular with one of our more popular stories of 2022 focusing on bees being trained to sense COVID infection. We also maintain a biologists.cn website for China to act as a gateway to information about our journals, grants, and meetings. To support our activities, we appointed a working group of Chinese early-career researchers - both within China and working internationally - to support our development of this community channel.

Digital presence in 2022:

- 4,565 YouTube subscribers (13% increase)
- 32,136 Facebook followers (5% increase)
- 98,950 Twitter followers (13% increase)
- 4,204 Instagram followers (66% increase)
- 2,029 LinkedIn followers (37% increase)
- 1,589 WeChat followers (22% increase)

The journals

After the increases seen during the pandemic lockdowns, our numbers of submitted and published articles have reduced across the journals. Speed to publication improved as workflows returned to normal as a result.

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2021 impact factors (IF) were announced in 2022 - having seen significant increases in the previous year we were pleased that the journals held steady at the higher level (with the non-significant changes below) and that Biology Open increased further:

Development from 6.868 to 6.6862
 Journal of Cell Science from 5.285 to 5.235
 Journal of Experimental Biology from 3.312 to 3.308
 Disease Models & Mechanisms (DMM) from 5.758 to 5.732
 Biology Open increased from 2.422 to 2.643.

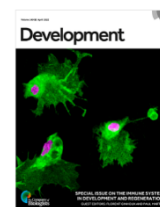
With an increased focus on equity, diversity and inclusion, the journals started collecting self-reported data on gender identity from authors at submission. Women make up ~30-35% of our submitting author pool - this is consistent with what is thought to be the representation of women among Principal Investigators. For all the journals, we detect no bias against publishing papers by women; on Disease Models & Mechanisms, women have a greater chance of success.



The journal Development published two special issues in 2022, one on 'Modelling Development In Vitro' and the other on 'The Immune System in Development and Regeneration' with articles covering tissues as diverse as the placenta, mammary gland, and skin, as well as repairing bone and inner ear epithelium, using model organisms from crickets through to humans.

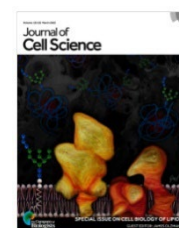
Development hosted an in-person meeting 'From Stem Cells to Human Development' bringing together researchers working on a diverse set of questions - from early cell fate choices in the human embryo to tissue organogenesis in all three germ layers, from epigenetic and other mechanisms underlying stem cell pluripotency and differentiation to methods for visualising and analysing the entire human embryo. Parts of the meeting were livestreamed, including a panel on the technical, ethical, and legal challenges of studying early human development.

With our communities returning to in-person meetings, the journal published an important piece on the future of scientific conferences, with sustainability in mind.



Journal of Cell Science published a special issue on 'Cell Biology of Lipids' with articles ranging from the development of new lipid probes and advances in our understanding of lipids in the aetiology of various diseases to mechanistic insights into how lipids are stored and used in cells for energy, signalling and the regulation of proteins.

The journal launched an essay competition exploring themes of equity, diversity and inclusion. The winning pieces were "Biased in favour", "Autism in science - 'through the looking glass' and the role of empathy in the equation" and "Uniting diversity to create a more inclusive academic environment" and were published in the journal along with other essays from the series.



The journal introduced new guidelines around data transparency that were well received and are being considered by the other Company journals.

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The journal's Cellular Dynamics Meeting series focused on the 'Host-Pathogen Interface'. Intracellular pathogens hijack and use the cellular systems of their unwilling hosts to ensure their continued survival, replication and spread. The relative simplicity of many pathogens and the ability to manipulate them genetically has made them ideal model systems to analyse fundamental cellular and biological processes, including cell death and innate immunity.

Journal of Experimental Biology

Journal of Experimental Biology published a special issue on 'Building New Paradigms in Comparative Physiology and Biomechanics' seeking submissions that were future-gazing and that explored novel and fundamental phenomena. This theme was so successful that it became the largest special issue the journal has published.

Journal of Experimental Biology articles receive significant media attention, with 2022 top stories including modular lung ventilation in Boa constrictor and the private life of echidnas (field biomechanics and ecological impact).



Disease Models & Mechanisms

Disease Models & Mechanisms published two special issues in 2022. The first was a focus on *Drosophila* encouraging the community to embrace the power of the fly in studying human disease and consider how *Drosophila* studies can be integrated with research in other species to further our understanding of human biology. The second looked at genetic variance in human disease reflecting on recent advances in understanding the genotype-phenotype complexities in disease.

Key stories from 2022 included modelling childhood sarcoma, gene expression signatures driving severe COVID-19, gene therapies for sickle cell disease, and vaping and mucosal injury.

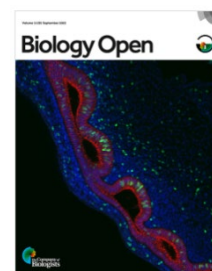


Biology Open

Biology Open celebrated 10 years of publishing 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. We need to be careful about the scientific standards of these articles, however, and the journal has increased its acceptance requirements and publishing ethics checks resulting in a lower acceptance rate. The Editors published an important ethics piece on the continuing challenge of paper mills to publishing in the biological sciences.

The journal continues to focus on support for early-career researchers, for example introducing 'Future Leader' Review articles. During 2022, these have covered a wide range of topics including cancer immunotherapy, angiogenesis, pro-regenerative therapies, photosynthesis, genome-wide analyses, developmental disorders and serotonin. We also published a guide to pre-printing for early-career researchers.

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).



