

Trustees' Report and Financial Statements for the year ended 31 December 2018

Strategic report

Business review

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

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

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

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

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

With the growing interest in science communication through social networking, the Company has continued to expand its outputs, having Twitter feeds and Facebook pages for the journals and a Twitter feed for Company news. The Company also runs a community site for developmental biologists called 'the Node' with its own blog, Facebook and Twitter pages. 'the Node' has grown to reflect the interests of the community by featuring careers, research, resources, scientific meetings, public outreach and has launched community discussion points. During 2018, in collaboration with the British Society for Developmental Biology (BSDB), the Node launched a new Resources section to include: advocacy and outreach; teaching resources; resources for researchers; and a list of relevant societies and journals. In 2018, the Company also launched a new community website called 'preLights' to highlight important preprints - something that is emerging in the life sciences as a way to rapidly communicate scientific findings. The preLights website brings together (mainly) early-career researchers to create interesting content and to engage the authors of the original research and has been well received by the community and

with a significant Twitter presence. The Company's YouTube channel continued to provide access to informative video-style content from the journals as well as highlighting the Company's charitable works through interviews with key scientists and attendees at the Company's scientific workshops, including a video focusing on early-career attendees.

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

The annual author survey showed a continued satisfaction in all areas and overall authors rated our submission experience, peer-review experience, and post-acceptance experience as better than competitors. 2018 results specifically showed an improvement in the perception of post-acceptance publication speeds following the implementation of continuous publication to improve the speed to online publication.

Digital presence in 2018:

- 13m unique website visitors (8% increase)
- 2,791 YouTube subscribers and 14 new YouTube videos
- 21,793 Facebook fans (13% increase)
- 40,368 Twitter followers (40% increase)

Performance against 2018 objectives

During 2018, the Company launched a new preprint service (called 'preLights') for the community, allowing researchers faster access to the new data emerging through (pre-publication) preprints.

A diverse group of early career scientists were appointed to support this project and created a space in Slack for them to network and work together. In addition to writing engaging pieces about emerging preprints, they liaise with the researchers behind the original (preprint) articles and have created some joint opinion pieces about the role of preprints in the communication of science.

The Company also carried out a full review of its charitable spending, exploring new opportunities and forging new collaborations. In addition, software was introduced to manage the increasing volume of grant applications, providing transparency in respect of the grant making processes and an improved experience for applicants both in respect of ease of application and tracking progress.

The Company achieved full GDPR (General Data Protection Regulation) compliance during quarter one, including comprehensive analysis, documentation and review of policies.

The journals

The journal Development carried out a community consultation on the future direction for the journal

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and nominations for a new Editor-in-Chief - the resulting appointment of Dr James Briscoe was extremely well received. Development published a special issue on Human development and hosted a meeting entitled From stem cells to human development, which included a discussion session on Ethical issues relating to human embryo and stem cell research. During 2018, the journal launched a series of articles aiming to advocate for the wider importance of developmental biology.

Journal of Cell Science published a special issue on Plant cell biology, including a Hypothesis piece on wound defense responses and repair.

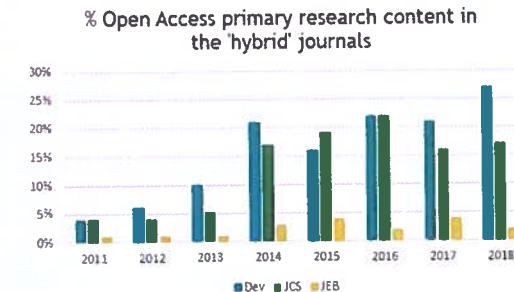
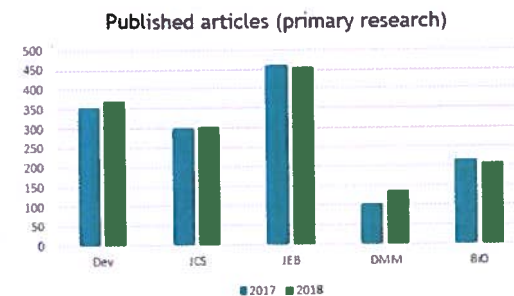
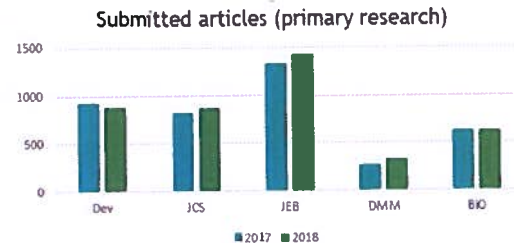
Journal of Experimental Biology published a special issue on The biology of fat (that was free to read) and in 2018 hosted a symposium Linking brain and behaviour in animal navigation. One of the most-read articles was a Review on Olfaction, experience and neural mechanisms underlying mosquito host preference.

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) - both organisations required reapplication to avoid membership for journals with potentially 'predatory' approaches.

Disease Models & Mechanisms published a special issue on Cancer metabolism: models, mechanisms and targets. One of the most-read articles was an 'At a glance' poster article entitled A peek into cancer-associated fibroblasts: origins, functions and translational impact. The journal saw good growth from 2017 to 2018.

Biology Open accepts articles that are scientifically sound (and therefore of interest to the community) without being "trendy" or "insightful" with the aim of reducing the 'pain to publish' for authors. It has attracted a significant number of articles and authors confirm that it provides an important service. During 2018, Biology Open appointed a new Editor-in-Chief, Dr Steven Kelly. The journal published two reviews as reported output from scientific workshops funded by the Company: Current status and future directions of Lévy walk research and Symbiosis in the microbial world: from ecology to genome evolution (the latter being one of our early-career initiatives).

