

THE GENETICS SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Charity Registration No. 261062

Scottish Charity Registration No. SC038492

THE GENETICS SOCIETY

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FOR THE YEAR ENDED 31 DECEMBER 2018

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THE GENETICS SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

Registered office and operational address

Charles Darwin House
c/o The Royal Society of Biology
12 Roger Street
London
WC1N 2JU

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Dr Kay Boulton
Dr Jonathan Pettitt
Prof Wendy Bickmore (retired 01/05/2018)
Dr Michael Simpson (resigned 02/05/2018)
Prof Alison Woolard
Dr Marika Charalambous
Mrs Dominique Kleyn (resigned 01/05/2018)
Prof Malcolm Logan
Prof Martin Taylor
Dr Douglas Vernimmen (resigned 01/05/2018)
Dr Jim Huggett
Ms Lynsey Hall
Dr Aziz Aboobaker
Dr Frank Hailer
Ms Helena Wells
Prof Colum Walsh
Dr Sudhakaran Prakakaran
Prof Stefan Hoppier
Dr Daniel Thorogood (resigned 01/05/2018)
Dr Alastair Wilson
Prof Laurence Hurst
Dr Alison Bentley
Dr Lindsey Leach
Prof Rebecca Oakey
Prof Jason Wolf
Dr Michelle Holland (appointed 01/05/2019)
Dr Araxi Urrutia (appointed 01/05/2019)
Ms Emily Baker (appointed 01/05/2019)
Dr Margaret Colucci (appointed 01/05/2019)

Bankers

Bank of Scotland
43 Comely Bank
Edinburgh
EH4 8YJ

Scottish Widows
67 Morrison Street
Edinburgh
EH3 8YJ

Auditors

Johnston Carmichael LLP
66 Tay Street
Perth
PH2 8RA

THE GENETICS SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and accounts for the year ended 31 December 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objective and activities

Objectives

The long-term objectives of the Society are to promote the advancement of the science of genetics for the benefit of the public and in furtherance of those objects but not otherwise: to promote the interchange of scientific information among persons interested in that science by means of meetings, lectures, demonstrations, discussions and the publication of a journal. There have been no changes in the objects or policy of the Society in the last year. In the short-term, these objectives are advanced by the award of grants (under various categories as explained below), by organising and sponsoring scientific conferences covering relevant areas, and by arranging and sponsoring events aimed at furthering education in and public understanding of genetics.

Membership

Candidates for admission to membership of the Society must be, or have at some time been, engaged in genetical research, the teaching of genetics, or in the practical breeding of plants or animals, or in other ways attached to the study of genetics.

Candidates for election into the Society must be nominated in writing by a member or as of November 2018 can be self-nominated, and the nominations sent to the Society offices. From these nominations the Committee shall prepare a list of those whom they deem likely to promote the interests of the Society. The list of persons so chosen will be submitted for election at the AGM or other general meeting of the Society. No candidate shall be elected who does not receive the votes of four-fifths of those present and voting. Honorary members must be voted for by the Committee.

Grant making policy

The Society invites applications for funding of activities and projects in the following areas:

(a) Junior Scientist Travel Grants

The Society makes available small grants to enable its Student Members and members recently awarded the PhD to attend courses and conferences, and to undertake collaborative visits connected with their research. These grants are administered by the Honorary Treasurer according to regulations enacted, from time to time, by the Committee. The Society also provides discounted registration and other bursaries to its Student Members, to enable them to attend scientific meetings of the Society. The conditions under which such discounts and bursaries are awarded are at the discretion of the Honorary Treasurer, who ensures that the relevant information is brought to the attention of those able to benefit.

(b) Heredity Fieldwork Grants

The Society makes available small grants to enable its members to undertake fieldwork required for their research in genetics. These grants are administered by the Honorary Treasurer according to regulations enacted, from time to time, by the Committee.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

(c) Genes and Development Summer Studentships

The Society makes available small grants to enable undergraduate students to carry out a research project in any area of genetics for eight weeks in the summer vacation. The grant provides financial support to the students and limited support for the lab costs involved in the project. The grants are awarded to research group leaders in universities, institutes or in industry.

(d) Sponsorship of Meetings

The Society provides financial support, as agreed by the Committee and its Honorary Officers, for scientific meetings organised either as an ongoing series by *ad hoc* groups within the Society, or as one-off events organised by individuals or other organisations. The regulations concerning such meetings, and the financial support offered to them, shall be enacted, from time to time, by the Committee.

