

**BIOCHEMICAL
SOCIETY**

Trustees' Report and Accounts for the year ended 31 December 2021



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OUR MISSION

The Biochemical Society exists for the advancement of the molecular biosciences. Together with our publishing subsidiary Portland Press Limited, the Group promotes and facilitates the sharing of knowledge and expertise, supporting the advancement of biochemistry and molecular biology, and raising awareness of their importance in addressing societal grand challenges.

PUBLIC BENEFIT STATEMENT

The Biochemical Society promotes the advancement of the molecular biosciences. The Society's activities support the development of individual and collective understanding of biochemistry through dissemination of research and the provision of resources and activities to support the education of students, researchers and the general public. The molecular biosciences impact on many areas of science including biotechnology, agriculture and medicine, helping to play a key role in tackling global issues such as improving lifelong health, treatment of disease, biotechnology and food security.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Registered charity name: Biochemical Society

Charity registered number: 253894

Company number: 00892796

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Company number: 02453983

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FOREWORD FROM OUR PRESIDENT AND CHIEF EXECUTIVE

2021 saw the Group move into the final year of its 2019-2021 strategy amidst the continuation of global lockdowns and coronavirus restrictions. In the face of this challenging external environment, we continued to innovate and work to optimize the opportunities available to advance biochemistry.

Having successfully transformed our events agenda into a fully operational online offering last year we continued to build on this success with 24 webinars held throughout 2021, ten of which were focused on our early career community, and four online training events which all sold out. As in-person meetings returned towards the end of 2021, we continued to adapt our offerings to ensure we could accommodate both in-person and online audiences, with two hybrid scientific meetings taking place in line with the relaxation of government restrictions. We trialed enhanced features such as digital posters and in-meeting networking, working to address some of the limitations of online events from the start of 2021. Digital posters were used by some delegates, but the ability to replicate 'in-person' networking online remains a challenge and one we will continue to review as we move forward with our digital agenda.

Our governance and finance functions continued to operate fully remote and online offerings, with our AGM successfully held online for the second consecutive year. We introduced policies to manage the return to face-to-face meetings for both our staff, members and event attendees, and put measures in place to support a return to international travel where required across the Group.

Recognizing the invaluable role digital technologies played in the Group's activities throughout 2020 we instigated two large IT projects in 2021 to ensure we continue to operate at the forefront of such developments. Our website review, which began in July 2021, will allow us to move our content to a more user-friendly, content-driven offering and has incorporated consultation feedback from many of our key audience groups. In September we began a review of our IT infrastructure, ensuring that our systems, across both user-facing and in-house operations, are constructed and used in the best way possible to deliver an effective service for our community. The infrastructure review was, in part, galvanized by an acute need for more accurate reporting and improved running of the Society's membership operation. We look forward to implementing the recommendations from these projects throughout 2022.

Collaboration between all functions from across the Group was a key focus of our activities in 2021. The package concept has been supported by synergistic working across the Group, continuing our move away from siloed teams to a truly collaborative workforce which has been supported by a restructure of our senior management team. A content and collaboration staff group, first established in January 2021, has seen employees from all business areas meeting once a month to share opportunities for cross-working, content ideas, resources and best practice, enabling us to develop and improve our end products and services and realize opportunities for all teams.

This led to the development of new synergies and package offerings, with our first content package, Synthetic Biology, launched on 15 November 2021. Over 850 views/visits to this page were seen by the end of April 2022. Packaging available content from across the Group, including journal articles, public engagement activities, training courses and webinars allows us to highlight specific topics in a holistic way and provide a curated offering for our audience. With

three subject areas initially chosen to act as proof of concept for the packages, we are now looking ahead to develop this offering further.

At the end of 2020 we made a commitment to placing equality, diversity and inclusion, (EDI) at the heart of all that we do, and 2021 has seen us make important progress on this journey. Our EDI Advisory Panel, originally convened in October 2020, operated for its first full year in 2021 with Dr Amanda Marie James nominated and appointed to panel Chair. Dr James introduced our Manifesto for Change, which incorporates the three A's; Awareness, Action and Accountability, and has established the panel as a supportive and productive environment from which to build.

Our EDI webpage content has been refreshed to allow us to share our activities and actions more effectively with our community and hold ourselves publicly accountable for ensuring progress, with EDI representatives now sitting on 50% of our boards and committees. The in-house diversity of our boards, committees and panels remains an area of concern for us and the EDI Advisory Panel is working together with the governance team to review our nominations process to address this urgently. The diversity of our staff is something we are proud of and in 2021, 62% of staff were female and 46% were from ethnically diverse backgrounds. This is in contrast to 2014 when only 54% of staff were female and 23% were from ethnically diverse backgrounds.

The remote working model for staff that the Group adopted in response to the first coronavirus lockdown in March 2020 proved to be an effective and productive way of operating and continued throughout 2021. This allowed us to maintain flexible working options for staff, for example those with caring responsibilities and/or disabilities, and also saw us tapping into a wider talent pool when recruiting. Of the five staff recruited in 2021, four live beyond commuting distance to London and we look forward to continuing to recruit the best possible people to join us as we move into the next strategic period of operation.

Our wholly owned subsidiary, Portland Press, continued to operate successfully throughout 2021, despite seeing decreased submissions and publications when compared with 2020, mostly due to fewer papers in *Bioscience Reports*.

Learnings from the paper mills phenomenon that affected *Bioscience Reports* (and other journals across the sector) in 2020 led us to scope and assess software for automatic image duplication and manipulation detection, which has been approved for use alongside other tools for the detection of plagiarism to ensure we continue to publish valid and high-quality science. Due to the revised editorial processes to limit misconduct and ensure publication integrity introduced as a result, the number of publications in *Bioscience Reports* has significantly decreased, including the number of publications from authors based in China decreasing by more than half in 2021. As a hallmark of success in screening out suspected paper mill submissions, on 31 December 2021, *Bioscience Reports* was removed from the 'Early Warning' list published by the Chinese Academy of Sciences.

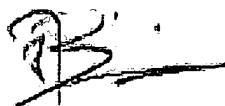
Several metrics for the Society's journals trended favorably, with significant increases in both citations and usage of published work. The journals portfolio also had more than double the number of click-throughs to electronic table of content alerts when compared with 2020, alongside production timelines that ran consistently below the 28-day target, maintaining excellent service standards for researchers publishing in the Society's journals.

Support for the deposition of datasets in publishing workflows was established in March 2021 and we played an active role in the Society Publishers' Coalition with which we collaborated alongside other small self-publishing societies to scope unlimited open access principles during the year. We remain absolutely committed to the idea of open scholarship and continue to transition our publishing model sustainably to open access. On top of delivering a stable set of financials supporting profits gifted back to the Society, in 2021 Portland Press saw a 25% growth in open access content within our hybrid (transitioning) journals when compared to 2020, the year in which we debuted our unlimited open access *Read & Publish* model.

We are proud of the continued advances we made in 2021 and the opportunities created for future growth and development. As always, we thank our Trustees, Members of PPL Board, Local Ambassadors, Editorial Board members, Society members, peer reviewers, authors, partner organizations and staff team for their continued commitment and support of our work.



Professor Sir Pete Downes
President, Biochemical Society



Kate Baillie
CEO, Biochemical Society
Managing Director, Portland Press Limited

STRATEGIC REPORT ON GROUP ACTIVITIES

Throughout 2021, the Group continued to deliver on the objectives of its three-year strategy (2019–2021), adapting existing offerings and initiating new activities to continue our support of the molecular bioscience community. What follows is an assessment of Group business within this period.

Bringing together molecular bioscientists

Key objectives for the year

- Expand our offerings for early career bioscientists.
- Continue to increase industry involvement across our activities.
- Expand our international links and networks.
- Continue to foster diversity and equal opportunity for our discipline.

**Webinar
registrations
from**



107 countries
in 2021



an increase of **26%** on
2020

Funded **five**
In2ScienceUK
placements and
donated over
£1,000 to their
programme



15

**Early Career
Representatives**

in place across our
committees and panels



2021 saw the further development of our webinar programme, initially introduced in 2020 as a response to the necessary postponement of face-to-face meetings during the coronavirus pandemic. We received registrations from delegates in 107 countries, an increase of 26% from 2020, demonstrating the continuing global reach of this programme. The 24 webinars attracted a total of 2,622 live attendees and as at 30 April 2022 had been viewed over 6,700 times through the Society's YouTube and Vimeo channels. Webinar topics covered a range of subjects with opportunities for both members and staff to suggest topics of interest. The three most attended webinars were all held at the start of the year, with attendance dropping in the latter half as coronavirus restrictions relaxed and in-person meetings were once again possible.

A focus on early career scientists (ECS) continued with ten early career webinars, the most popular of which was also the most highly attended of any of our webinars in 2021, with 280 people coming together in February 2021 to attend a webinar on scientific communication, medical writing and engagement. We continued to ensure the representation of ECS across our

boards and panels with an Early Career Representative Trustee on our Council, our Early Career Advisory Panel through which feedback is channeled into strategic and operational decisions, and early career members on a number of other key committees.

The ECS Taskforce, established in 2020 to engage with ECS on their views about scientific journals and what they would like to see from the Society's publishing arm, Portland Press, met three times in 2021. Discussions held at these meetings fed into the conversations and policies set by the Society's Publications Committee, specifically around peer review models and preprints. Members of this taskforce were also invited to review applications for the Society's Summer Vacation Studentships and Science Communication Prize, further involving them in key areas of the Society's work.

The pilot ECS Editorial Board Mentorship Scheme, established to guide and mentor ECS through all aspects of senior editorial board roles commenced in March 2021. Mentors and mentees were paired up and worked together to assess papers and be trained in the workings of an Editorial Board. All ECS Editorial Board mentees were invited to take part in the annual Editorial Board meetings and also any specific teleconferences that took place throughout the year to discuss specific journal issues.

An industry-focused issue of *Emerging Topics in Life Sciences* was published in November 2021 with Industry members in attendance at all webinars held throughout the year. The Stephen Uphoff Award Lecture was the most popular with this particular cohort.

2021 saw a change to the previous focus on relationship building with the Chinese Society of Biochemistry and Molecular Biology (CSBMB) in light of the paper mills issue. CSBMB members were offered a discounted rate to publish in *Bioscience Reports* for submissions prior to October 2021 but no members took up this offer. The Society was not in attendance at the 2021 CSBMB Annual Meeting as this took place in person during a time of continued travel restrictions within the UK.

Working in collaboration with the American Physiological Society (APS) we continued to support two awards: Clinical Science Young Investigator Award for the APS Cardiovascular Section and the Portland Press Pre-Doctoral Award for the APS Water and Electrolyte Homeostasis Section. The Society also supported the nomination of Professor Dario Alessi for the position of President of the International Union of Biochemistry and Molecular Biology (IUBMB) with his appointment confirmed in July 2021.