The percentage of open access content (as selected by authors) continues to be monitored in the three 'hybrid' journals. Journal of Experimental Biology continues to have very low levels of open access. The two fully open access journals will assist in the evaluation of 'author-funded' business models. Concern remains, however, that in the absence of subscription income, author fees are insufficient to cover the costs of maintaining articles and associated digital material online in perpetuity and to meet future expenses such as novel digital functionality.



Grants

The Company offered the scientific community the following grants during 2018:

Scientific meeting grants supporting meetings, workshops and conferences in the fields covered by Company's journals.

Travelling fellowships aimed at graduate students and post-doctoral researchers wishing to make collaborative visits to other laboratories to learn new techniques.

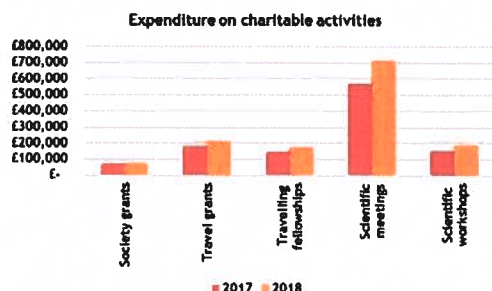
Disease Models & Mechanisms (DMM) conference travel grants. Offered to early career scientists and independent group leaders and PIs with no independent funding wishing to attend meetings and courses relating to the areas of research covered by DMM.

Small meeting grants to contribute towards the cost of running a small local meeting within the fields of the Company's journals.

The Company also provided funding to biological societies. Three of the societies - British Society

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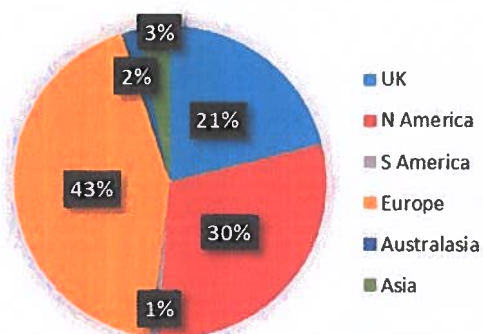
for Developmental Biology (BSDB), British Society for Cell Biology (BSCB) and the Society for Experimental Biology (SEB) - use part of the funding to provide travel grants to support students and early career scientists wishing to attend conferences, training workshops and research trips.



Scientific Workshops

The Company hosted four scientific workshops in 2018, 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 and are intended to champion the novel techniques and innovations that will underpin important scientific advances.

In 2018 the workshops hosted 72 speakers and invited 47 early career researchers. Overall the workshops achieved a gender balance of 2 women:3 men. The geographic distribution of attendees changes annually and for 2018 the workshops hosted individuals from the following geographic regions:



Plans for future periods

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

More specifically, in 2019 the Company will:

- Review results/success of the current double dipping policy. Model alternative options having due regard for the cOAlition's Plan S and transparency.

- Clarify the Company's principles and priorities to guide future directions and continue to develop possible future journal publishing models.
- Review the Company's visibility in China to build author loyalty and quality submissions.
- Review the Company's online hosting platform with key providers.
- Target quality submissions, including transfers to and from other publishers.

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 and 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 principal risks and uncertainties facing the Company include:

- Significant downturn in revenue:** Changes in financial models and content dissemination continue to threaten the market in which the Company operates and its ability to generate sufficient income to continue high quality publication and support the Company's other charitable activities. To manage risk, the Trustees continue to experiment with alternative revenue models. A push by cOAlition Plan S to force publishers to flip the current subscription model to an author pays model within a specified time-frame could present major challenges.
- Currency risk:** The Company's US Dollar publishing revenues exceed levels of USD expenditure and, as a result, the Company's financial position can be significantly affected by the USD:GBP exchange rate. To manage exposure to this risk, forward exchange contracts are used, reducing uncertainty over future revenues.
- Technological change:** The technology needs of the Company, its readers and authors continue to evolve, requiring regular review of the Company's technology strategy and appropriate investment. This is mitigated by investment in new technology solutions and product offerings.
- Business disruption due to key supplier failure:** This is mitigated by using multiple suppliers

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where possible and practical. All key suppliers are subjected to detailed reviews to ensure the Company's supplier chain is robust.

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

Approved by the board of Trustees on 3rd May 2019
and signed on its behalf by:



K A Richmond
Company Secretary

Dated: 3rd May 2019

Trustees' Report and Financial Statements for the year ended 31 December 2018

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 2018. This report and the audited financial statements have been drawn up in the format recommended by the Charity Commissioners.

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 with other universities and opportunities to learn new techniques.
- Organisation and sponsorship of scientific workshops, providing a platform for collaboration and networking, with emphasis on cross-disciplinary interactions and the application of new technologies.
- Facilitating the sharing of scientific knowledge through the free provision of educational resources and the sponsorship of public outreach lectures encouraging scientific debate.
- Hosting of community forums, such as 'the Node', the community site for and by developmental biologists.

In order to achieve the Company's aims, the Trustees have looked at both short-term and longer-term strategies and implemented those which are considered to be most appropriate. In addition to those listed within 'Plans for future periods' within the strategic report, further short term aims of the Company include: further appointments of new Trustees to fill knowledge gaps; collaboration with EMBO co-sponsoring

scientific meetings; introduction of further online systems to streamline processes and increase efficiency; improvements in peer review policies such as cross-referee commenting, capturing information on earlier career co-reviewers and publishing peer review reports; and engagement of earlier career researchers e.g. through early-PI appointments to journal editorial boards.