(e) Genetics Society Training Grants

The Society provides financial support to enable members to go on short training courses or to visit another laboratory for the purpose of learning novel techniques in the area of genetics research. Eligible expenses include travel, accommodation, subsistence and tuition fees.

(f) Carer's Responsibility Award

From 2018 the Society has introduced a Carer's responsibility award to enable Society members with carer's responsibilities to participate in Society events such as our annual conference. For 2018 this has been a contribution of up to £100 for receipted expenditure but will be reviewed in light of uptake and feedback.

(g) Miscellaneous awards

In addition, the society reviews and funds *ad hoc* proposals received in the area of the public understanding of Genetics.

In all cases, there are specific regulations contained within the by-laws of the Society to govern the basis for applications, review, selection and award. The Society also generally requests a report on the use of funds, for publication either on the Society's website or in the Society Newsletter.

The Trustees have paid due regard to guidance issued by OSCR and the Charities Commission in deciding what activities the Society should undertake.

Achievements and performance

The Trustees consider that the performance of the Society during 2018 has been exceptionally good with far-reaching impact. In part this reflects the build-up and preparations for the Society centenary celebrations in 2019.

Our membership continues to grow steadily from 1,925 members at the end of 2017 we aimed to have 2,019 by our centenary in 2019 but have already surpassed that mark with 2,116 by the end of 2018 and the growth does not yet seem to be levelling off.

The Society organised a headline academic conference entitled "Genotype to Phenotype to Fitness" held at the University of Exeter in November 2018. This meeting was well attended with 137 participants, slightly down on last-year, partly reflecting a less well-connected conference venue of Exeter, but a healthy 92% of responding delegates reporting the event overall to be "above average or excellent" or "excellent" and 100% of respondents reporting the scientific talks to be of those two highest categories.

In a similar manner and scale to the previous two years, the Society also sponsored ten 'Sectional Interest Group' meetings covering a diversity of genetics related themes. This is an effective and efficient way for the society to promote diverse scientific meetings for the UK genetics research community. The Society also sponsored twelve one-off research conferences after case-by-case consideration of applications by the Trustees.

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FOR THE YEAR ENDED 31 DECEMBER 2018

After competitive tendering for renewal for podcast production the Society has terminated our relationship with Naked Scientists for the production of the Naked Genetics podcasts and has agreed to launch a new Society owned podcast series fronted by Kat Arney, the first full episode was released in December 2018.

Launching a major public outreach effort for the Society leading into our centenary celebrations, in December 2018 the Society collaborated with the Royal Institution (Ri) and the BBC to produce the Ri Christmas Lectures on human genetics titled "Who am I". Developing this programme, the Society gave expert guidance on the script and provided Prof Aoife McLysaght as the expert guest lecturer alongside presenter Prof Alice Roberts. The lectures were broadcast nationally on 26th, 27th and 28th of December 2018 and available subsequently on BBC iPlayer. This broadcast activity and associated spin-offs in the form of national and international touring lectures and school activity packs are expected to substantially increase the Society's interaction with the wider public as well as opportunities to inform policy makers.

In 2018 the Society funded 16 Heredity Fieldwork and 24 Training Grants, and 29 Genes and Development Summer Studentships at rates agreed by the Trustees. These awards were made following competitive evaluation of applications by sub groups of the Trustees (30% award rate in 2018). In addition, the Society awarded 124 Junior Scientist Travel grants enabling PhD students, or members recently awarded the PhD, to go to genetics research conferences both in the UK and abroad.

For the past six years, 2018 included, the Society has organised a Spring workshop 'Communicating Your Science' aimed at training junior scientists in making clear and interesting presentations, either when engaging with the public or with other scientists. In 2018, 20 Communicating Your Science places were awarded. Building on the theme of communicating genetics research to the wider public we have expanded our offering of public engagement grants (currently considered in miscellaneous awards category above, with three awards in 2018 from seven applications. We anticipate increasing expenditure in this category of awards in subsequent years.

The Society continued existing publication arrangements for its two journals, namely with Springer Nature for Heredity and with Cold Spring Harbor Laboratory Press for Genes and Development. Our accounts for 2018 show a #% increase in income from our journals (£594,416 in 2018 versus £442,270 in 2017). However, end of year accounting measures of journal income since 2016 appear more erratic than is really the case: issues 23 and 24 of our journal Genes & Development were published late, in January 2018 rather than as scheduled by December 2017. The resulting subscription income of \$66k USD was consequently moved from the 2017 financial year to 2018. Allowing for this deferral of payment shows that the income from journals in 2018 is in-line with recent years performance.