The Equality, Diversity and Inclusion (EDI) Advisory Panel, established in October 2020, met four times in 2021 and set out a public commitment to embedding EDI practices across the Group through the Manifesto for Change. EDI representatives are linked through all major committees and panels with a commitment to placing such activities at the heart of all strategic and operational decisions. The panel oversaw the first EDI Data Survey launched in May 2021 with the aim of gaining a better understanding of our audience and their needs and requirements. A total of 849 responses were received with feedback informing future activities and areas of focus.

In 2021 we achieved 43:57 male/female balance for invited speakers at scientific meetings and 51:49 male/female balance for speakers and Chairs in the Biochemistry Focus webinar series. Of those speakers invited to scientific meetings 15% were students or ECS, as were 41% of the speakers and Chairs in the webinar series. We recognise the limitations of our current reporting parameters, and the EDI Advisory Panel will be taking forward a review of the language and

categories used during 2022, alongside a review of the Group's nominations process to ensure we are working to address the lack of diversity on our panels, boards and committees.

The Society continues to be a member of the Equality, Diversity and Inclusion in Science and Health (EDIS) group, participating in regular group sessions to share best practice and learn from others in the sector. During 2021 a total of 15 applications for the Society's Diversity in Science grants scheme were received, 47% of which were from outside the UK. Funding of £3,000 was awarded in total to six projects, including projects to encourage black diversity in industry, to provide support for practical science students with visual impairments and to translate scientific materials into local dialects for increased accessibility.

The Society continued to support In2ScienceUK, who assist young people from low-income backgrounds to gain insight into STEM careers through summer placements and delivery of a high-quality programme of university access support and employability workshops. The Society funded five placements on this programme in 2021 with voluntary donations from event delegates totaling £1,020.

Supporting career development and lifelong learning

Key objectives for the year

- Provide learning and networking opportunities.
- Support teachers at all levels.
- Support the future pipeline of molecular bioscientists.
- Continue to offer grants and bursaries.

Total of

427



learners across our
training courses
and events

**The MOOC (Massive
Open Online Course)**
attracted
registrations from
14 different countries



**Summer Vacation
Studentships
programme received**

348

APPLICATIONS



compared to **-120** received
in 2020

Following the relaxation of restrictions in late 2021 we were able to operate two of our scientific meetings as hybrid offerings, reinstating some in-person networking opportunities for the community. Online networking options such as digital posters were also trialed, although their success was limited, with low levels of engagement from online event attendees. Our webinar series, covered in detail in the preceding section of this report, also provided an opportunity for community members to come together and experience online networking in a limited form. Some online social events were also organized for committee, panel and board members throughout the year, to maintain relationships and introduce new members where appropriate.

The Society continued to provide training in support of the career development and lifelong learning of our community. Three training courses ran in 2021, all of which were self-led with moderation, attracting a total of 264 learners. A further four training events were held throughout the year attracting 163 learners with topics including ribosome profiling, protein modelling and key aspects of modern drug discovery. A lack of delegates led to the cancellation of the Spin Up Science event but a webinar titled 'From PhD to CEO –becoming an innovation leader' was held in its place and attracted 127 delegates with 47% attendance. The October 2021 issue of *The Biochemist* included an article on R by Paul Brennan which highlighted the R for Biochemists 101 course.

The demand for educational resources and careers information remained high, with the information available on our website continuing to play an important role in engaging with our members and wider community. The most popular page of the website throughout the whole of

2021 was '[What is biochemistry?](#)', with 125k page views and 111k unique pageviews¹. The Massive Open Online Course (MOOC) operated in conjunction with the University of East Anglia opened for one run in 2021, with 1683 joiners and 967 learners. The majority (45%) were from the UK, with the rest from 13 other countries, including Australia, Bangladesh, Egypt, Mexico and the Philippines.

Our [Summer Vacation Studentships \(SVS\)](#) was held as an online offering in 2021 due to the continuing coronavirus restrictions. This proved hugely popular with our audience, attracting 348 applications, compared to the ~120 applications received previously for purely lab-based offerings. Successful candidates received access to the online courses *R for Biochemists* 101 and *Practical Python for Beginners*, as well as two exclusive webinars for learners. The success of the online provision will be harnessed in 2022 when we plan to offer both online and lab-based options within the SVS programme.

'[Understanding Biochemistry](#)' - a dedicated issue of *Essays in Biochemistry* that provides up-to-date overviews of key concepts in the molecular biosciences for post-16 students, teachers and undergraduates was published in November 2021, the seventh such issue of this journal.

The Society's '[Science Communication Prize](#)', created to engage those with an interest in communicating science and to inspire young people to learn about the molecular biosciences, opened for its 11th year in 2021. A total of 66 entries were received, which was down on the 142 entries received in 2020 as that had been the 20th anniversary year for which entries from secondary school students had also been accepted. Six prizes were awarded across two categories with all winning entries being received in video format. Entries included '[Exploring Paracetamol – Painkiller or Killer?!](#)' and '[Sonic Hedgehog and the Brain](#)'.

The Society's [Scientific Outreach Grants](#) received a total of 16 applications in 2021, down significantly on the 49 applications received in 2020 due to the ongoing uncertainties around in-person events as a result of the coronavirus pandemic. Ten projects were awarded total funding of £8,600, to support activities that drive curiosity and inspire interest in biochemistry and the life sciences more generally. Supported events included 'Brain Gain – the podcast and the portal' for 16 to 18 year olds and a project concerning the legacy of Henrietta Lacks which targeted engagement from pupils from lower socio-economic backgrounds and those from Black, Asian and minoritized ethnic heritages.

For the second year in a row the total funding awarded in [General Travel Grants](#) and [Sponsored Event Grants](#) declined, standing at ~£11k. This was an inevitable result of continued lockdowns and travel restrictions and the shift to more online and hybrid events. The Society amended the restrictions preventing applications from former grant recipients in immediate subsequent years to encourage the use of this financial support with regards to 'virtual meetings' but it remained a challenging environment in which to operate.

¹ A pageview is defined as a view of a page on a site that is being tracked by the Analytics tracking code. If a user clicks reload after reaching the page, this is counted as an additional pageview. If a user navigates to a different page and then returns to the original page, a second pageview is recorded as well.

Encouraging wider dialogue and working collaboratively across and beyond our community

Key objectives for the year

- Ensure a strong future for the molecular biosciences, maximizing opportunities for impact, engagement and innovation through working in strategic collaboration.
- Deliver and implement plans for a sustainable transition to open access and open scholarship.
- Continue to engage our members with key policy issues relating to science and science education.
- Support students and researchers to communicate their work to policymakers and the public.
- Give a voice to our community to influence the changing culture of science.

We responded to

6 POLICY CONSULTATIONS

(including topics such as gene editing, science education and research integrity)



The number of papers published open access (OA) in 2021 increased 30% on 2020 and accounted for 23% of all published content within the year



In 2021 we had



259 institutions

participating in R&P agreements across



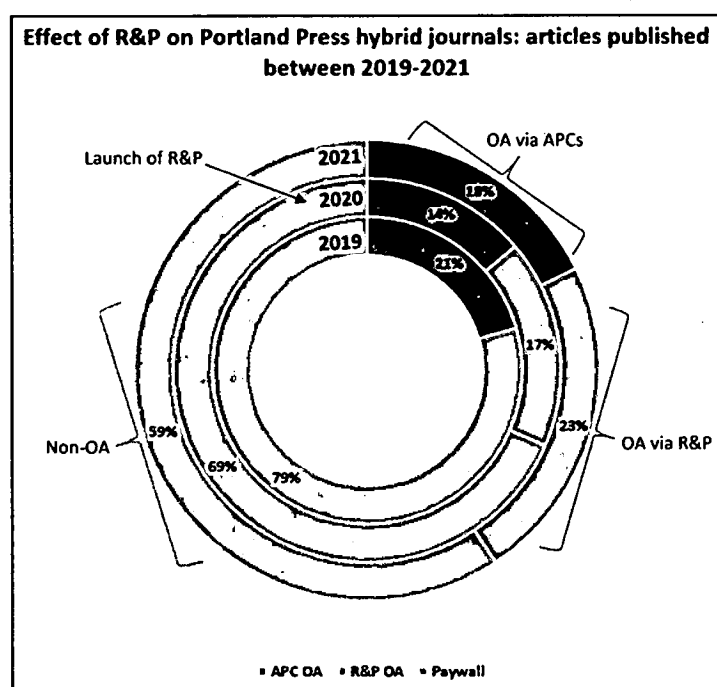
13 different countries

The Biochemical Society and its publishing arm Portland Press have been on a steady course towards open scholarship for several years. The Group's open scholarship position statement was arrived at in October 2019, and we are continuing to scope a transition of publishing models in support of a more open future. The *Read & Publish* (R&P) initiative continued to be central to this transition in 2021, with the dedicated open scholarship website, on which we chart the course of this transition, receiving ~6k page views in 2021, an increase of 50% when compared to 2020.

The number of papers published open access (OA) through our transformative agreements in 2021 increased 30% on the previous year and accounted for 23% of all published content in our hybrid journals. Additionally, 13.5% of legacy subscriptions income was repurposed under R&P sales. Over 40% of hybrid content was published OA in 2021, more than half of which would have been published behind paywalls without the new R&P agreements in place. In this way, our transitioning sales model has delivered a significant proportion of OA content without the need for per-article charges facing researchers (authors) publishing in the Society's journals.

Portland Press continued to publish two full-OA journals which, uniquely for most offerings of this type, were included in our unlimited R&P package. This means that, in total, almost a fifth of articles across all the Biochemical Society's journals were published OA through transformative agreements in 2021. At the end of the year 259 institutions were participating in R&P agreements across 13 different countries worldwide.

In 2021 we also launched our dedicated, streamlined R&P submission workflow, as we continued to develop our goal of making it as simple as possible for authors to publish OA. The R&P submission workflow ensures authors are immediately notified during submission when they are eligible for charge-free (Article Publishing Charge-free) OA publishing and are kept up to date throughout the process. Papers are then automatically published OA upon acceptance, unless the author chooses to opt out.



The Society's Director of Publishing continued in the role of Chair of the Society Publishers' Coalition (SocPC) throughout 2021; a collaborative group of over 100 organizations which share a common ambition to see a sustainable transition to open scholarship and to improve the efficiency of the scholarly communication ecosystem for the benefit of researchers and society at large, in a fair and sustainable way. In 2021 we collaborated with others in the SocPC to arrive at common principles of 'Unlimited Open Access' in our existing R&P offerings. With the proliferation of many different types of transformative arrangements it is hoped the Unlimited OA model can provide simplicity and portability, becoming a blueprint for other transitioning society publishers.