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; expansion of our publishing presence in China to capture their significant growth in scientific output; reinforcement of branding whereby the journals will be recognised as being part of the charity; exploring relationships with like-minded not-for-profit organisations; developing a valuable new online resource for the microscopy and imaging community; developing new income streams and revenue growth; and to 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 Nations HINARI and OARE initiatives, the Company makes all its online articles freely available to users in developing countries immediately on publication.

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

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

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provide an easily understood summary of the important breakthroughs described in full research articles for the benefit of school students and interested general readers.

With Disease Models & Mechanisms, the Company is helping to bring together academic researchers and clinicians as the use of model organisms begins to make real inroads into the study and potential treatment of human diseases. In 2018, the journal carried out a community consultation that highlighted the growing importance of stem cells and organoids to this field, essentially moving us towards 'human models' of human disease and the drive for patient-specific therapies. This will help define the future direction of the journal. In 2019, the journal will host an international meeting focusing on blood disorders (models, mechanisms and therapies) in Boston, USA.

Public benefit

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

Financial review

Overview	2018 £m	2017 £m	Change %
Total income	8.1	8.3	-2%
Total expenditure	6.2	5.6	10%
Investment losses/gains	-4.4	2.9	-251%
Losses/gains on hedging instruments	-0.1	0.06	-325%
Net movement per the SOFA	-2.6	5.6	-147%

In the year to 31 December 2018, the Company's income reduced by 2%. The Company has a number of income streams, including subscriptions and articles processing fees on the open access journals. Article processing fees received on the subscription journals are returned to the community by way of discount on subscription prices.

Publishing expenditure increased by 9% on prior year from £4,105,895 to £4,484,006 as the Company strives to provide the products and services demanded of its scientific community. This included:

- significant investment in a continuous publication system to improve speed to online publication
- a technology partnership to enable scientific movies to be viewed in-line with the associated article text

- launch of a preprint highlights service, a platform for selecting, highlighting and commenting on recent reprints
- hosting Development's meeting '*From stem cells to human development*', bringing together researchers working on a diverse set of questions

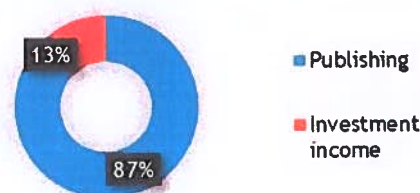
Expenditure on charitable activities included scientific workshops £280,284 (2017 £238,729) and grant funding £1,341,643 (2017 £1,122,809). Further details of grants made in excess of £5,000 are given in the notes to the financial statements.

The Company achieved a total deficit of £2,615,485 compared to a surplus of £5,624,456 in 2017 after exceptional items and movement on financial instruments.

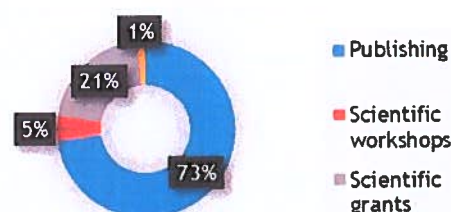
The activities undertaken during 2018 were carried out within the budget approved by Trustees and all income generated by the Company has been spent on charitable activities or retained in reserves. Overall the Company's financial position remains healthy, with reserves readily available to fund future activities. The Company will continue to focus on allocating resources to deliver the Company's strategy in a sustainable and effective way.

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

Sources of income



Areas of expenditure



Trustees' Report and Financial Statements for the year ended 31 December 2018

Investments

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

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

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

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

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

During the year, the Company changed investment managers, resulting in the realisation of losses which may not otherwise have occurred. See notes to the accounts for further detail. The final transfer to holdings took place in February 2019.

The Company received investment income of £1,015,687 (2017 £1,052,353) which was reinvested. Investment losses of £4,404,365 (2017 gains £2,915,860) and investment management costs of £85,984 (2017 £142,374) contributed to the value of the Company's investments reducing overall to £43,907,660 (2017 £45,713,808), a reduction of £1,806,148 during the year.

Reserves policy

Overview	2018 £m	2017 £m	Change %
General fund (unrestricted)	23.6	21.2	11%
Charity reserve (designated)	24.6	29.7	-17%

The Trustees review the need for, and the appropriate level of, reserves on an annual basis,

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

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

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

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

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

The charity reserve is retained as a designated fund in order that any income generated from investments held by the Company may be used to make scientific meeting/travel grant payments in support of biology. Currently the capital within the charity reserve is retained in order that grant payments in excess of £1m may continue to be made annually from the investment income received.

For the year ended December 2018 the Company held total unrestricted funds of £48,294,049 of which £24,630,744 is held in investments (the charity reserve) for the purpose of income generation. A further £3,243,251 is held in fixed assets, which leaves £20,420,054 as 'free' reserves for operational purposes.

The audit committee and board of Trustees have reviewed the level of the reserves and believe that approximately £20m is required in order to mitigate financial risks associated with operational and capital expenditure identified in the risk register whilst maintaining ongoing operations and charitable giving. Consequently, the current level of reserves are considered sufficient.

Trustees' Report and Financial Statements for the year ended 31 December 2018

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

Structure, governance and management

The Company of Biologists Limited is a charity registered in England and Wales and was incorporated by guarantee on 31 December 1952. It has no share capital and the liability of each member is limited to £10. The Company's governance document, the articles of association, was updated and replaced on 21 July 2017.

All Trustees give their time freely and receive no remuneration. Details of the Trustees' expenses and related party transactions are disclosed in notes to the accounts.