Financial review

Results for the year ended 31 December 2018 are given in the Statement of Financial Activities. The assets and liabilities are given in the Balance Sheet. The financial statements should be read in conjunction with the related notes. The trustees regard the financial position of the charity at 31 December 2018 to be satisfactory.

In summary, total income amounts to £665,195 (2017 - £511,320), total expenditure amounted to £588,919 (2017 - £483,628) resulting in net income before investment losses of £76,276 (2017 - £27,692). Full details of income and expenditure are set out in the notes to the financial statements. The closing balance on unrestricted funds at the year end amounted to £2,024,242 (2017 - £2,000,354).

Reserves policy

It is the policy of the Society to maintain unrestricted funds, which are the free reserves of the Society, at a level which would enable it to continue to function for at least 2 years, or ideally longer, in the event that income from publications (identified below as the principal external risk to the Society) were to cease or drastically decline. The Trustees believe that this policy would enable them to resource new forms of income and to adjust the expenditure in such circumstances.

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FOR THE YEAR ENDED 31 DECEMBER 2018

At present and using the 2018 figures, where annual expenditure amounted to £588,919, the level of retained reserves of £2,024,242 comfortably meets the target. In 2017 the trustees set the objective to increase expenditure, particularly centred around centenary activities and their legacy, budgeting to reduce reserves to £1.1m by the end of 2019. However, announcement of "Plan-S" from the major European research funding agencies in 2018 was recognised as presenting an immediate and substantial threat to our major source of income – the Society journals. Plan-S proposes forcing a revision of the scientific peer review publishing model that could plausibly halve our annual income within two years. For this reason, the Society revised our spending expectations down so that target reserves would be £1.3m by the end of 2019 if income does not drop. Plan-S is developing and changing quickly which makes this a particularly uncertain time for those dependent on income from Scientific publishing and we will continue to monitor the situation closely. Fortunately, the Society has few long-term commitments, our main expenditure being grant awards and conferences, expenditure for which can be reduced rapidly if it becomes necessary.

Investment policy

There are no restrictions on the Society's powers to invest. The investment policy is set by the Trustees in consultation with appropriate investment advisers. The Trustees are mindful that any investment strategy must take into account the organisation's demand for funds, its income needs, the risk profile and the investment advisers' view of market prospects in the medium term.

The funds of the Society are split between cash deposits and a portfolio of market related assets.

Cash is managed by the financial officers of the society and is held in a number of short notice and instant access charity/trustee deposit accounts with Bank of Scotland and Scottish Widows.

The balances of the assets are managed, under the advice of our financial adviser, Ethical Futures LLP, by Rathbone Greenbank in a portfolio of mixed assets. The investment portfolio combines a range of assets, managed on a discretionary basis. The main assets included in the portfolio are Treasury Stock, corporate bonds, direct equities and collective investments and investment trusts. The portfolio is managed on a 'best of sector' with a screen to avoid investment in any company whose activities involve tobacco production.

The value of the portfolio at 31 December 2018 was £859,197 (2017 - £902,521), a decrease on the previous year but not unexpected with the prevailing market conditions. The Trustees consider the investment performance in the year adequate.

At 31 December 2018 there remained £775,546 cash at bank and in hand, including that invested in high interest bank accounts.

Plans for the future

As noted above, 2019 is the Centenary year of the Society and we are planning a series of higher than usual profile public and science community facing events and activities that should generate a legacy of more proactive public engagement and education while sustaining our support for the UK genetics community. This will entail higher than usual expenditure in 2019 that will somewhat diminish our unrestricted reserves but will maintain a minimum £1.3m buffer to protect against abrupt decreases in income which is a realistic threat in light of uncertainty generated by "Plan-S" proposals outlined above.

The most important source of income for the Society continues to be its journals "Genes & Development" and "Heredity". These continue to occupy a niche that serves the Society's objects by making them attractive and relevant to a broad constituency of readers and their libraries and they have generated £594,416 (2017 - £442,270) of financial contribution in the year.