Charitable funding

Grants

The Company uses any surplus generated for the benefit of biology and the biological community by offering a variety of grants.

Although applications for funding received during 2022 were not back to pre-pandemic levels, the Company has seen a marked increase compared to the prior year. The Company funded the following:

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○ Scientific meeting grants

241 meetings, conferences, and workshops (2021: 82) benefited from funding that assisted with the expenses of plenary or keynote speakers, assistance with travel for early-career researchers, or to reduce/waive registration fees.

○ Travelling fellowships

109 awards (2021: 85) 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

106 (2021: 37) awards were made to early-career scientists, 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 Disease Models & Mechanisms.

○ Sustainable Conferencing grants

Sustainable Conferencing grants are aimed at assisting organisers of events with the cost of innovative ideas that will enable events to become more sustainable and to encourage the reduction of their environmental footprint. 48 awards (2021: 22) were made to organisers during 2022.

The Company also provided funding to biological societies. Stories from awardees are published on the Company's website <https://www.biologists.com/stories/>.

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.

The Company ran nine workshops in 2022, including five planned for 2020 and 2021 that had been rescheduled:

- Cell size and growth, from single cells to the tree of life
- The biology and physics of left-right patterning
- Creative science writing
- Fostering quantitative modelling and experimentation in developmental biology
- Cell state transitions: approaches, experimental systems, and models
- From physics to functions
- Developmental metabolism and the origins of health and disease
- Genotype to phenotype: bridging comparative genomics and cell biology
- Toxic metabolites in the biology of ageing and cancer

All of the Workshops were a resounding success, delivering an amazing retreat for high-profile scientists and early-career researchers alike to discuss their research and forge new collaborations.

Four Workshops are planned for 2023, with the program increasing to seven in 2024, including one to be held in the Global South. By extending the workshop program into Global South regions, we hope to be more accessible to scientists that have traditionally not been well represented at our UK events and provide unique opportunities to local early-career researchers.

More information of the Scientific Workshops can be found on our website <https://www.biologists.com/workshops/>

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:

- Economic and market conditions: The markets within which the Company operates have generally been more resilient in periods of economic downturn. The Company continuously monitors the economic and political developments to assess their impact on strategy which is designed to mitigate these risks.

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- Significant downturn in revenue: Libraries and academic institutions continue to face budget challenges. In addition, the Company's reliance on subscriptions and pay-walled articles threatens its ability to generate sufficient income to continue high-quality publication. To manage risk, the Trustees continue to look for opportunities to diversify income, including Read & Publish agreements. A push by cOAlition Plan S to force publishers to flip the current subscription model to an author-pays model within a specified timeframe will present major challenges in the future.
- 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.
- Technology resilience and change: The Company is dependent on electronic platforms and networks to deliver its services. The needs of the Company's readers and authors also continue to evolve, requiring regular review of the Company's technology strategy and appropriate investment. To mitigate risk, IT disaster recovery plans and back-up delivery systems are in place, ensuring business disruption is reduced in the event of a major technology or infrastructure failure, and the Company invests heavily in new technology solutions and product offerings.
- Cyber security breach: Failure of our cyber security measures could result in unauthorised access to our systems, misappropriation of our or our users' data, deletion or modification of stored information or other interruption to our business operations. The Company has invested in technological and physical controls, including but not limited to infrastructure vulnerability management, application scanning, penetration testing, encryption and logging and monitoring. We provide regular training to our staff to maintain awareness of risks at all levels of our business and maintain information security policies. We also have incident response plans in place to respond to threats and attacks. We use independent third-party auditors to test, evaluate and help enhance our procedures and controls.
- Business disruption due to key supplier failure: The Company selects suppliers with care and establishes contractual service levels that are closely monitored. Where possible and practical, multiple suppliers are used. All key suppliers are subjected to detailed reviews to ensure the Company's supply chain is robust and the business continuity plan has been developed to reduce disruption in the event of a major failure by a supplier.
- 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 most of the Company's income payable in advance of the related costs.

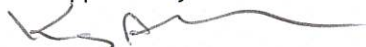
Plans for future periods

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 coming year. More specifically, in 2023 the Company will:

- Appoint a new Chairperson for the Company and new Editor in Chief for Biology Open
- Continue to roll out Read & Publish agreements, expanding into new territories, and converting subscription-heavy markets
- Migrate the manuscript-tracking system
- Continue to develop plans for the Company's 2025 centenary celebrations
- Launch The Forest of Biologists

Approved by the Board of Trustees on 12 May 2023 and signed on its behalf by:



K A Richmond
Company Secretary

Dated: 12 May 2023

Trustees' Report and Financial Statements for the year ended 31 December 2022

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 2022. 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 and stem cell biologists; 'preLights', the community site for highlighting and commenting on preprints; and 'FocalPlane', a place to share microscopy news, events, and resources.

To achieve the Company's aims, the Trustees have looked at both short-term and longer-term strategies and implemented those 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 migration of the manuscript tracking system to support third party OA payment management and streamline Read & Publish workflows; complete the full digitization of back content; and launch a biodiversity initiative, The Forest of Biologists.

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; increase and expand the breadth of reinvestment in science by way of grants and workshops.

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. A fee-free Read & Publish agreement with EIFL (Electronic Information for Libraries) also provides authors in 30 developing and transition countries in Africa, Asia, Europe, and Latin America the opportunity to both read and publish articles in the three hybrid journals at no cost.

The Company was an early adopter of the contractual principle that authors should retain copyright of 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), thus 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

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through the many travelling fellowships and travel grants offered each year. The Company website features stories from grant and travelling fellowship recipients.