Appointment of Trustees

The chairperson is elected by the members of the Company. The appointment is for five years, with a maximum of two re-appointment terms of three 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 its ranks.

Trustees induction and training

New Trustees receive on appointment a link to the Company's online board operations manual which provides access to all key governance documents, the annual financial accounts, terms of reference for the board and its sub committees, 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 gain an understanding of how the business operates and meet with management and staff. This also gives Trustees an opportunity to discuss the Company's business plan and objectives with senior management.

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

Management and organisation

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

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

Grants Committee

Finance & Operational Performance Audit Committee

Finance & Investments Committee

In addition, each journal has an advisory group consisting of three Trustees who take special responsibility for the journal, advise its editor-in-chief and act as a nucleus of an assessment committee.

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

Scientific content of the journals and editorial policy is the sole responsibility of each journal's editor-in-chief. The editors-in-chief are not employees of the Company.

Remuneration policy

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

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

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

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

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 Company does not use volunteers for any of its' activities, and no fundraising is undertaken by the Company.

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Equality, diversity and inclusion

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

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

During 2018, in line with Charity Commission recommendations, a safeguarding policy was drafted and approved by Trustees.

Reference and administration information

Registered charity number: 277992
Registered Company number: 514735

Registered office

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

Auditor

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

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

Blake Morgan LLP
4th Floor, 6 New Street Square, London EC4A 3DJ

Bankers

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

Lloyds TSB Bank plc
Commercial Banking Service Centre, Third Floor,
Black Horse House, Castle Park, Cambridge CB3
0AR

Investment managers

SG Kleinwort Hambros Bank Ltd
5th Floor, 8 St James's Square, London SW1Y 4JU

Partners Capital LLP

5th Floor, 5 Young Street, London W8 5EH

Web page

<http://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

J Briscoe (retired 13 July 2018)
M Freeman
C M Isacke
J A Langdale
L M Macheskey
R D St Johnston
K Storey

Appointed under Article 45(a)

S J Bray
J F Burke
A R Cossins (retired 13 July 2018)
A Downie
S H P Maddrell
B S Munro
G E Nilsson
P W J Rigby
S J Royle (appointed 15 November 2018)
H A Shiels (appointed 15 November 2018)
P Vyas
A M Wilson

Secretary

K A Richmond

Key management personnel

K A Richmond
Company Secretary
kay.richmond@biologists.com

O C Moulton
Publisher
claire.moulton@biologists.com

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of The Company of Biologists Limited) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of

Trustees' Report and Financial Statements for the year ended 31 December 2018

affairs of the charitable Company and of the incoming resources and application of resources, including income and expenditure of the charitable Company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

Auditors

The Auditors, Peters Elworthy & Moore, will be proposed for re-appointment at the next annual general meeting.

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

Approved by the board of Trustees on 3rd May 2019 and signed on its behalf by:



K A Richmond
Company Secretary

Dated: 3rd May 2019

Independent Auditor's Report to the Members of the Company of Biologists Limited for the year ended 31 December 2018

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 2018 which comprise the statement of Financial Activities incorporating Income and Expenditure Account, the Balance sheet and the Statement of Cash Flows and the related notes, including a summary of the 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 2018, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditor's Report to the Members of the Company of Biologists Limited for the year ended 31 December 2018

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 and the Trustees' Report.

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

- adequate accounting records have not been kept, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable Company for the purposes of Company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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 as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Coplowe (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 13 May 2019

Trustees' Report and Financial Statements for the year ended 31 December 2018

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)

	notes	General Fund (unrestricted) £	Charity Reserve (unrestricted designated) £	Baker/Godfrey Fund (restricted) £	2018 Total £	2017 £
Income						
Income from:						
Charitable activities	4	7,094,544	-	-	7,094,544	7,199,107
		7,094,544	-	-	7,094,544	7,199,107
Investments	3	-	1,013,145	2,542	1,015,687	1,052,353
		-	1,013,145	2,542	1,015,687	1,052,353
Other	5	1,750	-	-	1,750	8,698
Total Income		7,096,294	1,013,145	2,542	8,111,981	8,260,158
Expenditure on:						
Raising funds						
Investment Manager Fees	6	-	85,809	175	85,984	142,374
Charitable activities						
Scientific & Educational Grants	6	-	1,339,679	1,964	1,341,643	1,122,809
Scientific workshops	6	-	280,284	-	280,284	238,729
Publishing	6	4,484,006	-	-	4,484,006	4,105,895
Total expenditure		4,484,006	1,705,772	2,139	6,191,917	5,609,807
Net income/ (expenditure) before investment (losses)/ gain:		2,612,288	(692,627)	403	1,920,064	2,650,351
Net (losses)/ gains on investments		-	(4,393,706)	(10,659)	(4,404,365)	2,915,860
Net income/ (expenditure) for the year		2,612,288	(5,086,333)	(10,256)	(2,484,301)	5,566,211
Other recognised (losses)/ gains						
(Losses)/ gains on hedging instruments		(131,184)	-	-	(131,184)	58,245
Net movement in funds for the year		2,481,104	(5,086,333)	(10,256)	(2,615,485)	5,624,456
Reconciliation of funds:						
Fund balances at 1 January 2018		21,182,201	29,717,077	98,154	50,997,432	45,372,976
Fund Balances at 31 December 2018		23,663,305	24,630,744	87,898	48,381,947	50,997,432