Portland Press is one of the launch customers of the OA Switchboard – a community, not-for-profit initiative, and neutral information-exchange hub for OA publications. Uptake of the new switchboard service amongst research funders, institutions and consortia is growing steadily, with over 40 confirmed institutions/consortia and seven research funders (including UK Research and Innovation, Howard Hughes Medical Institute and Wellcome) signed up as of

March 2022. Since end December 2021, ~20% of Portland Press' OA publications have been reported directly to institutions through the Switchboard.

Availability and shareability of research data is a key aspect of open scholarship. In 2020 Portland Press implemented a new data policy, requiring a data availability statement for all research submissions. Since then, over 500 research papers have been published with completed data availability statements. In 2021 we enabled data deposition as part of the author-facing workflow. This ensured our authors could be compliant with funder mandates as well as providing greater data integrity and transparency.

The UK hosted the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow on 31 October to 13 November 2021, bringing parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. This inevitably increased interest in related environmental and policy issues. The Society made all 12 articles in a [themed issue on adapting to climate change](#), published in *Emerging Topics in Life Sciences*, freely available for the duration of the event and promoted this with the Royal Society of Biology (RSB) which co-owns the journal. We also ran [an article in *The Biochemist*](#) on a project taking place in Manchester to reduce the amount of single-use plastics in laboratory practicals and promoted a [Biochemistry Focus webinar](#) on environmental sustainability in biomedical laboratories during this time.

In the year the Society responded to six policy consultations, both alone and in conjunction with the Royal Society of Biology (RSB), a partner organization. Consultations covered topics such as Gene Editing and [Reproducibility and Research Integrity](#), as well as education-specific consultations that centred on the future of science qualifications for both Wales and Scotland. Input for all responses was sought from members of the relevant panels and committees as well as the wider Policy Network. A joint response from both the Policy Advisory Panel and EDI Advisory Panel was issued to the [All Party Parliamentary Group \(APPG\) on Diversity and Inclusion in Science, Technology, Engineering and Mathematics \(STEM\) call for ideas](#) to explore potential subjects and activities for their next report. The Society's submission focused on neurodiversity within STEM and the benefits that neurodiverse individuals can bring both to a workforce and also to the wider disciplines themselves.

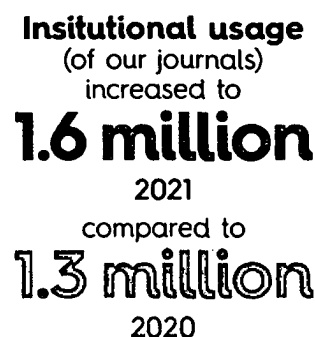
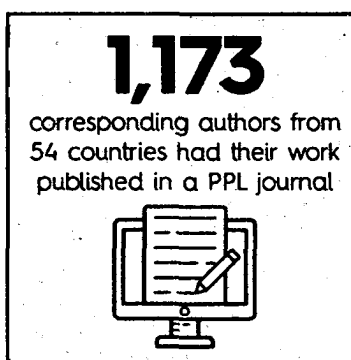
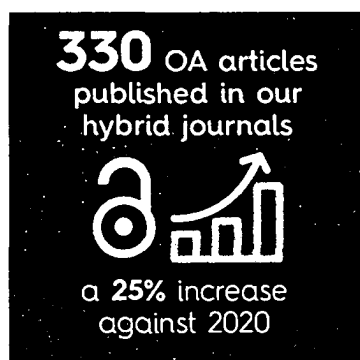
The Society continued to participate in a number of key community and policy events, including the [Policy Lates series](#) and [Parliamentary Links Day](#), both run online in 2021 by RSB, as well as the [Voice of the Future](#) and [Voice of Young Science](#) initiatives which support those in the early stages of their careers and provide an avenue for direct interaction with policy makers. The Society remained a member of the [Learned Society Partnership on Antimicrobial Resistance](#) (LeSPAR) alongside six other societies, focusing on sharing best practice and options for future collaboration and cross-working. In June 2021, the Society chaired the meeting of the group to which Professor Joanne Verran was invited as a guest speaker to talk on the subject of 'Public Engagement with Antimicrobial Resistance'.

Collaborative working extended to include a request from GlaxoSmithKline for a poster to promote the Society, in particular the benefits of membership, as well as publication in the [Biochemical Journal](#) of seven articles on antiviral compounds that could be potential therapeutics in COVID-19, from authors based at the Francis Crick Institute. The Society, and specifically the *Neuronal Signaling* journal, also took part in the [British Neuroscience Association Festival of Neuroscience](#) meeting in March 2021. The Society's sponsored session attracted 140 attendees and the Society's 'virtual booth' had 88 views.

Promoting and sharing knowledge

Key objectives for the year

- Develop the Portland Press portfolio to offer a home for every paper published within the molecular biosciences.
- Support and serve our publishing communities.
- Continue to evaluate the positioning of the Society's scientific meetings and training programme.
- Continue to create online content to support the teaching and understanding of biochemistry.



In 2021 we saw a significant decline in submissions and publications to our research journals (with the exception of *Neuronal Signaling*), a trend that has been mirrored across the sector and is thought to be in some part a response to the lifting of lockdowns and the return of researchers into active laboratory work which was not available to them in 2020. However, submissions and publications for our three reviews-only titles remained steady or increased in 2021, and these titles all met or exceeded publication targets.

Increasing open access in hybrid journals



19% 20% 20% 21% 31% 41%
2016 2017 2018 2019 2020 2021

Proportion of open access content in hybrid journals is taken into account when deriving subscription pricing

The transition to OA continued successfully, with 330 OA articles published in the hybrid journals; a 25% increase against hybrid OA publications in 2020. The overall proportion of OA in the hybrid journals continued to steadily increase, with 10% increments seen over the past 3 years.

The majority of our published output in 2021 was from corresponding authors based in China, the US and the UK. Due to the paper mills that particularly affected *Bioscience Reports* in 2020, and the revised editorial processes to limit misconduct and ensure publication integrity introduced as a result, publications to *Bioscience Reports* were significantly decreased compared with 2020.

In total 1,173 corresponding authors from 54 countries had their work published in a Society journal in 2021.

Over half of all R&P articles were published by authors based in the UK through our Jisc agreement, and nearly a quarter were published by authors based in Australasia through our CAUL (Council of Australian University Libraries) agreement.

Institutional usage increased in 2021 to 1.6M (compared to 1.3M in 2020), driven in part by the increasing share of OA content in the journals, our partnership with [PSI's IP Registry](#) in mid-2020 to enhance, verify and streamline customer IP access to the journal sites, as well as the increase of our OpenAthens service to 146 organisations for 2021. 2020 was the first full year that the Silverchair platform, upon which the published content is hosted, was live, providing us with a new way of measuring usage, and improvements undertaken to address problems with redirects and SEO (search engine optimization) following our migration to new journal websites may have also helped to drive the increased usage figures we have seen in 2021.

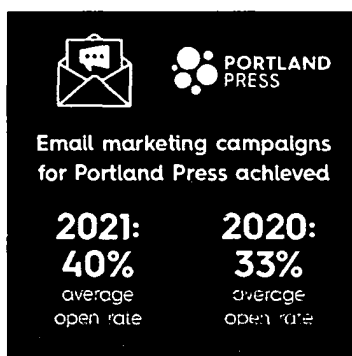
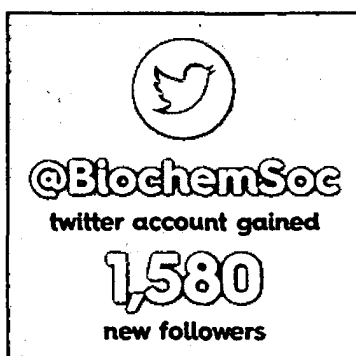
The changes to our programme of scientific meetings and conferences necessitated by the pandemic in 2020 continued into 2021 as noted, with the possibility of safe re-opening of face-to-face events reviewed by Trustees throughout the year. We were able to run our first in-person meeting, 'Synthetic Biology', on 22-23 November, whilst also providing an online attendance option as part of our developing hybrid approach. The options available to event attendees will continue to be reviewed as we move forward into a more digitally focused future.

The creation of online content for the support of teaching and understanding of biochemistry has been detailed in the 'Supporting career development and lifelong learning' section of this report.

Promoting the importance of our discipline and through this, the broader life sciences

Key objectives for the year

- Raise the profile of the molecular biosciences, the Society and Portland Press.
- Emphasize the value of our publishing independence: by scientists for scientists.
- Champion the needs of life scientists through all our activities.



2021's marketing campaigns achieved total clicks of

~302k



an increase of

82% on 2020

The Society's Awards Portfolio, which covers a variety of categories, different areas of expertise and stages of career, remains an important way in which we raise the profile of work within the molecular biosciences, and the discipline itself. In 2021, the announcement of our award winners achieved ~243k impressions on the Society Twitter accounts, with information being shared across the sector. We were delighted to see that 60% of our 2021 award winners were female, and Professor Valerie O'Donnell became the first woman to receive the Morton Lecture award, part of our 2022 awards portfolio announced in 2021. For 2021, as funding was not renewed for the Novartis Medal and Prize, it was renamed 'Excellence in Science Award sponsored by Portland Press', with the criteria remaining the same.

Portland Press Ltd remains the publisher of the Biochemical Society and we continue to champion publishing independence, not publishing through a third party or tied to a commercial company. The magazine of the Society, The Biochemist, continued to be hosted entirely online with its full digital archive and newly published content available in an indexed and searchable manner free from any paywalls. Considering reprioritization of digital marketing efforts in 2021 and the new Society website project with its potential duplication of news/blog posts we reduced our focus on the Biochemist blog during 2021, which was reflected in the significantly fewer posts made; 8 in 2021 compared to 34 in 2020. Visitor numbers held steady however, again hitting ~20k as was achieved in the previous year.

Social media continued to act as a significant channel for the Group to communicate details of its activities and raise the profile of biochemistry and molecular biology. All four of the Society's accounts saw growth in 2021, with the most significant increases seen on the @BiochemSoc account and the @The_Biochemist accounts, with 1,580 and 652 new followers respectively.

We also increased our Facebook and LinkedIn followings during 2021, with an additional 883 LinkedIn and 240 Facebook followers by the end of the year.

Significant work was undertaken to audit our data and institute use of subject areas for marketing and communications segmentation, to ensure we could maximize available opportunities for engaging with our community and continue to promote the life sciences more effectively. During 2021 we ran 219 separate marketing campaigns which saw marked improvement on associated metrics when compared with 2020. Email marketing campaigns sent via the Dotdigital platform, excluding specific member-related communications, saw a 20% increase in unique opens² and a 43% increase in unique clicks³ against 2020. Total clicks were ~302k, an increase of 82%. All categories of 'bouncing' and unsubscribes decreased. Email marketing campaigns sent via the Clarivate Web of Science Author Connect (WOSAC) service for Portland Press achieved a 40% average unique open rate, outperforming the 33% achieved in 2020 and the platform average of 31%.