Public benefit

The Trustees have considered 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

In the year to 31 December 2022, the Company's publishing income remained stable on the prior year from £6,904,243 (2021) to £7,001,410 (2022). The Company has several income streams, including subscriptions which remains our primary source of income, Read & Publish agreements and article processing fees on the Open Access journals. Our double dipping policy continues to proportionately reduce subscription prices as the volume of Open Access content increases.

Overview	2022 £m	2021 £m	Change %
Total income	7.6	7.6	0%
Total expenditure	6.9	5.8	18%
Investment gains/losses	-6.9	6.1	-213%
Gains/losses on hedging instruments	0.0	0.0	397%
Net movement per the SOFA	-6.2	7.8	-178%
<i>% change based on actual figures</i>			

Publishing expenditure increased by 6.7% on the prior year from £4,714,901 to £5,032,543, as the economy begins to recover from the effects of the pandemic. The Company continues to strive to provide the products and services demanded of its scientific community. This included:

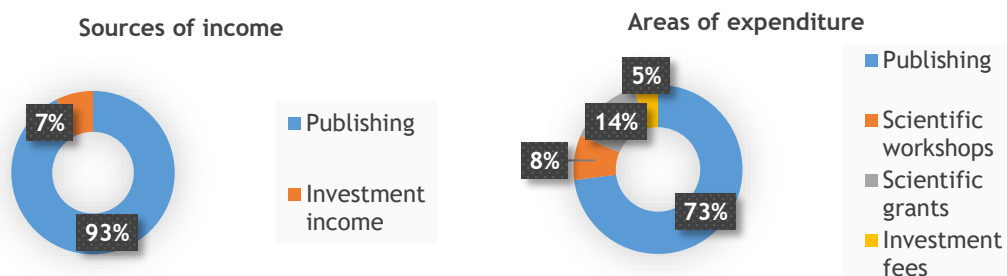
- Completion, with the aid of the Charity Governance Code for Larger Charities, of a Governance review.
- Review of charitable spend to ensure the grants offered by the Company target those areas most in need within the scientific community.
- Continuation of the roll out of Read & Publish agreements, expanding into new territories, and experimenting with new variations of the standard agreement.
- Reporting on the hybrid journals transformative status, which reached their growth target for 2022 set by cOAlition Plan S.
- Continue to develop plans for the Company's 2025 centenary celebrations.

Expenditure on charitable activities included scientific workshops £591,334 (2021 £76,376) and grant funding £955,860 (2021 £533,034). Further details of grants made in excess of £5,000 are given in the notes to the financial statements.

The Company achieved a deficit of -£6,113,077 compared to a surplus of £7,843,283 in 2021 after exceptional items and movement on financial instruments.

The activities undertaken during 2022 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:



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

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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 and, from 2020, to divest from companies actively extracting fossil fuels.

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, thereby maintaining the agreed level of risk within the portfolio, is considered at each quarterly review. The Trustees recognise that the policy to divest from fossil fuels will reduce the spread of investments and increase the risk of lower performance.

The Company received investment income of £558,487 (2021 £658,036) which was reinvested. Investment losses of -£6,879,686 (2021 £6,091,570) and investment management costs of £315,579 (2021 £506,765) contributed to the value of the Company's investments decreasing overall to £60,587,220 (2021 £67,196,104), a decrease of £6,608,884 during the financial year.

The investment losses in 2022 were primarily due to the world stock market falling by around 20% (the second largest fall on record) as a result of the fallout from the global pandemic, inflation increases and the outbreak of war. The Company's investment policy is to maximise the value of the portfolio long term, so whilst the Trustees carefully reviewed the movement in the markets during the course of the year, they were satisfied that their long term approach is still practicable and appropriate.

Reserves policy

Overview	2022 £m	2021 £m	Change %
General fund (unrestricted)	33.0	31.0	6%
Charity reserve (designated)	33.0	41.2	-20%

The Trustees review the need for, and the appropriate level of, reserves on an annual basis, considering 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 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 of more than £1m may continue to be made annually from the investment income received.

For the year ended December 2022, the Company held total unrestricted funds of £66,091,065 (2021 £72,184,884), of which £29,893,083 (2021 £27,850,490) represents 'free' reserves for operational purposes.

Trustees' Report and Financial Statements for the year ended 31 December 2022

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 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 is 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.

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 with any Trustees during 2022.

Board composition

The Chairperson is elected by the existing Trustees 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 2022.

Trustees' induction and training

New Trustees receive on appointment a link to the Company's secure online board portal, 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. On an ongoing basis the Trustees have in place a formal procedure for identifying, assessing, and reviewing any situations where a Trustee has an interest that conflicts, or may possibly conflict, with the interests of the Company. These conflicts are included on the conflict register, which is reviewed at each Board and committee meeting.

Management and organisation

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

Committees have been established by Trustees and a summary of their key responsibilities are set out below. All Committees have written Terms of Reference. Membership is not limited to Trustees and may include specialists and senior staff. Agendas for the committees are prepared by their respective Chairs with support from the Company Secretary.

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 Trustees delegate day-to-day management and decision making to its senior management team but maintains oversight of the Company's performance and reserve specific matters for Board approval, including significant new business initiatives. Through regular updates on business objectives, initiatives and progress, the Trustees monitor that management is acting in accordance with agreed strategy.

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.



Trustees' Report and Financial Statements for the year ended 31 December 2022

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 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.

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.

Equity, diversity and inclusion (EDI)

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.