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 2018

BALANCE SHEET

Registered no 514735 - Charity no 277992

		2018	2018	Restated	2017
	notes	£	£	£	£
Fixed Assets					
Tangible assets	13		3,243,251		3,185,521
Investments	14		<u>43,907,660</u>		<u>45,713,808</u>
			47,150,911		48,899,329
Current Assets					
Debtors	15	568,646		800,499	
Cash at bank and in hand		<u>5,845,282</u>		<u>6,275,747</u>	
		<u>6,413,928</u>		<u>7,076,246</u>	
Creditors: amounts falling due within one year					
Journal subscriptions in advance	16	4,344,479		4,287,869	
Author fees in advance	16	74,899		117,676	
Trade creditors		225,965		212,209	
Other creditors	17	479,799		311,879	
Other taxation & social security costs		<u>57,750</u>		<u>48,510</u>	
		<u>5,182,892</u>		<u>4,978,143</u>	
Net current assets			1,231,036		2,098,103
Net Assets	19		<u>48,381,947</u>		<u>50,997,432</u>
The funds of the Charity					
Restricted income funds:					
P Baker & P Godfrey Memorial Funds (restricted)			87,898		98,154
Total restricted funds			<u>87,898</u>		<u>98,154</u>
Unrestricted income funds:					
General Fund (unrestricted)			23,663,305		21,182,201
Charity Reserve (designated)			<u>24,630,744</u>		<u>29,717,077</u>
Total unrestricted funds			<u>48,294,049</u>		<u>50,899,278</u>
Total funds	19		<u>48,381,947</u>		<u>50,997,432</u>

Approved by the Board and authorised for issue on 3 May 2019

Matthew Freeman
Chairman



The attached notes form part of these Financial Statements.

Trustees' Report and Financial Statements for the year ended 31 December 2018

STATEMENT OF CASH FLOWS

		2018	Restated 2017
	notes	£	£
Cashflow from operating activities	21	1,430,672	1,263,329
Cashflow from investing activities	21	(2,745,640)	(3,660,177)
Cashflow from financing activities	21	1,015,687	1,052,353
Net increase/ (decrease) in cash and cash equivalents in the year		(299,281)	(1,344,495)
Cash and cash equivalents at 1 January	21	6,275,747	7,561,997
Change in cash and cash equivalents due to exchange rate movements		(131,184)	58,245
Total cash and cash equivalents at 31 December		<u>5,845,282</u>	<u>6,275,747</u>

The attached notes form part of these Financial Statements.

Trustees' Report and Financial Statements for the year ended 31 December 2018

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, 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.

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 2018

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% on cost
Fixture, fittings and equipment	25% on cost
IT equipment	33.33% on cost
Motor vehicles	25% 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 2018

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, and consider its derivative financial instruments to be 'hedges' (i.e. an offset of foreign exchange and interest rate risks) when certain criteria are met. Gains and losses on instruments used for hedging are accounted for at the year end. The Company's criteria to qualify for hedge accounting are:

- The instrument must be related to a foreign currency asset or liability that is probable and whose characteristics have been identified;
- It must involve the same currency as the hedged item; and
- It must reduce the risk of foreign currency exchange movements on the Company's operations.

The forward foreign exchange contracts which the Company uses all mature within one month of the end of the financial period.

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.

2 Company status

The charity is a company limited by guarantee. The members of the company 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

	2018		2017	
	Charity Reserve	Baker/Godfrey Fund	Charity Reserve	Baker/Godfrey Fund
	£	£	£	£
Income				
from UK listed investments	651,490	224	759,408	184
from overseas listed investments	297,233	2,318	231,334	2,037
Bank, building society and other interest	64,422	-	59,390	-
	<u>1,013,145</u>	<u>2,542</u>	<u>1,050,132</u>	<u>2,221</u>

4 Analysis of charitable activity income by geographical sectors

	2018	2017
	£	£
Distribution of readership:		
North America	3,003,569	3,241,942
South America	35,172	50,249
Europe	1,270,368	1,198,356
Asia & Pacific	704,345	707,643
Rest of World	500,396	529,795
United Kingdom	513,373	467,480
	<u>6,027,223</u>	<u>6,195,465</u>

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

4 Analysis of charitable activity income by geographical sectors (cont.)	2018	2017
	£	£
Analysis of other charitable activity income		
North America	278,143	295,186
South America	9,407	-
Europe	253,834	251,136
Asia & Pacific	71,582	116,558
Rest of World	144,652	64,492
United Kingdom	309,703	276,270
	<u>1,067,321</u>	<u>1,003,642</u>
Charitable activity income	<u>7,094,544</u>	<u>7,199,107</u>

In 2017 all the income from charitable activities was unrestricted.

5 Other Income	2018	2017
	£	£
Insolvency recovery	10	-
Investment recovery	1,740	8,698
	<u>1,750</u>	<u>8,698</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 £596,715 (2017: £594,975) have been received.

In 2017 all other income was unrestricted.

6 Analysis of expenditure on charitable activities	Scientific & Educational Grants	Workshops	Publishing	2018 Total	2017 Total
	£	£	£	£	£
Grants	1,158,110	-	-	1,158,110	958,202
Workshop costs	-	181,723	-	181,723	149,067
Publication costs	-	-	749,747	749,747	774,201
Staff costs	115,223	53,114	2,507,057	2,675,394	2,441,629
Support costs	68,310	45,447	1,227,202	1,340,959	1,144,334
	<u>1,341,643</u>	<u>280,284</u>	<u>4,484,006</u>	<u>6,105,933</u>	<u>5,467,433</u>

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

In 2017, £313 of the investment manager fees disclosed on the SoFA were attributed to restricted funds.