² Unique opens indicate how many subscribers opened the email, no matter how many times they did it.

³ Unique clicks are a count of the number of people who clicked on the provided links at least once.

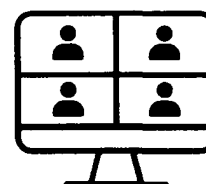
Continuing to ensure sustainable support for the advancement of science

Key objectives for the year

- Commence a financially sustainable transition to open scholarship that responds to the changing needs of researchers everywhere.
- Ensure operational excellence across the organization through effective use of governance, business technology, finance, and human resources.
- Continue to build our reputation as a knowledge hub for the life sciences.



**TWO MAJOR
SYSTEMS PROJECTS
WERE STARTED**
(website project and
infrastructure review)



**25 governance
meetings** were all
held successfully online

The uncertainties and upheaval caused by the coronavirus pandemic in 2020 continued into 2021 with the Group maintaining an accordingly flexible approach. Despite the continued upheaval in the external environment, this year has ended with the Group in a financially strong position, as outlined in the Financial Review later in this report.

Journal sales revenue (including subscriptions and sales under the transitional *Read & Publish* model) for 2021 was ~£3.2M, which is ~£209k less than in 2020. However, of the total £3.2M about £429K came from new *Read & Publish* deals. This represents a significant share of what was subscription income in previous years that has been rewired in 2021 in favour of transformative deals supporting 'read' access and OA publishing in 2020. At the end of 2021, the second year of R&P sales, a total of 259 institutions had signed up to *Read & Publish* from across 13 countries.

Revenue generated from per-article charges (Article Publishing Charges/APCs) for 2021 stands at ~£640k which is £345k less than in 2020. This is largely owing to the high number of papers that needed to be rejected from *Bioscience Reports* on grounds of publishing integrity.

The continuation of home working, necessitated by the pandemic, proved to be a successful model of operation for the Group with staff continuing to work remotely throughout the year and all governance meetings taking place online, including the Annual General Meeting. Although not instigated by cost-control motives, these measures have helped with cost savings, which

has been helpful in a climate where ongoing webinars remain free-to-view, event sponsorship sales have not returned to pre-COVID levels, and publishing revenues are in decline.

Detailed reviews of both our IT infrastructure and the Society's website were commenced, with committed investment made to ensure the Group maximizes available digital opportunities for future growth, engagement, and effective ways of working.

GOVERNANCE AND MANAGEMENT

Corporate Status and Constitutional Documentation

The Society is a charitable company registered in England and Wales and was incorporated by guarantee on 25 November 1966. It has no share capital and the liability of each member is limited to £1.00. The governance document is the Articles of Association, which can be found on the Society's website, on Companies House, or is available by request.

The Society's Trustees are also Directors of the Company. Trustees pay due regard to the Charity Commission guidance on public benefit and commission annual audits of Society activities to ensure compliance.

Governance Committee Structure

The Biochemical Society delivered its mission and charitable objectives in 2021 through its members, who were represented on the Council of Trustees and its contributing subcommittees, as well as the Executive Management Committee. A structure of all related committees can be found on the Society's website.

- Council of Trustees

The Council of Trustees is the governing body of the Biochemical Society. It meets four times a year and addresses Society strategy and matters reserved for consideration by Directors/Trustees. Its full composition is detailed on page 25 of this report. During the period covered by this report there were 14 Trustees, as shown on page 25.

- Executive Management Committee

The Executive Management Committee has the remit of overseeing the implementation of the Society strategy, as set by the Council of Trustees. It meets a minimum of five times a year and met 10 times in 2021. It comprises the Chair of the Executive Management Committee, the Honorary Treasurer, the Chair of Portland Press Board, an Independent Member (not otherwise appointed to a sub-committee of the Council of Trustees) and the Chief Executive Officer.

- Finance Committee

The Finance Committee has delegated authority to oversee financial matters on behalf of the Council of Trustees and make recommendations for action. Final authority remains with the Trustees. It meets four times a year and is comprised of the Honorary Treasurer, Chair of the Executive Management Committee, Chair of the Board of Portland Press Limited, and two Independent Members appointed from outside the Society with expertise in general financial and charity financial matters. Independent Members are appointed via an external recruitment process overseen by the Honorary Treasurer and a further member of the Finance Committee.

- Audit Committee

All audit activity is initially managed by the Audit Committee, which is chaired by an

independent appointee from outside the Society membership, with demonstrable skills and experience in compliance and audit-related matters. The Honorary Treasurer attends by request. The President of the Society may not attend these meetings.

- Additional Sub-Committees of the Council of Trustees

In addition to the above, within 2021, the Council of Trustees also had the following subcommittees:

- Awards Committee
- Conferences Committee (into which three Theme Panels feed: Basic Bioscience Theme Panel, Clinical and Translational Research Theme Panel and Training Theme Panel)
- Early Career Advisory Panel
- Education, Training and Public Engagement Committee
- Equality, Diversity and Inclusion (EDI) Advisory Panel
- Grants Committee
- Industry Advisory Panel
- Publications Committee
- Policy Advisory Panel
- Nominations Panel

Elections and Appointment of Trustees

The Society is keen to encourage as wide a representation of its members as possible amongst its Trustees, as well as ensuring sufficient breadth of skill and experience. Members are invited to stand for election through announcements placed on the website and delivered directly by email, or via post if no valid email address is held. During 2021, the Society used Civica Election Services to manage both the nominations and elections processes, providing the members with a straightforward nominations platform, and ensuring an additional layer of scrutiny to the process. The nominations process is overseen by the Nominations Panel and scrutinized by the Audit Committee. These committees are mindful of the particular skills of existing Trustees and Committee Members and areas of Trustee skills that might be strengthened.

Trustee Induction and Access to Training

On appointment new Trustees receive an induction pack consisting of all key Society governance documents (including the Articles of Association and Society By-Laws), the annual Accounts for the previous financial year, and an outline of the responsibilities of key Officers of the Society, Terms of Reference for all Society Committees and Sub-Committees, and the Society Risk Register. Trustees who will have specific responsibility for a Committee/Sub-Committee also receive copies of the minutes from any appropriate meetings that have taken place within at least the last 12 months.

All Trustees are required to sign-up to the Code of Conduct containing a confidentiality agreement and register any applicable interests upon the Society's Interests Register, which is updated throughout the year and available for review upon request. This information is managed and maintained and is reviewed at the beginning of all Trustee meetings.

All Trustees are invited to attend an induction comprising introductory sessions on charity management, law and governance, as well as the responsibilities of Trustees. Where Trustees require additional skills, enhancements to pre-existing skills, or EDI-related training (for example on 'unconscious bias') this is provided.

Statement of Trustee Responsibilities

The Trustees (who are also Directors of the Biochemical Society for the purposes of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable legislation and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs for the Charitable Company and of the income resources, and the application of resources, of the Charitable Company for the period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice and FRS-102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable organization will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- insofar as each Trustee is aware, there is no relevant audit information for which the Charitable Company's Auditor is unaware; and
- they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Charitable Company's Auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom (particularly in England and Wales) governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Management of the Society's Business and Activities

The Trustees have delegated the authority to manage the Society to the Chief Executive Officer (CEO) who reports on the performance of the Society against the strategic and operational plans approved by the Trustees. The Chief Executive is supported by other members of the Senior Management Team (SMT) which, as of 31 December 2021, comprised of the CEO, Director of Publishing, Head of Content and Engagement, Head of Conferences and Events, Head of Human Resources, EDI and Technology and the Head of Finance and Governance. The SMT progress the Society's activities and strategy, and members deputize for the CEO in her absence. All Heads of Department report to the CEO or a Director.

The structure of SMT was reviewed as a result of the Director of Publishing's departure and approved by the Executive Management Committee in March 2022. The new structure consists of the CEO, Associate Director of Content and Engagement, Associate Director of Events and Marketing, Associate Director of Finance and Governance, Associate Director of HR, EDI and Technology and Associate Director of Business Development and Sales. All Associate Directors report to the CEO.

Portland Press Limited

Portland Press is a trading subsidiary wholly owned by the Biochemical Society, responsible for publishing, marketing, selling and distributing the Society's journals and other publications, as well as offering related services to third parties.

Portland Press has its own Board of Directors, on which sit three Society Trustees. The full membership of the Portland Press Board of Directors in 2021 is listed on page 25.

The Group employs three personnel responsible for Human Resources utilizing 40% of their time. The remaining 60% of their time is contracted, via Portland Press Limited, to provide HR guidance to the Microbiology Society, Society for Experimental Biology, and Society for Applied Microbiology.

The Society started working remotely from March 2020 due to COVID-19 restrictions. On 27 November 2020, the Trustees of the Society elected to continue remote working for a period of 2 years starting in October 2021 (the point at which they had considered it potentially safe to begin face-to-face activities), with an initial interim review beginning in March 2022, or 6 months after the commencement of bi-monthly face-to-face all staff meetings. Desks are made available at the RSB offices in central London for staff who are unable to work from home or who wish to continue working in an office environment. This agreement also provides the Society with access to RSB meeting rooms at a discounted rate.

Principal Risks and Uncertainties

Risk Management

In addition to overseeing the annual audit, the Audit Committee undertakes detailed reviews of the Society's Risk Register, wherein measures to mitigate individual risk are agreed and monitored. The outcomes of these reviews are reported to the Trustees and inform their deliberations when making decisions affecting the Society.

Principal Risks

The Trustees consider the principal risks to the Society to be as follows:

- Changing government funding policies for science and higher education in a major region and/or open access mandates (including Plan S) adversely affect research or library budgets thereby leading to (i) reduced ability to generate previous levels of income via subscription content, and/or (ii) reduced submissions to Society journals.
- Liability for the Biochemical Society Pension Scheme and/or proportional liability for the USS deficit damages the Society's financial stability and ability to deliver member and community activities. The actuarial estimate is that the Biochemical Society Pension Scheme will be balanced by mid-2027 and the Society is paying deficit contributions of £285k each year from 2021 to 2027 with a one-off additional payment of £400k which was also made during 2021.
- Changes to publishing-related governmental policy in China impacting upon article submissions to the Society's journals and diminishing revenues from the *Bioscience Reports* journal.
- Errors in Business Technology infrastructure negatively impacting the ability of the business to undertake key operational, publishing and/or society-related activities.
- Portland Press transition to open access plans leading to drop in revenue and/or return to the Biochemical Society.
- World events impacting on financial markets and the economy resulting in losses to the Society's investment portfolio, increases in cost base and reduction of revenue.

Mitigating activities, both pro-active and reactive, associated with each risk are identified by the 'Risk Owner' within the Senior Management Team and presented to the Audit Committee for discussion. The application and efficacy of mitigations are approved by the Council of Trustees under guidance from the Audit Committee. The Trustees consider that the plans outlined within the mitigations currently listed within the Group Risk Register (including the regular updating of business and strategic plans; scrutiny of the Society's accounts against budget; review of key performance indicators throughout the year; and close engagement with trends within the sector) will address these risks.