The Company is proud of its inclusive culture and aims to maintain and improve our working environment so that everyone is included and able to give their best. We build on current thinking and best practice to ensure that diversity, equity and inclusion are embedded in everything we do.

The Trustees continue to place a significant focus on the Company's approach to inclusion and diversity and understand that the Company needs the contributions of people from a wide range of backgrounds, with different experiences and ideas to achieve real innovation for our stakeholders around the world.

Our workforce is 82% female (2021: 79%) and 18% male (2021: 21%), with managers being 100% female. At year end 2022, women made up 43% of the Trustees (2021: 44%).

During 2022, we reported the results of an EDI survey of staff. Carried out by an independent third party, the survey gathered data on the diversity of staff within the organization and their feelings on inclusion. The conclusion was "that although there is always more work to do, in the main employees feel included, psychologically safe and respected" and The Company of Biologists has a high proportion of employees with over 10 years' service, suggesting a high level of commitment to the organization.

Trustees' Report and Financial Statements for the year ended 31 December 2022

Reference and administration information

Registered charity no: 277992

Registered company no: 514735

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

Statutory 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, 4th Floor, 6 New Street Square, London EC4A 3DJ
Rickert Rechtsanwaltsgesellschaft mbH, Colmantstraße 15, 53115 Bonn, Germany

Bankers Barclays Bank UK plc, 9-11 St Andrews Street, Cambridge. CB2 3AA
Scottish Widows, PO Box 883, Leeds. LS1 9TY

Investment managers Partners Capital LLP, 5th 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 (retired 7 October 2022)

Appointed under Article 45(a)

S J Bray
J F Burke
A Downie (retired 10 January 2022)
I S Farooqi (retired 8 July 2022)
J A Langdale
B S Munro

G E Nilsson
P W J Rigby
S J Royle
H A Shiels
A M Wilson

Secretary K A Richmond

Key management personnel

K A Richmond, Company Secretary
O C Moulton, Publisher

kay.richmond@biologists.com
claire.moulton@biologists.com

Trustees' responsibilities statement

The trustees (who are also directors of The Company of Biologists Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);

Trustees' Report and Financial Statements for the year ended 31 December 2022

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Auditors, Price Bailey LLP, will be proposed for re-appointment at the next annual retirement 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 12 May 2023 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 2022

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 2022, 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 2022, 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.

Independent Auditor's Report to the Members of The Company of Biologists Limited for the year ended 31 December 2022

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 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 15, 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, and 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.

Independent Auditor's Report to the Members of The Company of Biologists Limited for the year ended 31 December 2022

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.
- 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. 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, 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: 18 August 2023

Trustees' Report and Financial Statements for the year ended 31 December 2022

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)

	notes	General Fund (unrestricted) £	Charity Reserve (unrestricted designated) £	Baker/Godfrey Fund (restricted) £	2022 Total £	2021 £
Income						
Income from:						
Charitable activities	4	7,001,410	-	-	7,001,410	6,902,642
		7,001,410	-	-	7,001,410	6,902,642
Investments	3	-	558,487	-	558,487	658,036
		-	558,487	-	558,487	658,036
Other	5	-	-	-	-	1,601
Total Income		7,001,410	558,487	-	7,559,897	7,562,279
Expenditure on:						
Raising funds						
Investment Manager Fees		-	315,579	-	315,579	506,765
Charitable activities						
Scientific & Educational Grants	6	-	848,917	-	848,917	422,013
Sustainability Grants	6	-	106,943	-	106,943	111,021
Scientific workshops	6	-	591,334	-	591,334	76,376
Publishing	6	5,032,543	-	-	5,032,543	4,714,901
Total expenditure		5,032,543	1,862,773	-	6,895,316	5,831,076
Net income/ (expenditure) before investment gains/ (losses)		1,968,867	(1,304,286)	-	664,581	1,731,203
Net loss on investments		-	(6,860,428)	(19,258)	(6,879,686)	6,091,570
Net gains/ (losses) on forward currency contracts		37,426	-	-	37,426	(67,272)
Net income for the year		2,006,293	(8,164,714)	(19,258)	(6,177,679)	7,755,501
Other recognised gains						
Foreign exchange gains	14	-	64,602	-	64,602	87,782
Net movement in funds for the year		2,006,293	(8,100,112)	(19,258)	(6,113,077)	7,843,283
Reconciliation of funds:						
Fund balances at 1 January 2022		31,009,023	41,175,861	136,520	72,321,404	64,478,121
Fund Balances at 31 December 2022		33,015,316	33,075,749	117,262	66,208,327	72,321,404

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 2022

BALANCE SHEET

Registered no 514735 - Charity no 277992

	notes	2022 £	2022 £	2021 £	2021 £
Fixed Assets					
Tangible assets	13		3,122,233		3,158,533
Investments	14		<u>60,587,220</u>		<u>67,196,104</u>
			63,709,453		70,354,637
Current Assets					
Debtors	15	1,158,151		471,429	
Cash at bank and in hand		<u>7,059,707</u>		<u>6,356,417</u>	
		<u>8,217,858</u>		<u>6,827,846</u>	
Creditors: amounts falling due within one year					
Journal subscriptions in advance	16	3,569,948		3,396,178	
Publishing income in advance	16	1,210,992		667,233	
Author fees in advance	16	65,029		47,439	
Trade creditors		476,390		186,130	
Other creditors	17	299,269		501,170	
Other taxation & social security costs		<u>97,356</u>		<u>62,929</u>	
		<u>5,718,984</u>		<u>4,861,079</u>	
Net current assets			<u>2,498,874</u>		<u>1,966,767</u>
Net Assets	19		<u><u>66,208,327</u></u>		<u><u>72,321,404</u></u>
The funds of the Charity					
Restricted income funds:					
P Baker & P Godfrey Memorial Funds (restricted)			<u>117,262</u>		<u>136,520</u>
Total restricted funds			<u>117,262</u>		<u>136,520</u>
Unrestricted income funds:					
General Fund (unrestricted)			33,015,316		31,009,023
Charity Reserve (designated)			<u>33,075,749</u>		<u>41,175,861</u>
Total unrestricted funds			<u>66,091,065</u>		<u>72,184,884</u>
Total funds	19		<u><u>66,208,327</u></u>		<u><u>72,321,404</u></u>