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

7 Analysis of support costs

		2018 Total £	2017 Total £
	Basis of allocation		
Support costs			
Depreciation	Pro rata to staff head count, and actual use	89,693	117,843
Administration expenses	Pro rata to staff head count	493,378	367,350
Editorial expenses	Allocated to activity of use	442,804	362,381
Sales and Marketing expenses	Allocated to activity of use	209,225	203,132
		<u>1,235,100</u>	<u>1,050,706</u>
Governance costs			
Company Secretarial costs		58,962	56,983
Trustee meeting costs		29,777	21,201
Trustee insurance costs		3,767	2,432
Audit fees		13,353	13,012
		<u>105,859</u>	<u>93,628</u>
		<u>1,340,959</u>	<u>1,144,334</u>

Governance costs are allocated evenly to all three charitable activities.

Company Secretarial costs include an allocation of staff costs.

8 Scientific/Educational Grants & COB Scientific Workshops

	No	2018 Charity Reserve £	No	2018 Baker/ Godfrey Fund £	No	2017 £
The following grants were made during the year:						
Block grant	2	70,000		-	2	70,000
Society Travel Grants	9	162,500		-	9	167,500
Other grants	286	708,151	1	1,964	239	566,294
Grants to institutions		<u>940,651</u>		<u>1,964</u>		<u>803,794</u>
Journal Travelling Fellowships	89	168,955		-	76	140,754
DMM Conference Attendance Grants	87	46,540		-	29	13,654
Grants to individuals		<u>215,495</u>		<u>-</u>		<u>154,408</u>
The Company of Biologists Scientific Workshops	4	181,723		-	3	149,067
		<u>1,337,869</u>		<u>1,964</u>		<u>1,107,269</u>

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

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

Grants made in excess of £5,000 include:	Block Grant £	Travel & Travelling		Other £
		Fellowships £		
British Society of Developmental Biology	35,000	62,500		
British Society of Cell Biology	35,000	62,500		
British Society of Experimental Biology		37,500		
Journal of Experimental Biology		64,818		
Journal of Cell Science		54,298		
Development		28,684		
Disease Models & Mechanisms		21,155		
Disease Models & Mechanisms	Conference Attendance Grants	46,540		
EMBO	Workshop grant			70,000
Marine Biological Association of the UK	Microelectrode Techniques for Cell Physiology			25,900
Marine Biological Laboratory	Embryology and Gene Regulatory Networks for Development			22,864
International Zebrafish Society	2018 International Zebrafish Conference			6,000
JSCB and JSDB	Joint Annual Meeting of JSDB and JSCD			6,000
National Cancer Research Institute (NCRI)	2018 NCRI Cancer Conference			6,000
The American Society for Cell Biology	2018 ASCB/EMBO Meeting			6,000
British Society for Matrix Biology	Matrix Biology Europe 2018			5,000
Department of Molecular and Cell Biology	International Xenopus Conference			5,000
Canadian Society of Zoologists (CSZ)	57th Annual Meeting of the Canadian Society of Zoologists			5,000
Rosa Aligue, Iain Hagan, Elena Hidalgo, Jose Ayte	10th International Fission Yeast Meeting			5,000
German and Israeli Society of Developmental Biology	Joint meeting of German & Israeli Societies of Developmental Biology			5,000
Latin American Society for Developmental Biology	10th Meeting of Latin American Society for Developmental Biology			5,000
Other grants below £5,000				535,387
Total	70,000	377,995		708,151

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.

	No	Total grants awarded £
European Molecular Biology Organisation (EMBO)	24	124,500
Gordon Research Conferences (GRC)	29	54,783
Marine Biological Association of the UK	1	25,900
Marine Biological Laboratory, USA	2	25,864
The Federation of American Societies for Experimental Biology (FASEB)	9	18,000
University of Cambridge	7	15,350
University of California	5	12,400
Francis Crick Institute	4	9,500
Centre national de la recherche scientifique	5	8,900
University College London	4	8,000
Institute Leloir, Argentina	2	7,500
MRC Laboratory of Molecular Biology	3	7,000
University of Liverpool	2	7,000
Imperial College London	2	6,500
Max Planck Institute	3	6,000
Centre for Genomic Regulation	5	5,500
Instituto Gulbenkian de Ciência, Portugal	2	5,000
University of Edinburgh	2	5,000

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

Grants were made in support of meetings, workshops, conferences, summer schools, plenary/keynotes speakers, educational initiatives and prizes for conference presentations by young scientists. Grants were also made via the Company's journals and through the BSCB, BSDB and SEB

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

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

enabling postgraduate post-doc students to make collaborative visits to other laboratories, attend research conferences and skill-acquiring workshops. Each grant fulfilled reinforces the Company's mission, being the general advancement and promotion of research and the knowledge of study of biology in all its branches.

In addition to the above grants detailed, there were 175 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: <http://www.biologists.com/storycategory/grant-recipients>.

The Company hosted four Scientific Workshops during 2018. These 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.

The Company continues to increase its charitable giving, and is actively promoting the availability of funding worldwide.