Biochemical Society Trustees

The following are Members of the Council of Trustees (Board of Trustees and Directors of the Society) or were members of the Council of Trustees for the year under review and up to the date of this report:

Charles Peter Downes	Society President
Sheila Graham	Society Chair and Chair, Executive Management Committee
Frank Sargent	Honorary Treasurer
Stefan Roberts	Honorary Meetings Secretary (up to 31 December 2021)
Derry Mercer	Honorary Policy Officer (from 1 January 2021)
Richard Reece	Chair, Portland Press Limited Board of Directors
Helen Watson	Chair, Education, Training and Public Engagement Committee
Luciane Vieira de Mello	Chair, Training Theme Panel
Michelle West	Chair, Basic Bioscience Theme Panel (up to 31 December 2021) Honorary Meetings Secretary (from 1 January 2022)
Joanne Edwards	Chair, Clinical and Translational Research Theme Panel (up to 31 December 2021)
Martin Pool	Local Ambassador Representative
Dominika Gruszka	Early Career Member Representative
Malcolm Weir	Industry Representative (up to 31 December 2021)
Augustin Amour	Interim Industry Representative (from 25 November 2021)
Lisa Chakrabarti	Chair, Basic Bioscience Theme Panel (from 1 January 2022)
Martin Lindley	Chair, Clinical and Translational Research Theme Panel (from 1 January 2022)

Directors of Portland Press Limited

The following were Directors of Portland Press Limited for the year under review:

Richard Reece	Chair, Portland Press Ltd Board of Directors
Matthew Cockerill	Non-Executive Director
Philip Garner	Non-Executive Director
Peter Richardson	Non-Executive Director
Sheila Graham	Non-Executive Director and Chair, Biochemical Society
Frank Sargent	Non-Executive Director and Honorary Treasurer, Biochemical Society
Kate Baillie	Executive Director and Managing Director, Portland Press Ltd and CEO, Biochemical Society
Malavika Legge	Executive Director and Director of Publishing, Biochemical Society

Senior Management Team

Kate Baillie

CEO, Biochemical Society and Managing Director, Portland Press

kate.baillie@biochemistry.org

Adam Hughes (to 23 August 2021)

Director of Operations

adam.hughes@biochemistry.org

Malavika Legge (to 25 May 2022)

Director of Publishing

malavika.legge@biochemistry.org

Ivana Knyght (to 31 March 2021)

Director of Society Programmes

ivana.knyght@biochemistry.org

Kofo Balogun (from 6 April 2021)

Head of Human Resources, EDI and Technology

Kofo.balogun@biochemistry.org

Clare Curtis (from 6 April 2021)

Head of Content and Engagement

clare.curtis@biochemistry.org

Lorraine Reese (From 6 April 2021)

Head of Conferences and Events

lorraine.reese@biochemistry.org

Doug Armin (From 25 August 2021)

Head of Finance and Governance

Doug.armin@biochemistry.org

Key contacts

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

National Westminster Bank Plc
100 The Crescent
Colchester
CO4 9GN

Solicitors

Bates Wells LLP
10 Queen Street Place
London
EC4R 1BE

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Investment managers

Newton Investment Management Ltd (part of BNY Mellon)
160 Queen Victoria Street
London
EC4V 4LA

Registered office

Biochemical Society
First Floor
10 Queen Street Place
London
EC4R 1BE

Company Secretary

Adam Hughes (to 6 August 2021)

Financial review

The Group's results for the year are set out in the Statement of Financial Activities on page 43.

The financial statements 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 follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102) effective 1 January 2019).

Total income from Charitable Activities was £4,199,000 (2020: £4,765,000) which included income of £3,873,000 (2020: £4,509,000) from publishing activities.

Portland Press continued to operate successfully throughout 2021, despite seeing decreased submissions and publications when compared with 2020. As a consequence, revenue generated from per-article charges (Article Publishing Charges/APCs) for 2021 reduced by £345,000 compared to 2020. This is largely owing to the high number of papers that needed to be rejected from *Bioscience Reports* on grounds of publishing integrity.

Journal sales revenue (including subscriptions and sales under the transitional *Read & Publish* model) declined by £298,000 in 2021 to £3,111,547 with £429,000 generated from new *Read and Publish* deals. This represents a significant share of what was subscription income in previous years that has been rewired in 2021 in favor of transformative deals supporting 'read' access and OA (open access) publishing.

Having successfully transformed our events agenda into a fully operational online offering last year we continued to build on this success with a number of webinars and online training events which sold out. As in-person meetings returned towards the end of 2021, we continued to adapt our offerings to ensure we could accommodate both in-person and online audiences, with two hybrid scientific meetings taking place in line with the relaxation of government restrictions. These initiatives ensured that revenue for the year from Scientific Conferences activities was £97,000 (2020: £5,000) and from Policy, Education and Professional activities was £29,000 (2020: £12,000).

Revenue from Membership fees dropped for a second consecutive year to £191,000 (2020: £231,000). This is being addressed in 2022 through a review of membership data, marketing campaigns to lapsed members and the infrastructure review.

Total expenditure relating to Charitable Activities has increased to £4,769,000 (2020: £4,241,000) but was within the operating budget.

Expenditure relating to Scientific Conferences for the year was £711,000 (2020: £531,000) and the increase in part relates to the additional number of events held during 2021 compared to 2020.

Total expenditure relating to Charitable Activities accounts for a charge of £673,735 (2020: £4,444) to staff employment costs that is a result of the USS Pension Scheme liability at year end. See note 15 to the accounts for further information.

On an operating basis, and before accounting for other recognized gains and losses, the Group made a surplus for the year of £444,000 (2020: £811,000).

The majority of the Society's funding comes from publishing activities (see below), other major sources stem from membership subscriptions, conference registration fees and sponsorship, totaling £393,000 (2020: £256,000) and investment income of £104,000 (2020: £105,000).

The Society's charitable expenditure, excluding Portland Press trading activities, amounted to £1,705,000 (2020: £1,541,000).

Portland Press Limited, the Society's trading subsidiary, made a pre-tax profit for the period of £1,223,456 (2020: £2,160,000 profit). These profits will be distributed to the Society during 2022 under deed of covenant and are included in the figures stated above.

The Biochemical Society Staff Pension Scheme, a defined benefit scheme, was closed to new entrants and future accrual from March 2011. The Society currently offers staff the opportunity to be members of the Universities Superannuation Scheme, a multi-employer defined benefit scheme. In line with Pensions regulations this is the scheme in which all Society employees are initially 'auto-enrolled'. This is summarized further in Note 15.

The Society accounted for net gains on investments of £858,000 from the equity investments.

After accounting for these items, the Group made a net deficit of £42,000 (2020: £1,651,000 surplus) for the year, with closing reserves of £12.4 million (31 December 2020: £12.4 million).

Reserves Policy and Going Concern

The Society plans to fund its ongoing charitable activities from its free reserves.

Free reserves are the unrestricted funds not designated for other purposes and readily available in the short to medium term. For this purpose, free reserves are calculated as 'Other Charitable Funds' less the value of intangible assets. As at 31 December 2021 free reserves amounted to £12.3 million (2020: £11.9 million).

The Trustees consider it ideal to maintain a level of reserves representing 12 months of committed Society expenditure, including pension scheme deficit funding, with lower and upper bounds of 6 to 18 months. This policy is intended to provide a sufficient buffer without accumulating unnecessary levels of reserves.

As at 31 December 2021, the Society had free reserves sufficient to cover 31 months of charitable expenditure. This is above the level of free reserves as outlined by the policy and is as a result of selling freehold and investment property during 2019 with the sale proceeds not being reinvested back into property. The Trustees carried out an investment strategy review during the first half of 2021 and in 2022 will review the reserves policy in line with the current financial climate and in the context of the wider landscape with threats to declining subscription income.

Following the events of 2020 relating to COVID-19 the Trustees made the decision to halt the proposed purchase of permanent premises and, in November 2020, made the decision to adopt a longer-term remote working trial for staff on a 2-year trial basis. Whilst this action is not in direct consequence of any requirement to make cost savings following the impact of COVID-19, these savings further strengthen the financial position of the Group in uncertain times.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate, particularly after taking the impact of the COVID-19 pandemic and the current economic climate into account. They have reassessed the business plans, income and expenditure projections and taken into account the Charity's reserves levels. Their conclusion is that there is no significant doubt about the Charity's ability to continue operating as a going concern.

Portland Press undertook a fresh profitability analysis for 2022 and 2023 considering scenarios based on market information, with assumptions ranging from a best-guess outcome to a worst-case scenario. Profit is anticipated even in the most extreme scenario modelled.

By May 2022, Portland Press had already received 88% of its budgeted revenue for 2022 subscription sales totaling £2.8m

We remain alert to the possibility of future disruption due to the evolving nature of the COVID pandemic and current economic climate but note that the income-generation functions remain entirely equipped to operate at full capacity online, with remote working in place and monitoring of market conditions.

The Group currently holds significant values of cash at bank in addition to a significant level of liquid investments held as part of an investment portfolio.

The Trustees have made their assessment for a period of at least one year from the date of approving the financial statements and are assured that the Group and Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements and hence a material uncertainty does not exist.

Remuneration Policy

The Trustees, being the Non-Executive Directors of the Society, receive no direct remuneration for the duties they undertake on behalf of the Society.

All employee remuneration is benchmarked against similar positions within the sector and against comparative professional positions where possible. The Council of Trustees delegates the responsibility for setting the budget for 'cost of living'-related increases, as well as the level of funds available for performance-related bonuses to the Finance Committee. Responsibility for management of general staff remuneration levels, as well as the allocation of performance-related bonuses, is delegated to the Remuneration Committee.

Investment policy

The *Articles of Association* give the Trustees the power to invest as necessary to support the promotion of the objects of the Society.

The Society's equity investment assets are managed through a pooled fund, the 'Newton Sustainable Growth and Income Fund for Charities'. This fund allows exposure to investments which would not be economically available to the Society within a segregated fund and provides cost-efficient means of investment management. All our investments are ethically screened in line with the Society's current investment policy.

The delegated management of assets remains with Newton Investment Management Limited, a subsidiary of BNY Mellon. The overall investment objective is to generate capital growth over the long term (5 years or more) without taking undue risk, whilst also ensuring ethical principles around investment practices are met. Focus on Environmental, Social and Governance (ESG) considerations are enhanced by incorporating Newton's full Sustainable Investment Process. This objective is to be achieved principally by investing in the Newton Sustainable Growth & Income Fund for Charities. Total investment performance is expected at the minimum to exceed, over the medium to long term, the returns to be achieved on cash deposits.

No investments are made into companies predominantly involved in the production of tobacco products or armaments.