Approved by the Board and authorised for issue on 12 May 2023



Matthew Freeman
Chairman

The attached notes form part of these Financial Statements.

Trustees' Report and Financial Statements for the year ended 31 December 2022

STATEMENT OF CASH FLOWS

	notes	2022 £	2021 £
Cashflow from operating activities	21	729,619	1,886,301
Cashflow from investing activities	21	(387,830)	(2,843,173)
Net increase/ (decrease) in cash and cash equivalents in the year		341,789	(956,872)
Cash and cash equivalents at 1 January	21	8,495,292	9,364,382
Change in cash and cash equivalents due to foreign exchange gains		64,602	87,782
Total cash and cash equivalents at 31 December		8,901,683	8,495,292

The attached notes form part of these Financial Statements.

Trustees' Report and Financial Statements for the year ended 31 December 2022

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 2022

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 2022

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.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for foreign exchange derivatives.

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 unlisted 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 private company limited by guarantee, incorporated in the United Kingdom, registered in England. 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 £	2022 Baker/Godfrey Fund £	Charity Reserve £	2021 Baker/Godfrey Fund £
Income				
from UK unlisted investments	528,594	-	657,471	-
from overseas unlisted investments	28,304	-	-	378
Bank, building society and other interest	1,589	-	187	-
	<u>558,487</u>	<u>-</u>	<u>657,658</u>	<u>378</u>

The Charity Reserve represents unrestricted reserves, the Baker/Godfrey Fund restricted.

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

4 Analysis of charitable activity income by geographical sectors

	2022 £	2021 £
Distribution of readership:		
North America	2,256,065	2,438,848
South America	47,543	64,439
Europe	714,100	897,890
Asia & Pacific	770,358	807,167
Rest of World	287,972	343,482
United Kingdom	193,160	244,791
	<u>4,269,198</u>	<u>4,796,617</u>
	2022 £	2021 £
Distribution of readership and publication agreements:		
North America	594,856	371,642
South America	-	-
Europe	489,112	395,672
Asia & Pacific	28,211	20,407
Rest of World	212,309	148,442
United Kingdom	472,907	297,003
	<u>1,797,395</u>	<u>1,233,166</u>
	2022 £	2021 £
Analysis of other charitable activity income		
North America	356,955	267,769
South America	801	2,760
Europe	217,130	297,868
Asia & Pacific	137,710	126,658
Rest of World	29,033	48,185
United Kingdom	193,188	129,619
	<u>934,817</u>	<u>872,859</u>
Charitable activity income	<u>7,001,410</u>	<u>6,902,642</u>

In 2022 and 2021 all the income from charitable activities was unrestricted.

5 Other income

	2022 £	2021 £
Investment recovery	<u>-</u>	<u>1,601</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 £605,623 (2021: £605,623) have been received.

In 2022 and 2021 all other income was unrestricted.

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

6 Analysis of expenditure on charitable activities

	Scientific, Educational & Grants £	Sustainable Grants £	Workshops £	Publishing £	2022 Total £
Grants	706,428	-	-	-	706,428
Grant costs	10,674	-	-	-	10,674
Sustainable grants	-	54,168	-	-	54,168
Sustainability costs	-	10,004	-	-	10,004
Workshop costs	-	-	472,292	-	472,292
Publication costs	-	-	-	1,021,788	1,021,788
Staff costs	108,097	17,099	94,436	3,124,618	3,344,250
Support costs	23,718	25,672	24,606	886,137	960,133
	<u>848,917</u>	<u>106,943</u>	<u>591,334</u>	<u>5,032,543</u>	<u>6,579,737</u>

	Scientific, Educational & Grants £	Sustainable Grants £	Workshops £	Publishing £	2021 Total £
Grants	283,416	-	-	-	283,416
Sustainable grants	-	18,118	-	-	18,118
Sustainability costs	-	21,957	-	-	21,957
Workshop costs	-	-	2,256	-	2,256
Publication costs	-	-	-	864,942	864,942
Staff costs	90,431	41,835	45,009	2,961,720	3,138,995
Support costs	48,166	29,111	29,111	888,239	994,627
	<u>422,013</u>	<u>111,021</u>	<u>76,376</u>	<u>4,714,901</u>	<u>5,324,311</u>

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

In 2022 and 2021 all expenditure on charitable activities was unrestricted.

7 Analysis of support costs

	Basis of allocation	2022 Total £	2021 Total £
Support costs			
Depreciation	Pro rata to staff head count, and actual use	99,337	141,560
Administration expenses	Pro rata to staff head count	-85,474	440,725
Editorial expenses	Allocated to activity of use	478,633	166,923
Sales and Marketing expenses	Allocated to activity of use	363,529	162,851
		<u>856,025</u>	<u>912,059</u>
Governance costs			
Company Secretarial costs		67,931	62,756
Trustee meeting costs		19,130	1,363
Trustee insurance costs		2,072	3,924
Audit costs		14,975	14,525
		<u>104,108</u>	<u>82,568</u>
		<u>960,133</u>	<u>994,627</u>

Governance costs are allocated evenly to all four charitable activities.