9 Analysis of Staff Costs

	2018 £	2017 £
Staff costs include:		
Salaries	1,925,145	1,747,767
Social Security costs	203,141	184,191
Other pension costs	156,211	144,259
	<u>2,284,497</u>	<u>2,076,217</u>
Editorial stipends	<u>390,645</u>	<u>393,474</u>
The average number of employees, analysed by function was:	2018	2017
Charity administration	2	2
Charitable activities and publishing	49	47
Management and administration of the charity	2	2
	<u>53</u>	<u>51</u>
Emoluments including taxable benefits in kind was as follows:		
No of employees earning £60,001 to £70,000	1	1
No of employees earning £90,001 to £100,000	2	2

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

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

	2018 £	2017 £
During the year total emoluments paid to Key Management were:		
Staff costs	181,906	183,888
Social Security costs	23,312	22,612
Pension costs	18,639	17,516
	<u>223,857</u>	<u>224,016</u>

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

10 Trustees' Remuneration

The Articles of Association do not permit trustees to be employed by the Company. However, expenses totalling £11,691 were reimbursed/ incurred by the Charity on behalf of 16 trustees.

	No	2018	No	2017
		£		£
Travel and subsistence	16	<u>11,691</u>	16	<u>9,529</u>

11 Related Party Transactions

Trustees were associated with the following organisations during the year:

Director	Relationship	Organisation
Bray, S	Member	BSDB, EMBO, Cambridge University, Biochemical Society, SDB (USA)
Briscoe, J	Member	BSDB, EMBO, The Francis Crick Institute, MRC
Burke, J	Member	ASCB, BSCB, BSDB, SEB and Biochemical Society
Cossins, A	Member	SEB, University of Liverpool
Downie, A	IT Manager	Cambridge University
Freeman, M	Member	BSDB and EMBO
Freeman, M	Head of Research Group	University of Oxford
Isacke, C M	Member	BSCB, CRUK, Institute of Cancer Research, AACR, EMBO
Langdale, J	Member	EMBO, SEB
Langdale, J	Lab Leader	University of Oxford
Machesky, L	Member	EMBO, ASCB, BSCB, Biochemical Society, 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
Royle, S	Lab Leader	University of Warwick
Royle, S	Member	BSCB and ASCB
St Johnston, D	Member	BSDB, EMBO
St Johnston, D	Chairman	Wellcome/CRC UK Gurdon Institute, Cambridge University
Shiels, H	Lab Leader	University of Manchester
Storey, K	Member	BSDB, BSCB, EMBO
Storey, K	Department Head	University of Dundee
Vyas, P	Group Leader	University of Oxford
Wilson, A	Member	SEB

The Company provided support to the British Society for Cell Biology (BSCB) for £97,500 (2017: £100,000); the British Society for Developmental Biology (BSDB) for £97,500 (2017: £100,000); the Society of Experimental Biology (SEB) for £37,500 (2017: £37,500); European Molecular Biology Organisation (EMBO) for £124,500 (2017: £41,300); Cambridge University for £15,350 (2017: £15,500); Oxford University for £4,800 (2017: £10,000); The Francis Crick Institute for £9,500 (2017: £15,000); MRC for £7,000 (2017: £4,000), the American Society of Cell Biology (ASCB) for £6,000 (2017: £3,000), the University of Dundee for £2,000 and the University of Warwick for £4,500.

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

12 Net income/ (expenditure) for the year is stated after charging:	2018 £	2017 £
a) Foreign currency losses/ (gains)	92,029	(52,728)
b) Depreciation	89,693	117,843
c) Trustee indemnity insurance	3,767	3,808
d) Auditors' remuneration		
Audit services	13,353	13,012
Other services	4,588	5,151
	<u>17,941</u>	<u>18,163</u>

13 Tangible fixed assets	Freehold Land & Buildings £	Fixtures, fittings & equipment £	Motor Vehicles £	Total £
Cost at beginning of year	3,314,861	314,826	2,695	3,632,382
Additions at cost	6,880	140,543	-	147,423
Disposals at cost	-	(8,591)	-	(8,591)
Cost at end of year	<u>3,321,741</u>	<u>446,778</u>	<u>2,695</u>	<u>3,771,214</u>
Accumulated depreciation at beginning of year	196,934	249,646	281	446,861
On disposal	-	(8,591)	-	(8,591)
Charged in year	21,580	67,439	674	89,693
Accumulated depreciated at end of year	<u>218,514</u>	<u>308,494</u>	<u>955</u>	<u>527,963</u>
Net book value at end of year	<u>3,103,227</u>	<u>138,284</u>	<u>1,740</u>	<u>3,243,251</u>
Net book value at beginning of year	<u>3,117,927</u>	<u>65,180</u>	<u>2,414</u>	<u>3,185,521</u>

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

14 Investments	UK Listed £	Overseas Listed £	Cash £	Total £
Market value at beginning of year (<i>restated</i>)	27,564,163	16,972,614	1,177,031	45,713,808
Additions at cost	23,055,031	6,368,153	5,009,759	34,432,943
Disposal at opening book value	(20,272,102)	(13,027,489)	-	(33,299,591)
Net unrealised gain/ (loss)	(2,237,963)	(769,774)	68,237	(2,939,500)
Market value at end of year	<u>28,109,129</u>	<u>9,543,504</u>	<u>6,255,027</u>	<u>43,907,660</u>
Actual cost at year end	<u>28,424,458</u>	<u>8,253,722</u>	<u>6,047,541</u>	<u>42,725,721</u>

During the year the Company moved the investment portfolio to a new Investment Manager, which resulted in significant movements in both additions and disposals. At the year end included within investment cash there was a balance of £4,753,048 which was not deposited to the investment portfolio until 1 January 2019, which has accounted for the large cash balance at the year end. The comparative has been restated to include investment cash previously held within cash at bank.

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

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NOTES TO THE FINANCIAL STATEMENTS

14 Investments (cont.)

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.