Although a reasonable and consistent level of income and growth is expected, the performance of the investment managers is essentially judged on the total return of income plus capital growth minus investment management fees. The performance of the unrestricted fund investments is benchmarked against a parcel of indices. The managers are expected to outperform these indices.

The equity investment fund outperformed its comparative index over the year achieving a return of 16% against a comparative index performance of 13.4%. At 31 December 2021, the investment portfolio was valued at £5,925,966 including cumulative unrealized gains of £2,178,765.

Due to the COVID-19 pandemic, the current economic climate and the subsequent ongoing market risk, Trustees and Senior Management are closely monitoring the performance of the investment portfolio and the inevitable impact that these conditions will have on it.

The Trustees have reviewed the current investment policy during 2021 in line with a review of the reserves policy and the Society is in the process of transitioning to a more diversified portfolio which will reduce its dependence on the performance of a single investment fund.

Auditor

BDO LLP were reappointed in 2021 and offer themselves for reappointment as Auditor.

Trustees' Approval

In approving the Trustees Annual Report, the Trustees are also approving the Strategic Report in their capacity as Trustees of a charitable group.



Professor Sir Pete Downes
President
Biochemical Society



Professor Sheila Graham
Chair, Executive Management Committee
Biochemical Society

Date: 21st July 2022

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE BIOCHEMICAL SOCIETY

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Society's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources and the Parent Society's 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 Companies Act 2006.

We have audited the financial statements of the Biochemical Society ("the Society") and its subsidiary ("the Group") for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and Society statement of financial position, the consolidated statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Society 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.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The other information comprises: Strategic report on Group activities and Governance and Management. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Society and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 by the Parent Society, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Society 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 Statement of Trustee Responsibilities, the Trustees (who are also the directors of the Society 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 determines 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 Group's and the Parent Society'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 Group or the Parent Society 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 the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Group and Society. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Group and Society are complying with those legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of the Society and subsidiary company minutes.
- We assessed the susceptibility of the Group and Society's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. As part of this assessment we discussed the outcome of specific investigations with the Trustees of the Charity and external advisors.

- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

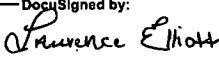
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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 Society'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 Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Laurence Elliott (Senior Statutory Auditor)
 For and on behalf of BDO LLP, statutory auditor
 London, UK
 Date: 10 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Accounting Policies

The below financial statements 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 follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS 102) effective 1 January 2019). The Biochemical Society meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared under the historical cost convention except that investments are valued at fair value (see below). The principal accounting policies of the Group, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below and have been consistently applied to the years presented, unless otherwise stated. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

Basis of preparation: Going Concern

The financial statements are prepared on a going concern basis.

The Trustees consider it ideal to maintain a level of reserves representing 12 months of committed Society expenditure, including pension scheme deficit funding, with lower and upper bounds of 6 to 18 months. This policy is intended to provide a sufficient buffer without accumulating unnecessary levels of reserves.

As at 31 December 2021, the Society had free reserves sufficient to cover 31 months of charitable expenditure. This is above the level of free reserves as outlined by the policy and is as a result of selling freehold and investment property during 2019 with the sale proceeds not being reinvested back into property. The Trustees have carried out an investment strategy review during the first half of 2021 and reviewed the reserves policy in line with the current financial climate and in the context of the wider landscape with threats to declining subscription income.

Subscription income received relating to the 2022 subscription cycle had already reached ~£2.8M (88% of budget) at the end of May 2022, and the full year forecast remained at ~£3.17M. This demonstrates that Portland Press continues to operate for the foreseeable future and can continue to meet its obligations as and when they fall due

Portland Press undertook a fresh profitability analysis for 2023 considering scenarios based on market information, with assumptions ranging from a best-guess outcome to a worst-case scenario. Profit is anticipated even in the most extreme scenario modelled.

Whilst the Society benefits from the gifting of profits by Portland Press Limited, enabling it to widen its reach, given the strength of its financial position, the Society does not need to rely on future profits in Portland Press to support its operations.

The Group is forecasting a small deficit for the 2022 financial year and currently holds in excess of £4m cash at bank which is in addition to a significant level of liquid investments held as an investment portfolio which had a market value in excess of £9.4m at June 2022.

After considering the current state of reserves, the significant values of cash held at bank, the year to date cash received for the 2022 subscription cycle and the Portland Press 2023 profitability analysis, it is the opinion of the Trustees that the Group is adequately financed to continue its activities for the foreseeable future, and also, that both the Society and Portland Press Limited are going concerns.

The Trustees have made their assessment for a period of at least one year from the date of approving the financial statements and are assured that the Group and Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements and hence a material uncertainty does not exist.

Basis of consolidation

The Group financial statements consolidate those of the Society and of its principal subsidiary undertaking drawn up to 31 December 2021. Surpluses or deficits on intra-group transactions are eliminated in full. The results of the trading subsidiary have been incorporated on a line-by-line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the Society have not been presented because the Society has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

CDH Limited is not consolidated as it is a non-controlling investment (see note 19).

Use of judgements and estimates

In preparing these consolidated financial statements, management has made certain judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Information about assumptions used and estimation uncertainties in the year ended 31 December 2021 is included in the following note:

Note 15 – Pensions

Certain elements of the Group's accounting policies and disclosures require the measurement of fair values. Where third-party information, such as broker quotes or pricing services, is used to measure fair values, then evidence is obtained from third parties to support the conclusion that such valuations meet the requirements of FRS 102.

Income recognition

Income is recognized when the Group 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 the amount can be measured reliably.

Donations and gifts are included in full in the statement of financial activities when receivable, provided that there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the precondition has been met.

Investment income comprises dividends receivable during the accounting period and interest receivable on listed and unlisted investments.

Income against journal subscription sales as well as sales of a 'transformative' nature (i.e., *Read & Publish* sales) are deferred across evenly divided amounts throughout the annual duration of the subscription. Article Publishing Charges for open access (i.e., APC income) is recognized, on a per-article basis, in the month that the relevant article is published.

Membership fees are recognized as income evenly in the period for which the customer has paid for access to the goods and services. Amounts received for future periods are included in creditors as subscriptions in advance (note 12).

Meetings and conference income is recognized in the period in which the meeting or conference is held.

Expenditure

Expenditure is recognized 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.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Premises, IT and HR overheads have been allocated on a basis of headcount and administration and finance costs on the basis of time spent on those areas by staff. IT expenditure directly attributable to a category has been charged to it.

Raising funds are those costs incurred in attracting voluntary income, in managing the Society's investments, and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with the core work of the Society in promoting the advancement of biochemistry.

Governance costs include those incurred in the governance of the Group and its assets and are primarily associated with constitutional and statutory requirements. These costs are shown as part of charitable activities.

Allocation of support costs

Support costs are those functions that assist the work of the Society but do not directly undertake charitable activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. Costs are allocated through activity-based costing using the most appropriate method e.g., staff time, transaction numbers, headcount.

Property, plant and equipment depreciation

In general, fixed assets costing less than £500 are not capitalized.

Property plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost or valuation, less estimated residual value, of each fixed asset held for charity use by equal annual instalments over their expected useful economic lives.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The periods generally applicable are:

Equipment and furniture 3–5 years

Intangible assets

The costs of developing the new membership fulfilment system and publishing online hosting system were capitalized as an intangible asset. These costs are being amortized by equal annual instalments over 3 years.

Investments

Investments are measured at fair value based on the bid price at the statement of financial position date. Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities. Those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably are recognized at cost less impairment.

Stock

No value has been placed on stock of unsold copies of books and journals published.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. All exchange gains and losses on settled transactions are reported as part of the surplus or deficit for the year.

Taxation

No provision is made for direct taxation on income as the Society is a registered charity and its income is therefore exempted from United Kingdom direct taxation to the extent that it is applied to the Society's charitable purposes.

The adoption of FRS 102 paragraph 29.14A, no tax charge arises on the profits of Portland Press Limited (PPL) where these profits are distributed to the Society under gift aid within 9 months of the period end. A tax charge does not therefore normally arise in the financial statements, except to the extent that the amount gift aided falls short of the taxable profits. These gift aid payments are recognized in the PPL financial statements as distributions through equity rather than as an expense through the statement of comprehensive income. The gift aid payments are recognized on the accrual basis where a legal obligation to make a distribution exists at year end.

Fund accounting

Restricted funds are to be used for specific purposes laid down within their objects.

Expenditure for these purposes is charged to the fund.

Unrestricted funds are incoming resources received or generated for expenditure on the general objectives of the Group.

Designated funds are unrestricted funds which have been designated for specific purposes by the Trustees.

The Fixed Asset Fund represents the net book value of the Group's fixed assets as shown in note 6.

Cash and cash equivalents

Cash and cash equivalents, for the purpose of the statement of cash flows, comprise cash in hand and short-term deposits with an original maturity date of three months or less.

Debtors

Debtors are recognized initially at fair value. A provision for impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Any losses arising from impairment are recognized in the statement of financial activities.

Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest model.

Termination and redundancy pay

In addition to statutory redundancy payments, enhanced redundancy pay is determined on a case-by-case basis and is conditional upon the completion of term to notice and settlement agreement. In addition to any agreed lump-sum payment, enhanced redundancy pay can also cover other items such as costs relating to specific learning and development.

Pensions

The Society operates defined benefit pension provision through two Schemes, the Biochemical Society Pension Scheme and the Universities Superannuation Scheme (USS).

Biochemical Society Pension Fund

Biochemical Society operates a pension scheme for all qualifying employees. The assets of the Scheme are held in a separate trustee-administered fund. The Biochemical Society Staff Pension Scheme was closed to new entrants and future accrual with effect from 1st March 2011, and employees were given the opportunity to join the USS from this date.

The defined net benefit pension asset or liability in the statement of financial position comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is only recognized to the extent that it is recoverable by the Society and a pension asset is only recognized when rules entitle the Society to either reduced contributions in the future or a refund.

The cost of providing benefits is determined on an actuarial basis using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations). The current service cost and costs from settlements are charged against operating surplus. Past costs are spread over the period until the benefit vests. Net interest on the net defined liability during the reporting period is included in other finance costs.

Re-measurements, comprising actuarial gains and losses and the return on the net defined benefit liability (excluding amounts included in net interest) are reported as other recognized gains and losses in the statement of financial activities.

Universities Superannuation Scheme (USS)

The Society participates in the USS. Throughout the current and preceding periods, the Scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Biochemical Society is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the Society has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the Society recognizes a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Amounts received under gift aid from Portland Press Limited (PPL)

PPL is a wholly owned subsidiary undertaking of the Biochemical Society, 10 Queen Street Place, London, EC4R 1BE. PPL distributes substantially all of its distributable profits to the Society under gift aid. Income received under gift aid is credited to the Society's Income and Expenditure account on the accruals basis, where a legal obligation to make the distribution exists at year end.