Company Secretarial costs include an allocation of staff costs.

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

8 Scientific/ Educational/ Sustainable Grants & COB Scientific Workshops

a)	No	2022 Charity Reserve £	2022 Baker/ Godfrey Fund £	No	2021 £
The following grants were made during the year:					
Block grant	1	35,000	-	2	54,000
Society Travel Grants	2	9,275	-	2	21,825
Sustainability Grants	48	54,168	-	22	18,118
Other grants	193	430,835	-	60	208,995
Grants to institutions		529,278	-		302,938
Returned funds or cancelled grants	17	(36,859)	-	55	(153,024)
		492,419			149,914
Journal Travelling Fellowships	109	245,308	-	85	190,189
DMM Conference Attendance Grants	106	59,388	-	37	16,754
Grants to individuals		304,696	-		206,943
Returned funds or cancelled grants	33	(36,519)	-	31	(55,323)
		268,177			151,620
		760,596	-		301,534

Grants made in excess of £5,000 include:	Block Grant £	Travel & Travelling Fellowships £	Other £
British Society of Developmental Biology	35,000	-	-
Journal of Experimental Biology	-	93,161	-
Journal of Cell Science	-	45,467	-
Development	-	58,613	-
Disease Models & Mechanisms	-	27,650	-
Marine Biological Laboratory	-	-	11,000
Washington University School of Medicine	-	-	5,500
British Neuroscience Association	-	-	5,500
Sree Chitra Tirunal Institute for Medical Sciences & Technology	-	-	5,000
Other grants below £5,000	-	-	547,083
Total	35,000	224,891	574,083

2021:

Grants made in excess of £5,000 include:	Block Grant £	Travel & Travelling Fellowships £	Other £
British Society of Developmental Biology	19,000	21,825	-
British Society of Cell Biology	35,000	-	-
Journal of Experimental Biology	-	53,629	-
Journal of Cell Science	-	52,512	-
Development	-	43,039	-
Disease Models & Mechanisms	-	57,763	-
Marine Biological Laboratory	-	-	25,000
Marine Biological Association	-	-	15,000
University College London	-	-	6,000
Zebrafish Disease Models Society -	-	-	5,000
Other grants below £5,000	-	-	176,113
Total	54,000	228,768	227,113

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

8 Scientific/ Educational/ Sustainable 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.

	2022		2021	
	No	Total grants awarded £	No	Total grants awarded £
University of Oxford	4	11,000	-	-
University of Cambridge	5	10,500	-	-
Washington University School of Medicine	2	7,500	-	-
INSERM	3	6,000	-	-
Society for Integrative and Comparative Biology	-	-	7	17,389
University College London	-	-	4	10,500

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 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 continuation of the COVID-19 pandemic, a significant number of grant applications were cancelled during the year, or funds returned when the recipients were unable to utilise them according to the terms of the applications. As in 2021, some grants have been carried forward to the following year 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 176 (2021: 64) 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>.

In 2021 the Company introduced the Sustainable Conferencing initiative with the aim to help biologists make their conferences more sustainable. This involved building and launching a dedicated website for biological conference organisers, alongside offering grants to encourage conference organisers to pilot specialised IT and innovative technology solutions, and attendees to switch plane travel to train. In 2022 48 grants (2021: 22) were awarded under this scheme, all under £5,000.

b)	2022		2021	
	No	Total £	No	Total £
The Company of Biologists Scientific Workshops	9	472,292	1	2,256

The Company hosted nine virtual Scientific Workshops during 2022 (2021: 1) in order to try and catch up on all those cancelled due to the COVID-19 pandemic. 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 2022 or 2021.

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

9 Analysis of Staff Costs

	2022 £	2021 £
Staff costs include:		
Salaries	2,535,350	2,348,264
Social Security costs	284,803	247,922
Other pension costs	200,336	192,083
	<u>3,020,489</u>	<u>2,788,269</u>

Editorial stipends	<u>352,026</u>	<u>352,960</u>
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	2022	2021
The average number of employees, analysed by function was:		
Charity administration	3	3
Charitable activities and publishing	56	57
Management and administration of the charity	2	2
	<u>61</u>	<u>62</u>

Emoluments including taxable benefits in kind was as follows:

No of employees earning £60,001 to £70,000	2	4
No of employees earning £90,001 to £100,000	1	1
No of employees earning £100,001 to £110,000	2	1

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.

	2022 £	2021 £
During the year total emoluments paid to Key Management were:		
Staff costs	216,928	199,546
Social Security costs	28,594	25,100
Pension costs	22,038	19,993
	<u>267,560</u>	<u>244,639</u>

10 Trustees' Remuneration

The Articles of Association do not permit trustees to be employed by the Company. However, expenses totalling £4,378 were reimbursed/ incurred by the Charity on behalf of 8 trustees.