The society meets regularly with its publishers in order to monitor the financial performance of its journals and to adapt to the changes in the market such as the move to electronic open-access publishing. The Society and its publishers are increasingly selling its journal subscriptions in the form of institutional site licences that allow access via the web, rather than print copies. The contents of both its journals are freely available, through their websites, within 12 (Heredity) or 6 months (Genes and Development) of publication, in keeping both with

THE GENETICS SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

the Society's object of promoting the exchange of scientific information and also the pressure from research funding bodies that researchers publish their findings in journals with open access policy. Both journals also accept the pre-publication of articles on open access pre-print servers, a practice that is rapidly growing and presents a further risk to the income stream although also has benefits for the unrestricted flow of scientific insight. It should be noted that because of the systematic change from print to electronic publishing and the growth of open access policies, the future of journal publication continues to remain extremely uncertain.

Looking forward, the Board of Trustees will continue to review and update its structures, activities and policies in keeping with changing regulatory needs and developments in the science of genetics.

Structure, governance and management

The Genetics Society is an unincorporated association. It is a Registered Charity in England and Wales and changed its name from The Genetical Society on 22 March 2002. On 26 July 2007, the Society became a registered Scottish Charity under the auspices of the Office of the Scottish Charity Regulator. The principal address was changed from Roslin Biocentre, Roslin, EH25 9PP, Scotland to Charles Darwin House, 12 Roger Street, London, WC1 N2JU from 1 September 2011.

Trustees

The names of the Trustees are as set out on the Charity Information page at the beginning of these accounts. The appointment of Trustees is governed by the rules of the Society and the board of Trustees is authorised to appoint new Trustees to fill vacancies arising from the resignation, retirement or death of existing Trustees.

The following were appointed with effect from 1st May 2018: Prof Aziz Aboobaker, Prof Alison Woollard, Prof Laurence Hurst, Prof Rebecca Oakey, Dr Lendsey Leach, Dr Alison Bently.

The following retired as trustees on the 1st May 2018 and we are very grateful for their contributions to the work of the society: Prof Wendy Bickmore, Dr Michael Simpson, Mrs Dominique Kleyn, Dr Douglas Vernimmen, Dr Danny Thorogood.

Trustees appointed after the 31st December 2018 are: Dr Michelle Holland, Ms Emily Baker, Dr Araxi Urrutia and Dr Margherita Colucci (all appointed on 1st May 2019).

All other Trustees listed on the Charity Information page served as Trustees throughout the year to 31 December 2018.

The roles, responsibilities and expectations of new trustees are explained prior to trustees taking on the role. The induction of new trustees and training on procedural matters takes place at the inductees first board meeting. For the roles of President and Honorary Treasurer the incoming post-holders shadow the incumbent for one year prior to taking on the full position.

In addition to full Trustees the Society have a number of Holding Trustees. These are former Presidents of the Society who continue to have an interest in its work and who, as a result, remain associated with it. Holding Trustees do not have the powers and responsibilities of full Trustees and at present the individuals who qualify under this definition are Dr M.J. Merrick, Sir. P.M. Nurse, Prof. D.J. Sherratt, Prof. L. Partridge, Prof. J. Hodgkin, Prof. B. Charlesworth, Prof. E. Coen and Prof. W. Bickmore.

Decisions about the Society's affairs are taken by the Trustees at meetings of the Board or Executive Board, held quarterly. Since 2015 the Royal Society of Biology (RSB) has been appointed to run routine operations for the Society. These are overseen on a day-to-day basis by Matthew Webb and supported by Mark Leach, the RSB's Head of Membership & Marketing. Directorial responsibility is now assumed by Rachel Lambert-Forsyth, the RSB's Director of Membership & Professional Affairs.

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FOR THE YEAR ENDED 31 DECEMBER 2018

Constitution

The Society is an unincorporated association that is constituted by and operates under a set of rules which have been approved by the Charity Commission. There were minor changes to the constitution made in the year ending 31 December 2007 to comply with technical aspects of Scottish Charity Law.

Risk management

As stated in past years, the Trustees regularly examine the major strategic, business and operational risks which face the Society and they remain content that systems have been established to ensure critical risks are kept under review and reduced.

Internal risks are minimised by the implementation of procedures for authorisation of transactions and projects. This is achieved on a day-to-day basis through regular meetings and dialogue between the Account Officer/other administrative staff (employed by the Royal Society of Biology and contracted to provide administrative support to the Society) and Honorary Treasurer/other selected Trustees and more formally through meetings with the Executive Committee and Trustees.