Leased assets

For leases regarded as operating leases, payments made are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

Consolidated Statement of Financial Activities for the year ended 31 December 2021

Including Consolidated Income and Expenditure Account

	2021	2020
	Total	Total
Note	£'000	£'000
Income from:		
Donations and sponsorship	67	-
Charitable Activities		
Scientific Conferences	97	5
Membership fees	191	231
Policy, Education, Professional	29	12
Journals	3,873	4,509
Other	9	8
Other Trading Activities		
Investment income	3 104	105
Total income	4,370	4,870
Expenditure	4	
Raising Funds		
Investments	1	(20)
Charitable Activities		
Membership recruitment	2	5
Membership	402	389
Grants and Awards	49	53
Scientific Conferences	711	531
Policy, Education, Professional	299	379
Journals: Production	2,707	2,402
Journals: Distribution	9	12
Administration: Portland Press Limited	348	286
Governance Costs	242	184
Other		
Interest on defined benefit pension schemes	14	36
Taxation	-	-
Total Expenditure	4,784	4,257
Net (expenditure) / income before gains & losses	(414)	613
Net gains on investments		
Realized	8 -	-
Unrealized gain	858	198
Net Income before other gains c/f	444	811

**Consolidated Statement of Financial Activities for the year ended 31 December 2021
(cont.)**

		2021	2020
		Total	Total
	Note	£'000	£'000
Net Income before other gains b/f		444	811
Other recognized gains and losses			
Investment impairment release		1	2
Actuarial (losses) / gains on defined benefit pension scheme	15	(487)	838
Net Movement in funds relating to the year		(42)	1,651
Fund balances brought forward 1 January		12,377	10,726
Fund balances carried forward 31 December		12,335	12,377

Net income before other recognized gains and losses for the year of £444k comprises £304k net income for unrestricted funds and a £140k net income in restricted funds

Included in total income and expenditure is restricted income of £17k, restricted expenditure of £16k and restricted gains on investments of £139k

Total funds brought forward include £1,181k relating to restricted funds and total funds carried forward include £1,321k relating to restricted funds

All activities are continuing

The accompanying accounting policies (on pages 37 to 42) and notes (on pages 48 to 62) form an integral part of the financial statements.

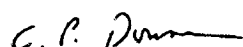
Statement of Financial Position as at 31 December 2021

		Group		Society	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	6	9	9	9	9
Intangible Assets	7	2	64	2	64
Investments	8	7,079	6,221	7,079	6,221
Total Fixed Assets		7,090	6,294	7,090	6,294
Current Assets					
Debtors	11	361	542	4,573	3,449
Cash at bank and in hand		8,900	8,930	2,354	3,913
Total Current Assets		9,261	9,472	6,927	7,362
Current Liabilities					
Creditors	12	(4,016)	(3,190)	(1,683)	(1,081)
Net current assets		5,245	6,282	5,244	6,281
Net Assets excluding long term pension liability		12,335	12,576	12,334	12,575
Long term defined benefit pension liability	15	-	(199)	-	(199)
Total net assets		12,335	12,377	12,334	12,376
The Funds of the Charity					
Restricted Funds	9	1,321	1,181	1,321	1,181
Unrestricted Funds					
Fixed Asset Fund	10	9	9	9	9
Other Charitable Funds	10	9,641	10,191	9,641	10,191
Revaluation Reserve	10	2,645	1,787	2,645	1,787
Non-charitable trading funds	10	1	1	-	-
		12,296	11,988	12,295	11,987
Pension Reserve	15	(1,282)	(792)	(1,282)	(792)
Total Unrestricted Funds	10	11,014	11,196	11,013	11,195
Total Charity Funds	10	12,335	12,377	12,334	12,376

The financial activities above include £1,618,000 of net incoming and £2,122,000 of outgoing resources relating to the charity. Further details are included in Note 17.

Total income comprises £4,353,000 for unrestricted funds and £17,000 for restricted funds. A detailed analysis of income by source is provided in the statement of financial activities.

The financial statements were approved and authorised for issue by the Trustees of the Biochemical Society



Professor Sir Peter Downes
President

Date: 21st July 2022



Professor Sheila Graham
Chair

Company number: 00892796

The accompanying accounting policies (on pages 37 to 42) and notes (on pages 48 to 62) form an integral part of the financial statements.

Consolidated Statement of cash flows for the year ended 31 December 2021

Note

		2021 £'000	2020 £'000
Cash flows from operating activities	A	(127)	553
Cash flows from investing activities			
Dividends from investments	104	105	
Purchase of property, plant and equipment	(8)	(8)	
Investment of impairment release	1	2	
Net cash provided by investing activities		97	99
Change in cash and cash equivalents in the year		(30)	652
Cash and cash equivalents at beginning of year		8,930	8,278
Cash and cash equivalents at end of year	B	8,900	8,930

Notes to the Statement of Cash Flows

A. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income for the year	444	811
Depreciation	8	12
Amortisation of intangible asset	62	90
(Gains) on investments	(858)	(198)
Interest and rents from investments	(104)	(105)
Decrease in debtors	181	70
Increase / (decrease) in creditors	811	(163)
Closed pension scheme deficit funding	(685)	-
Pension scheme costs charged	-	-
Pension schemes interest	14	36
	<u>(127)</u>	<u>553</u>

B. Analysis of cash and cash equivalents

Cash at bank and in hand	<u>8,900</u>	<u>8,930</u>
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Analysis of changes in net funds

Current year	1 Jan 2021 £'000	Cash- flows £'000	Other non- cash changes £'000	31 Dec 2021 £'000
Cash and cash equivalents				
Cash	8,930	(30)	-	8,900
Overdrafts	-	-	-	-
Net Funds	8,930	(30)	-	8,900
Prior year	1 Jan 2020 £'000	Cash- flows £'000	Other non- cash changes £'000	31 Dec 2020 £'000
Cash and cash equivalents				
Cash	8,278	652	-	8,930
Overdrafts	-	-	-	-
Net Funds	8,278	652	-	8,930

Notes to the Financial Statements

1. Statutory information

The Biochemical Society is a Charity registered with the Charity Commission, registration number 253894 and is also registered as a Private Limited Company, domiciled in England & Wales, company number 00892796. The financial statements are presented in Sterling (£'000's)

2. Income from subsidiary company

The Charity has one wholly owned trading subsidiary, which is incorporated in England & Wales as Portland Press Limited, 10 Queen Street Place, London, EC4R 1BE, company number 02453983. It is principally engaged in the publication and distribution of scientific journals. Portland Press pays substantially all of its profit to the Biochemical Society.

A summary of Portland Press Limited's results is shown below. Audited financial statements are held with the Registrar of Companies.

Statement of comprehensive income and retained earnings for the year ended 31 December 2021

	2021 £'000	2020 £'000
Turnover	3,975	4,522
Cost of Sales	(2,153)	(1,948)
	1,822	2,574
Administrative expenses	(508)	(413)
	1,314	2,161
Exchange (losses) / gains	(91)	(2)
Interest received	-	1
	1,223	2,160
Reserves brought forward	1	1
Profit for the year	1,223	2,160
Distribution to the Biochemical Society under gift aid	(1,223)	(2,160)
	1	1

Portland Press Limited's Statement of Financial Position is summarized as follows:

Current Assets	6,777	5,356
Current Liabilities	(6,776)	(5,355)
	1	1

The turnover and profit is attributable to the publication and distribution of scientific journals and books.

Portland Press Limited taxable profit for the year was £1,223,456 (2020: £2,160,396). An amount of £1,223,456 will be distributed to the Biochemical Society under gift aid in 2022. A Deed of Covenant was established during 2019, which allowed for this distribution to be recognized in the Comprehensive Income in Portland Press Limited. Therefore, no corporation tax is expected to be recognised in respect of profits generated in 2021.

3. Investment income

	2021 £'000	2020 £'000
Listed investments (including unit trusts)	104	105

4. Analysis of expenditure

<i>Current year analysis</i>	Staff Costs £'000	Support Costs £'000	Other £'000	2021 £'000
Cost of generating funds				
Cost of investment	-	-	1	1
Charitable expenditure				
Membership recruitment costs	-	-	2	2
Membership	262	54	86	402
Grants payable				
Grants to individuals	-	-	25	25
Royal Society of Biology	-	-	15	15
Summer Vacation Studentships	-	-	2	2
Scientific Outreach	-	-	6	6
STEM Insight	-	-	-	-
In2science UK	-	-	1	1
Scientific conferences	531	44	136	711
Policy, Education, Professional	240	22	37	299
Journal and Books: Production	1,359	93	1,255	2,707
Journal and Books: Distribution	-	-	9	9
Administration: Portland Press Ltd	214	54	80	348
Governance	129	22	91	242
Pension schemes interest	-	-	14	14
Total outgoing resources	2,735	289	1,760	4,784

<i>Prior year analysis</i>	Staff Costs £'000	Support Costs £'000	Other £'000	2020 £'000
Cost of generating funds				
Cost of investment	7	-	(27)	(20)
Charitable expenditure	-	-	-	-
Membership recruitment costs	-	-	5	5
Membership	294	62	33	389
Grants payable				
Grants to individuals	-	-	11	11
Royal Society of Biology	-	-	23	23
Summer Vacation Studentships	-	-	(2)	(2)
Scientific Outreach	-	-	22	22
STEM Insight	-	-	(2)	(2)
In2science UK	-	-	1	1
Scientific conferences	386	35	110	531
Policy, Education, Professional	225	26	128	379
Journal and Books: Production	902	86	1,414	2,402
Journal and Books: Distribution	-	-	12	12
Administration: Portland Press Ltd	176	47	63	286
Governance	97	14	73	184
Pension schemes interest	-	-	36	36
Total outgoing resources	2,087	270	1,900	4,257

Analysis of expenditure continued

The breakdown of support costs is as follows:

	Admin and Finance £'000	IT support £'000	Total Support £'000
<i>Current year analysis</i>			
Membership	40	14	54
Scientific Meetings	34	10	44
Policy, Education, Professional	17	5	22
Journal and Books: Production	43	50	93
Administration: Portland Press Ltd	46	8	54
Governance Costs	17	5	22
	197	92	289

	Admin and Finance £'000	IT support £'000	Total Support £'000
<i>Prior year analysis</i>			
Membership	47	15	62
Scientific Meetings	29	6	35
Policy, Education, Professional	20	6	26
Journal and Books: Production	55	31	86
Administration: Portland Press Ltd	41	6	47
Governance Costs	12	2	14
	204	66	270

Expenditure that was incurred by Portland Press is included above and is itemized in Note 2.

Expenditure amounting to £16,000 (2020: £13,000) in respect of restricted funds is included in other costs above.