	No	2022 £	No	2021 £
Travel and subsistence	8	<u>4,738</u>	4	<u>781</u>

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

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, Biochemical Society, SDB (USA), GSA, Anatomical Society
Bray, S	Head of Department	University of Cambridge
Burke, J	Member	Biochemical Society, Genetics Society
Freeman, M	Member	BSDB, EMBO
Freeman, M	Head of Research Group	University of Oxford
Isacke, C M	Member	BSCB, CRUK, AACR, EMBO
	Team Leader	Institute of Cancer Research
Langdale, J	Member	EMBO, SEB, UK Genetics Society, BBSRC committee member, SAB
Langdale, J	Lab Leader	University of Oxford
Lowell, S	Member	BSCB, ISSCR
Lowell, S	Member, officer	BSDB
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	Cambridge University
Shiels, H	Lab Leader	University of Manchester
Wilson, A	Member	SEB

The Company provided support to the British Society for Developmental Biology for £36,091 (2021 :£40,825); The British Society for Cell Biology for £0 (2021: £35,000), The Society of Experimental Biology (SEB) for £14,184 (2021: £0); European Molecular Biology Organisation (EMBO) for £5,500 (2021: £2,000); University of Edinburgh for £2,900 (2021: £0); Cambridge University for £10,500 (2021: £0); University of Oxford for £11,000 (2021: £0); the University of Dundee for £1,500 (2021: £0); The Institute of Cancer Research for £2,000 (2021: £0), the Medical Research Council for £0 (2021: £1,500). University of Manchester £2,000, (2021: £0), Babraham Institute £1,500 (2021: £0) and the University of Warwick for £0 (2021: £1,000).

Of the grant commitments made to related organisations during the year, £1,500 (2021 - £37,000) was outstanding and included within creditors at the year end.

During the year the Company made stipend payments totalling £2,359 (2021 - £2,807) to S L Nilsson, the wife of G Nilsson, a Trustee of the charity. All payments occurred at arms length, on a commercial basis.

12 Net income/ (expenditure) for the year is stated after charging:

	2022 £	2021 £
a) Foreign currency (gains)/ losses	(513,601)	13,760
b) Depreciation	99,337	141,560
c) Trustee indemnity insurance	2,072	3,924
d) Auditors' remuneration		
Audit services	14,350	14,500
Other services	625	-
	14,975	14,500

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

13 Tangible fixed assets

	Freehold Land & Buildings £	Fixtures, fittings & equipment £	Total £
Cost at beginning of year	3,548,869	338,073	3,886,942
Additions at cost	21,374	41,663	63,037
Disposals at cost	-	(22,842)	(22,842)
Cost at end of year	<u>3,570,243</u>	<u>356,894</u>	<u>3,927,137</u>
Accumulated depreciation at beginning of year	410,422	317,987	728,409
Charged in year	82,845	16,492	99,337
On disposal	-	(22,842)	(22,842)
Accumulated depreciation at end of year	<u>493,267</u>	<u>311,637</u>	<u>804,904</u>
Net book value at end of year	<u>3,076,976</u>	<u>45,257</u>	<u>3,122,233</u>
Net book value at beginning of year	<u>3,138,447</u>	<u>20,086</u>	<u>3,158,533</u>

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

14 Investments 2022:

	UK Unlisted £	Overseas Unlisted £	Cash £	Total £
Market value at beginning of year	42,081,905	22,975,324	2,138,875	67,196,104
Additions at cost	392,183	5,812,052	-	6,204,235
Disposal at opening book value	(2,707,943)	(2,719,151)	-	(5,427,094)
Net unrealised gain	(3,694,168)	(3,394,958)	-	(7,089,126)
Foreign exchange gain	-	-	64,602	64,602
Cash movement in the year	-	-	(361,501)	(361,501)
Market value at end of year	<u>36,071,977</u>	<u>22,673,267</u>	<u>1,841,976</u>	<u>60,587,220</u>
Actual cost at year end	<u>31,412,208</u>	<u>23,580,131</u>	<u>1,841,976</u>	<u>56,834,315</u>

At the end of the year, included within investment cash there was a balance of £1,793,505 which was not deposited to the investment portfolio until 1 January 2023.

Investment manager fees of £339,541 (2021 - £567,161) are reflected in the market value of the funds at the year end and are recognised in full in the Statement of Financial Activities

2021:

	UK Unlisted £	Overseas Unlisted £	Cash £	Total £
Market value at beginning of year	39,929,727	16,158,520	3,328,737	59,416,984
Additions at cost	2,028,498	14,532,653	-	16,561,151
Disposal at opening book value	(2,763,466)	(10,063,157)	-	(12,826,623)
Net unrealised gain	2,887,146	2,347,308	-	5,234,454
Foreign exchange gain	-	-	87,782	87,782
Cash movement in the year	-	-	(1,277,644)	(1,277,644)
Market value at end of year	<u>42,081,905</u>	<u>22,975,324</u>	<u>2,138,875</u>	<u>67,196,104</u>
Actual cost at year end	<u>33,218,808</u>	<u>20,260,661</u>	<u>2,138,875</u>	<u>55,618,344</u>

At the end of the year, included within investment cash there was a balance of £2,071,197 which was not deposited to the investment portfolio until 1 January 2022.

Trustees' Report and Financial Statements for the year ended 31 December 2022

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.