As already noted in this report, the principal external risk facing the Society is linked to the ongoing viability of the Society's Journals. In recognition of the financial risk which would emerge from the loss of a significant proportion of income from these publications, the Trustee's Reserve Policy (above) continues to be set in such a way as to ensure that the Society would have sufficient time to continue meeting its principal objects whilst seeking alternative sources of funding.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of Trustees responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards - United Kingdom Generally Accepted Accounting Practice. The law applicable to charities in the UK requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources of the Society for that year. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 (FRS 102);
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities Act 2011, the Charities (Accounts Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

On behalf of the board of Trustees



.....
Prof Laurence Hurst

Trustee

Dated:27.9.2019.....

THE GENETICS SOCIETY

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Independent Auditor's Report to the Trustees of The Genetics Society

Opinion

We have audited the financial statements of The Genetics Society (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018, and of its incoming resources and application of resources, 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 Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 charity 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 charity'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

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

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.

Either:

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

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INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

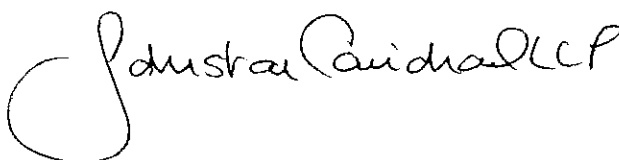
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor



27/09/2019

66 Tay Street
PERTH
PH2 8RA

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Total 2018 £	Total 2017 £
INCOME FROM:			
Charitable activities	2	610,979	464,938
Other trading activities	3	29,687	26,793
Investments	4	20,289	19,368
Other		4,240	221
Total income		665,195	511,320
EXPENDITURE ON:			
<i>Raising funds</i>	5	8,387	12,378
<i>Charitable activities</i>	5		
Publication (including editorial office expenses)		35,171	30,479
Grants and sponsorship		278,843	235,454
Meetings		243,834	158,637
Newsletter, website and education		22,684	46,680
Total expenditure		588,919	483,628
Net (losses)/gains on investments	12	(52,388)	58,567
Net income for the year		23,888	86,259
Reconciliation of funds			
Total funds brought forward		2,000,354	1,914,095
Total funds carried forward		2,024,242	2,000,354

All funds for the current and prior financial period are unrestricted.

The notes on pages 15 to 22 form part of these financial statements.

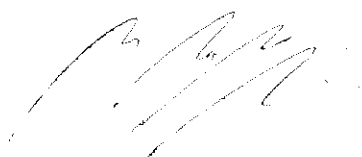
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BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note	£	2018 £	£	2017 £	£
FIXED ASSETS						
Investments	12			859,197		902,521
				<u>859,197</u>		<u>902,521</u>
CURRENT ASSETS						
Debtors	13	432,448			320,420	
Cash at bank and in hand		775,546			829,205	
		<u>1,207,994</u>			<u>1,149,625</u>	
CURRENT LIABILITIES						
Creditors: amounts falling due within one year	14	(42,949)			(51,792)	
Net current assets				<u>1,165,045</u>		<u>1,097,833</u>
Total net assets less/(liabilities)				<u><u>2,024,242</u></u>		<u><u>2,000,354</u></u>
The funds of the charity:						
Unrestricted Income funds:						
General funds				<u>2,024,242</u>		<u>2,000,354</u>
TOTAL CHARITY FUNDS				<u><u>2,024,242</u></u>		<u><u>2,000,354</u></u>

The financial statements were approved and authorised for issue by the Board on 27th September 2019 and were signed below on its behalf by:



.....
Prof Martin Taylor
Trustee



.....
Prof Laurence Hurst
Trustee

The notes on pages 15 to 22 form part of these financial statements.

THE GENETICS SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	17	(64,884)	(20,932)
Cash flows from investing activities:			
Dividends, interest and rents from investments	20,289	19,368	
Proceeds from sale of investments	99,626	77,374	
Purchase of investments	(115,671)	(101,317)	
Net cash provided by/ (used in) investing activities		4,244	(4,575)
Change in cash equivalents in the year		(60,640)	(25,507)
Cash and cash equivalents at the beginning of the year		874,951	900,458
Cash held at bank		775,546	829,205
Cash element of the investment portfolio		38,765	45,746
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		814,311	874,951

THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

a) Charity Information

The Genetics Society is a charity registered in Scotland and England and Wales. The registered office is Charles Darwin House, c/o The Royal Society of Biology, 12 Roger Street, London, WC1N 2JU.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Charities Act 2011 and Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Regulations 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The presentation currency is Pounds Sterling and all the figures are rounded to zero decimal.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

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

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from the share of publications profits is recognised when it is probable, can be measured and when the charity is entitled to it.