15 Debtors	2018 £	2017 £
Due within one year		
Trade debtors	147,098	250,925
Other debtors	207,138	390,460
Prepayments	214,410	159,114
	<u>568,646</u>	<u>800,499</u>

16 Deferred income

Deferred income relates to journal subscription received in advance of the start of the subscription year (1 January 2019) and author fees received in advance of articles being published.

	Journal Subscriptions £	Author Fees £	Total £
Deferred income at 1 January 2018	4,287,869	117,676	4,405,545
Amount released to income earned from charitable activities	(4,287,869)	(117,676)	(4,405,545)
Amount deferred in year	4,344,479	74,899	4,419,378
Deferred income at 31 December 2018	<u>4,344,479</u>	<u>74,899</u>	<u>4,419,378</u>

17 Other creditors

Included within other creditors is £244,815 (2017: £246,953) 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	246,953
New grant commitments charged to the SoFA in year	1,158,110
Grants paid during the year	(1,160,248)
Amount of grant commitments recognised as at 31 December 2018	<u>244,815</u>

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NOTES TO THE FINANCIAL STATEMENTS

18 Financial Instruments	2018 £	2017 £
Financial Assets		
Financial assets measured at fair value through profit or loss	49,752,942	52,040,726
Financial assets that are debt instruments measured at amortised cost	354,236	590,214
	<u>50,107,178</u>	<u>52,630,940</u>
Financial Liabilities		
Financial liabilities measured at fair value through profit or loss	(115,108)	-
Financial liabilities measured at amortised cost	(590,656)	(524,088)
	<u>(705,764)</u>	<u>(524,088)</u>

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

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

Financial liabilities measured at fair value through profit or loss comprise liabilities on derivative hedging instruments

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 2018 are represented by:				
Tangible fixed assets	3,243,251	-	-	3,243,251
Investments	-	43,821,657	86,003	43,907,660
Current assets	6,411,923	-	2,005	6,413,928
Current liabilities	(4,937,967)	(244,815)	(110)	(5,182,892)
Internal balance	18,946,098	(18,946,098)	-	-
Total Net Assets	<u>23,663,305</u>	<u>24,630,744</u>	<u>87,898</u>	<u>48,381,947</u>

Summary of fund movements

	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	21,182,201	7,096,294	(4,484,006)	(131,184)	23,663,305
Designated fund	29,717,077	1,013,145	(1,705,772)	(4,393,706)	24,630,744
Restricted Funds	98,154	2,542	(2,139)	(10,659)	87,898
Total Funds	<u>50,997,432</u>	<u>8,111,981</u>	<u>(6,191,917)</u>	<u>(4,535,549)</u>	<u>48,381,947</u>

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

19 Analysis of Net Assets Between Funds (cont.)

2017:	General Fund (Unrestricted) £	Charity Reserve (Designated) £	Baker/Godfrey Funds (Restricted) £	Restated Total Funds £
Fund balances at 31 December 2017 were represented by:				
Tangible fixed assets	3,185,521	-	-	3,185,521
Investments	-	45,617,346	96,462	45,713,808
Current assets	7,074,554	-	1,692	7,076,246
Current liabilities	(4,731,190)	(246,953)	-	(4,978,143)
Internal balance	18,809,206	(18,809,206)	-	-
Total Net Assets	24,338,091	26,561,187	98,154	50,997,432

Summary of fund movements

	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
General Fund	18,022,046	7,207,805	(4,105,895)	58,245	21,182,201
Designated fund	27,266,785	1,050,132	(1,503,599)	2,903,759	29,717,077
Restricted Funds	84,145	2,221	(313)	12,101	98,154
Total Funds	45,372,976	8,260,158	(5,609,807)	2,974,105	50,997,432

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 £156,211 (2017: £144,259). Contributions of £17,020 were due to the fund at the year end (2017: £16,197).

21 Notes to the Statement of Cash Flows	Note	2018 £	Restated 2017 £
a) Reconciliation of net income to net cash flow from operating activities			
Net (expenditure)/ income for year	SOFA	(2,484,301)	5,566,211
		<u>(2,484,301)</u>	<u>5,566,211</u>
Depreciation	13	89,693	117,843
Loss/ (Profit) on sale of tangible fixed assets		-	949
Change in debtors	BALANCE SHEET	231,853	(65,805)
Change in creditors	BALANCE SHEET	190,916	(300,236)
Change in income in advance	16	13,833	(87,420)
Losses/ (gains) on investments	SOFA	4,404,365	(2,915,860)
Dividends and interest from investments	SOFA	(1,015,687)	(1,052,353)
Net cash provided by operating activities		<u>1,430,672</u>	<u>1,263,329</u>

Trustees' Report and Financial Statements for the year ended 31 December 2018

NOTES TO THE FINANCIAL STATEMENTS

21 Notes to the Statement of Cash Flows (cont.)		2018 £	Restated 2017 £
b) Cash flows from investing activities			
Payments to acquire tangible fixed assets	13	(147,423)	(49,977)
Net receipts/ (payments) from sale and purchase of investments	14	(2,598,217)	(3,611,200)
Receipts from sale of tangible fixed assets		-	1,000
		<u>(2,745,640)</u>	<u>(3,660,177)</u>
c) Cash flows from financing activities			
Interest received	3	64,422	59,390
Investment income received	3	951,265	992,963
		<u>1,015,687</u>	<u>1,052,353</u>
d) Analysis of changes in net funds			
	<i>Restated</i> At 1 Jan 18 £	Cash flow £	At 31 Dec 18 £
Cash and bank	6,275,747	(430,465)	5,845,282
Total cash and cash equivalents	<u>6,275,747</u>	<u>(430,465)</u>	<u>5,845,282</u>