	2022 £	2021 £
Due within one year		
Trade debtors	669,613	185,634
Other debtors	127,801	21,061
Prepayments	360,737	264,734
	<u>1,158,151</u>	<u>471,429</u>

16 Deferred income

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

	Journal Subscriptions £	Read & Publish income £	Author Fees £	Total £
Deferred income at 1 January 2022	3,396,178	667,233	47,439	4,110,850
Amount released to income earned from charitable activities	(3,396,178)	(667,233)	(47,439)	(4,110,850)
Amount deferred in year	3,569,948	1,210,992	65,029	4,845,969
Deferred income at 31 December 2022	<u>3,569,948</u>	<u>1,210,992</u>	<u>65,029</u>	<u>4,845,969</u>

17 Other creditors

Included within other creditors is £162,257 (2021: £285,204) 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	285,204
New grant commitments charged to the SoFA in year	772,572
Grants paid during the year	(895,519)
Amount of grant commitments recognised as at 31 December 2022	<u>162,257</u>

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

18 Financial instruments

	2022 £	2021 £
Financial Assets		
Financial assets measured at fair value through profit or loss	67,713,445	73,552,521
Financial assets that are debt instruments measured at amortised cost	730,896	206,695
	<u>68,444,341</u>	<u>73,759,216</u>
Financial Liabilities		
Financial liabilities measured at fair value through profit or loss	-	(40,267)
Financial liabilities measured at amortised cost	(775,659)	(687,300)
	<u>(775,659)</u>	<u>(727,567)</u>

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

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

Financial liabilities measured at fair value through profit or loss comprise loss on derivative hedging instruments (forward contracts).

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 2022 are represented by:				
Tangible fixed assets	3,122,233	-	-	3,122,233
Investments	-	60,477,664	109,556	60,587,220
Current assets	8,210,152	-	7,706	8,217,858
Current liabilities	(5,556,727)	(162,257)	-	(5,718,984)
Internal balance	27,239,658	(27,239,658)	-	-
Total Net Assets	<u>33,015,316</u>	<u>33,075,749</u>	<u>117,262</u>	<u>66,208,327</u>

Summary of fund movements

	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	31,009,023	7,001,410	(5,032,543)	37,426	33,015,316
Designated fund	41,175,861	558,487	(1,862,773)	(6,795,826)	33,075,749
Restricted Funds	136,520	-	-	(19,258)	117,262
Total Funds	<u>72,321,404</u>	<u>7,559,897</u>	<u>(6,895,316)</u>	<u>(6,777,658)</u>	<u>66,208,327</u>

Trustees' Report and Financial Statements for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

19 Analysis of Net Assets Between Funds (cont).

2021:	General Fund (Unrestricted) £	Charity Reserve (Designated) £	Baker/Godfrey Funds (Restricted) £	Total Funds £	
Fund balances at 31 December 2021 were represented by:					
Tangible fixed assets	3,158,533	-	-	3,158,533	
Investments	-	67,067,290	128,814	67,196,104	
Current assets	6,820,140	-	7,706	6,827,846	
Current liabilities	(4,575,875)	(285,204)	-	(4,861,079)	
Internal balance	25,606,226	(25,606,226)	-	-	
Total Net Assets	<u>31,009,024</u>	<u>41,175,860</u>	<u>136,520</u>	<u>72,321,404</u>	
Summary of fund movements					
	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	28,886,953	6,904,243	(4,714,901)	(67,272)	31,009,023
Designated fund	35,470,638	657,658	(1,116,175)	6,163,740	41,175,861
Restricted Funds	120,530	378	-	15,612	136,520
Total Funds	<u>64,478,121</u>	<u>7,562,279</u>	<u>(5,831,076)</u>	<u>6,112,080</u>	<u>72,321,404</u>

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 £200,336 (2021: £192,083). Contributions of £22,387 were due to the fund at the year end (2021: £20,856).

21 Notes to the Statement of Cash Flows

	Note	2022 £	2021 £
a) Reconciliation of net income to net cash flow from operating activities			
Net (expenditure)/ income for year	SOFA	(6,177,679)	7,755,501
		<u>(6,177,679)</u>	<u>7,755,501</u>
Depreciation	13	99,337	141,560
Loss on sale of tangible fixed assets		-	48,761
Change in debtors	BALANCE SHEET	(686,722)	401,456
Change in creditors	BALANCE SHEET	122,786	(134,927)
Change in income in advance	16	735,119	(83,022)
Investment manager fees	SOFA	315,579	506,765
Loss/ (Gains) on investments	SOFA	6,879,686	(6,091,570)
Dividends and interest from investments	SOFA	(558,487)	(658,223)
Net cash provided by operating activities		<u>729,619</u>	<u>1,886,301</u>

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NOTES TO THE FINANCIAL STATEMENTS

21 Notes to the Statement of Cash Flows (cont.)

		2022 £	2021 £
b) Cash flows from investing activities			
Payments to acquire tangible fixed assets	13	(63,037)	(117,220)
Payments to acquire investments		(6,204,235)	(16,561,150)
Receipts from sales of investments		5,297,009	13,213,841
Investment manager costs paid		23,946	(36,867)
Interest received	SOFA	1,589	187
Investment income received	SOFA	556,898	658,036
		<u>(387,830)</u>	<u>(2,843,173)</u>

c) Analysis of changes in net debt

	At 1 Jan 22 £	Cash flow £	Foreign Exchange Movement £	At 31 Dec 22 £
Cash	6,356,417	703,290	-	7,059,707
Cash held in investment portfolio	2,138,875	(361,501)	64,602	1,841,976
Total cash and cash equivalents	<u>8,495,292</u>	<u>341,789</u>	<u>64,602</u>	<u>8,901,683</u>

2021:

	At 1 Jan 21 £	Cash flow £	Foreign Exchange Movement £	At 31 Dec 21 £
Cash	6,035,645	320,772	-	6,356,417
Cash held in investment portfolio	3,328,737	(1,277,644)	87,782	2,138,875
Total cash and cash equivalents	<u>9,364,382</u>	<u>(956,872)</u>	<u>87,782</u>	<u>8,495,292</u>