Investment income is recognised when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest or dividends paid or payable by the investment fund manager.

Income from other trading activities represents membership subscriptions and is recognised when services are provided to members.

f) Interest receivable

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

g) Fund accounting

The Charity has unrestricted funds available for use at the discretion of the trustees in furtherance of the charitable objectives. There were no restricted funds in the current or previous years.

THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds relates to the costs incurred by the charity in any activities with a fundraising purpose, including any investment management expenses.

Expenditure on charitable activities includes grants, sponsorship meetings, lectures, demonstrations, discussions and the publication of a journal to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprises overhead costs of the central function, is apportioned on the basis of total direct cost of the activity.

j) 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 quoted market price. Any change in fair value is recognised in net income/expenditure. The charity does not acquire put options, derivatives or other complex financial instruments.

k) 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.

l) Cash at bank and in hand

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

m) Creditors

Creditors are recognised where the charity 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provision of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are recognised at transaction price. Financial liabilities classified as payment within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

o) Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

p) Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

2. Income on charitable activities

	Total 2018 £	Total 2017 £
Share of publications profit		
Meetings	594,416	442,270
	16,563	22,668
	<u>610,979</u>	<u>464,938</u>

3. Income from other trading activities

	Total 2018 £	Total 2017 £
Membership Subscriptions	29,687	26,793
	<u>29,687</u>	<u>26,793</u>

4. Income from investments

	Total 2018 £	Total 2017 £
Interest income from investments	-	1,702
Dividends	20,031	17,599
Interest receivable	258	67
	<u>20,289</u>	<u>19,368</u>

THE GENETICS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5a. Charitable activities (2018)	Charitable Activities						2017 £
	Cost of Raising Funds £	Publication (Including Editorial Office Expenses) £	Grants and Sponsorship (note 6) £	Meetings And Events £	Newsletter, Website And Education £	Support Costs £	
Investment management costs	5,566	-	-	-	-	5,566	10,911
Direct cost of charitable activities	-	28,011	222,079	194,197	18,066	462,353	415,388
Insurance	-	-	-	-	-	1,409	1,349
Postage and stationery	-	-	-	-	-	2,222	445
Travelling expense	-	-	-	-	-	2,126	482
Secretarial expense	-	-	-	-	-	37,255	33,000
Subscriptions	-	-	-	-	-	16,000	4,152
Bank and credit card charges	-	-	-	-	-	1,235	922
Foreign exchange differences	-	-	-	-	-	150	(14,376)
Sundry expenses	1,114	-	-	-	-	88	139
Irrecoverable VAT	-	-	-	-	-	38,105	27,616
Governance costs (note 7)	-	-	-	-	-	21,296	3,600
Support costs	6,680 1,707	28,011 7,160	222,079 56,764	194,197 49,637	18,066 4,618	588,919 -	483,628 -
Total expenditure 2018	8,387	35,171	278,843	243,834	22,684	588,919	-
Total expenditure 2017	12,378	30,479	235,454	158,637	46,680	-	483,628

Support costs are allocated to raising funds and charitable activities based on their total direct costs. All expenditure was unrestricted for 2018 and 2017.

THE GENETICS SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5b. Charitable activities (2017)	Charitable Activities					2017 £
	Cost of Raising Funds £	Publication (Including Editorial Office Expenses) £	Grants and Sponsorship (note 6) £	Meetings And Events £	Newsletter, Website And Education £	Support Costs £
Investment management costs	10,911	-	-	-	-	10,911
Direct cost of charitable activities	-	26,866	207,543	139,832	41,147	415,388
Insurance	-	-	-	-	-	1,349
Postage and stationery	-	-	-	-	-	445
Travelling expense	-	-	-	-	-	482
Secretarial expense	-	-	-	-	-	33,000
Subscriptions	-	-	-	-	-	4,152
Bank and credit card charges	-	-	-	-	-	922
Foreign exchange differences	-	-	-	-	-	(14,376)
Sundry expenses	-	-	-	-	-	139
Irrecoverable VAT	-	-	-	-	-	27,616
Governance costs (note 7)	-	-	-	-	-	3,600
Support costs	10,911 1,467	26,866 3,613	207,543 27,911	139,832 18,805	41,147 5,533	483,628 -
Total expenditure 2017	12,378	30,479	235,454	158,637	46,680	483,628

THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

6a. Grant making (2018)

	Grant to Individuals £	Support Costs £	2018 £	2017 £
Cost				
Junior Scientist Travel Grants	74,688	19,090	93,778	97,082
Heredity Fieldwork Grants	13,129	3,356	16,485	25,406
Genes and Development - Summer Studentships	79,383	20,291	99,674	68,420
Sponsorship of Meetings	19,950	5,099	25,049	24,856
Genetics Society Training grants	17,726	4,531	22,257	19,690
Grants	17,203	4,397	21,600	-
	<u>222,079</u>	<u>56,764</u>	<u>278,843</u>	<u>235,454</u>

6a. Grant making (2017)

	Grant to Individuals £	Support Costs £	2017 £
Cost			
Junior Scientist Travel Grants	85,574	11,508	97,082
Heredity Fieldwork Grants	22,394	3,012	25,406
Genes and Development - Summer Studentships	60,309	8,111	68,420
Sponsorship of Meetings	21,910	2,946	24,856
Genetics Society Training grants	17,356	2,334	19,690
	<u>207,543</u>	<u>27,911</u>	<u>235,454</u>

7. Governance costs

	Total 2018 £	Total 2017 £
Committee expenses	16,266	-
Audit fees	5,030	3,600
	<u>21,296</u>	<u>3,600</u>

8. Trustee remuneration and expenses

The charity trustees did not receive remuneration or any other benefits for their services as trustees this year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £13,407 (2017 £4,841) incurred by 20 (2017: 16) trustees.

9. Staff numbers

There were no employees during the year and the previous year.

THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Related party transactions

There were no related party transactions during the year (2017: nil)

11. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Investments

	Total 2018 £	Total 2017 £
Listed investments		
Fair value at the start of the year	856,775	774,265
Additions	115,671	101,317
Disposals	(99,626)	(77,374)
Realised (losses)/gains	(380)	2,279
Unrealised gains	(52,008)	56,288
Fair value at the end of the year	820,432	856,775
Cash element of the investment portfolio	38,765	45,746
	<u>859,197</u>	<u>902,521</u>
Historical cost of investments	<u>659,588</u>	<u>663,564</u>

The investment portfolio is held with Rathbone Greenbank Investments.

13. Debtors

	Total 2018 £	Total 2017 £
Trade debtors	4,240	-
Other debtors	1,825	3,670
Prepayments and accrued income	426,383	316,750
	<u>432,448</u>	<u>320,420</u>

14. Creditors: amounts falling due within one year

	Total 2018 £	Total 2017 £
Trade creditors	10,914	8,019
Other creditors	2	2
Accruals	12,670	27,486
Deferred income	19,363	16,285
	<u>42,949</u>	<u>51,792</u>

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THE GENETICS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

15. Deferred Income

Deferred income comprises membership contribution which is not yet earned.

	Total 2018 £	Total 2017 £
Balance at the beginning of the year	16,285	13,530
Amount released to income in the year	(16,285)	(13,530)
Amount deferred in the year	19,363	16,285
	<u>19,363</u>	<u>16,285</u>
Balance at the end of the year	<u>19,363</u>	<u>16,285</u>

Deferred income represents subscriptions received in the current financial year for future periods. This is to be released to income in the period for which it has been received.

16. Financial Instruments

	Total 2018 £	Total 2017 £
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	1,195,127	1,147,765
Equity instruments measured at fair value	859,197	902,521
	<u>1,195,127</u>	<u>1,147,765</u>
Carrying amount of financial liabilities:		
Measured at amortised cost	23,586	35,507
	<u>23,586</u>	<u>35,507</u>

17. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	Total 2018 £	Total 2017 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	23,888	86,259
Losses/(gains) on investments	52,388	(58,567)
Dividends and interest from investments	(20,289)	(19,368)
Decrease in debtors	(112,028)	48,193
Decrease in creditors	(8,843)	(77,449)
	<u>(64,884)</u>	<u>(20,932)</u>
Net cash used in operating activities	<u>(64,884)</u>	<u>(20,932)</u>