Net income is, after charging:

	2021 £'000	2020 £'000
Payments to auditor - Biochemical Society	24	17
Payments to auditor - Portland Press Ltd	24	17
Payments to auditor - taxation services	-	3
Payments to auditor - other services	30	-
Irrecoverable VAT	16	47
Depreciation of tangible fixed assets	8	12
Amortisation of intangible assets	62	90
	91	2
Loss on currency revaluations		

5. Employees

	2021 £'000	2020 £'000
Staff costs during the year were as follows:		
Wages & Salaries (including allowances)	1,554	1,632
Social Security costs	172	174
Pension costs	947	278
Staff costs before redundancy and termination	2,673	2,084
Redundancy and termination	60	4
Staff costs including redundancy and termination	2,733	2,088
Closed pension scheme deficit funding	685	-
Total staff costs	3,418	2,088

Included in pension costs is £947,000 (2020: £278,000) in respect of the defined benefit Universities Superannuation Scheme.

Further details on Pension Scheme costs are shown in note 15.

Included within Redundancy and termination costs are £18,906 (2020: £4,040) of enhanced costs relating to redundancies.

The average number of employees of the Society during the year was 39 (2020: 41).

3 Trustees (2020: 8) have received a total of £394 (2020: £2,647) in respect of reimbursed travel and accommodation costs incurred in attending Society meetings. Trustees do not receive remuneration.

Salaries paid during the year together with accrued redundancy and termination costs, but excluding pension contributions, exceeding an annual equivalent remuneration of £60,000 were in the following bands. Relevant Redundancy payments for employees included within these bands amount to £nil (2020: £nil):

Salaries including redundancy payments	2021	2020
£60,001 to £70,000	1	4
£70,001 to £80,000	2	-
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-

Salaries paid during the year, excluding redundancy payments and pension contributions, exceeding an annual equivalent remuneration of £60,000 were in the following bands:

Salaries excluding redundancy payments	2021	2020
£60,001 to £70,000	1	4
£70,001 to £80,000	2	-
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-
£150,001 to £160,000	-	1
£150,001 to £160,000	1	-

Key Management compensation	£'000	£'000
Salaries and short-term employee's benefits (incl NIC and pension)	779	504

As at 31 December 2021, the Society's senior management structure is formed of the CEO and Managing Director; Director of Publishing; Head of Human Resources and EDI; Publisher; Head of Conferences and Events; and Head of Finance and Governance

6. Tangible Assets
The Society and the Group

	Equipment & Furniture £'000	Total £'000
Cost or Valuation		
At 1 January 2021	251	251
Additions	8	8
Disposals	-	-
At 31 December 2021	<u>259</u>	<u>259</u>
Depreciation		
At 1 January 2021	242	242
Charge for the year	8	8
Disposals	-	-
At 31 December 2021	<u>250</u>	<u>250</u>
Net book value at 31 December 2021	9	9
Net book value at 31 December 2020	<u>9</u>	<u>9</u>

7. Intangible Assets

The Society and the Group

	Software Development £'000
Cost	
At 1 January 2021	64
Additions	-
Amortisation	(62)
Disposals	-
At 31 December 2021	<u>2</u>
At 31 December 2020	<u>64</u>

8. Investments

	2021 £'000	2020 £'000
The Society and the Group		
Equity Investments at fair value		
Fair value at start of year	6,221	6,023
Less disposals at cost	-	-
Add: acquisitions at costs	-	-
Net gain on revaluation	858	198
Fair value at end of year	<u>7,079</u>	<u>6,221</u>
Historical cost at end of year	<u>4,434</u>	<u>4,434</u>

Unrealized gains on investments for the year of £858,000 comprised of £718,000 gains for unrestricted funds and £140,000 gains for restricted funds.

Equity investments are managed through a pooled fund, the Newton Growth Fund for Charities, listed in the UK, and are valued at fair value through the statement of financial activities.

The Society had held a non-controlling investment in Charles Darwin House limited, a private company formed to manage Charles Darwin House, the Society's previous headquarters, which was sold in 2019. At the time of writing Charles Darwin House Limited is in voluntary liquidation as a solvent business and is expected to be struck off in Spring 2022. During 2021, the liquidators declared and paid a first and final distribution to members of the company.

9. Restricted Funds The Society and the Group	Balance	Movement in funds			Balance
	1 January	Incoming	Expenditure	Investment	31 December
	2021	Resources	& Transfers	Gains	2021
	£'000	£'000	£'000	£'000	£'000
Keilin Memorial Lecture Fund	59	1	-	5	65
Morton Memorial Lecture Fund	64	1	(2)	5	68
Harden Legacy Fund	183	3	-	22	208
Centenary Award Fund	122	1	-	11	134
Krebs Memorial Scholarship Fund	396	8	(14)	68	458
Eric Reid Fund for Methodology	316	3	-	28	347
Randle Lecture Fund	12	-	-	-	12
Synthetic Biology Fund	29	-	-	-	29
	1,181	17	(16)	139	1,321

Prior year analysis

Restricted Funds The Society and the Group	Balance	Movement in funds			Balance
	1 January	Incoming	Expenditure	Investment	31 December
	2020	Resources	& Transfers	Gains	2020
	£'000	£'000	£'000	£'000	£'000
Keilin Memorial Lecture Fund	60	-	(2)	1	59
Morton Memorial Lecture Fund	62	1	-	1	64
Harden Legacy Fund	175	3	-	5	183
Centenary Award Fund	118	1	-	3	122
Krebs Memorial Scholarship Fund	381	8	(9)	16	396
Eric Reid Fund for Methodology	307	3	-	6	316
Randle Lecture Fund	14	-	(2)	-	12
Synthetic Biology Fund	29	-	-	-	29
	1,146	16	(13)	32	1,181

Keilin Memorial Lecture Fund

The Keilin Fund was instituted in 1964 by means of an appeal to commemorate the late David Keilin and income is used to pay for the costs of the speaker in giving a lecture, generally every other year.

Morton Memorial Lecture Fund

The fund was instituted in 1978 following an appeal at which some £3,400 was received in donations. Income from the fund is used to pay for the speaker's costs in giving a lecture biennially at a meeting of the Society and at the University of Liverpool. The lecture commemorates R.A. Morton.

Harden Legacy Fund

In his will in 1940 Sir Arthur Harden left funds to support publication of original scientific research. The income from the fund can be applied to assisting scientists with their travel and accommodation costs incurred in attendance of Harden conferences.

Centenary Award Fund

In recognition of the Society's centenary in 2011, this fund was created through the merger of the former Jubilee Lecture and the Hopkins Memorial Lecture funds. The Centenary Award Fund facilitates an annual award to a biochemist of distinction from any part of the world, with the award winner presenting a Sir Frederick Gowland Hopkins Memorial Lecture.

Krebs Memorial Scholarship Fund

The Krebs fund resulted from an appeal launched in December 1982 to commemorate the life and work of Sir Hans Krebs. Income from the fund is used to fund a postgraduate scholarship in Biochemistry or allied biomedical science, tenable at any British university. The Scholarship, awarded every year, is primarily intended to help candidates whose careers have been interrupted for non-academic reasons beyond their own control and/or who are unlikely to qualify for a grant.

Restricted Funds continued

Eric Reid Fund for Methodology

This fund has been renamed from the Guilford Bench Methodology Fund in memory of the late Dr Eric Reid, and was set up through funds provided by him from a trust which he co-founded in 1981. It was set up with the aim of assisting 'non big league' investigators in bypassing benchwork bottlenecks. The fund's Capital is sufficient to award about eight grants each year. The fund is akin to the Royal Society of Chemistry's Research Fund, but extends to paying for vacation help.

Randle Lecture Fund

This fund was instituted in honour of the late Professor Sir Philip Randle who was one of the world's foremost researchers into mammalian metabolism. Income from the fund is used to finance a biennial award lecture by globally selected nominated scientists on the basis of their contribution to the understanding of mammalian metabolism.

Synthetic Biology Fund

This fund has been created by the organisers to underwrite future years' conferences.

In the opinion of the Trustees, all funds have adequate resources to fulfil their ongoing obligations.

10. Unrestricted and Other Charitable Funds

The Society and the Group	Balance 01 Jan 2021 £'000	Net Utilised £'000	Transfer £'000	Balance 31 Dec 2021 £'000
Unrestricted Funds				
Fixed Asset Fund	9	-	-	9
Other Charitable Funds	10,191	308	(858)	9,641
Revaluation Reserve	1,787	-	858	2,645
Non-charitable trading funds	1	-	-	1
Pension Reserve	(792)	(490)	-	(1,282)
	<u>11,196</u>	<u>(182)</u>	<u>-</u>	<u>11,014</u>

The Revaluation Reserve represents the unrealized gains in Equity Investments (Unrestricted: £2,178,765 and restricted: £465,597).

The Pension Reserve represents the net pension scheme liability recognised in the statement of financial position (Biochemical Staff Pension scheme: £nil and Universities Superannuation Scheme: £1,282,000).

	Balance 01 Jan 2020 £'000	Net Utilised £'000	Transfer £'000	Balance 31 Dec 2020 £'000
Unrestricted Funds				
Fixed Asset Fund	13	(4)	-	9
Other Charitable Funds	9,567	822	(198)	10,191
Revaluation Reserve	1,589	-	198	1,787
Non-charitable trading funds	1	-	-	1
Pension Reserve	(1,590)	798	-	(792)
	<u>9,580</u>	<u>1,616</u>	<u>-</u>	<u>11,196</u>

The Revaluation Reserve represents the unrealized gains in Equity Investments (Unrestricted: £1,461,194 and restricted: £326,020)

The Pension Reserve represents the net pension scheme liability recognised in the statement of financial position (Biochemical Staff Pension scheme: £199,000 and Universities Superannuation Scheme: £593,377)

Unrestricted and Other Charitable Funds continued

Analysis of Net Assets of the Group's Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 December 2021 are represented by:			
Property Plant and Equipment	9	-	9
Investments	5,926	1,153	7,079
Intangible Assets	2	-	2
Current Assets	9,093	168	9,261
Current Liabilities	(4,016)	-	(4,016)
Net pension liability	-	-	-
Total net assets	<u>11,014</u>	<u>1,321</u>	<u>12,335</u>

Fund Balances at 31 December 2020 are represented by:

Property Plant and Equipment	9	-	9
Investment Properties	-	-	-
Investments	5,208	1,013	6,221
Intangible Assets	64	-	64
Current Assets	9,304	168	9,472
Current Liabilities	(3,190)	-	(3,190)
Net pension liability	(199)	-	(199)
Total net assets	<u>11,196</u>	<u>1,181</u>	<u>12,377</u>

11. Debtors

	The Group		The Society	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	133	229	2	2
Other debtors	26	119	25	119
Amounts owed by group undertakings	-	-	4,444	3,245
Prepayments and accrued income	202	194	102	83
Total debtors	<u>361</u>	<u>542</u>	<u>4,573</u>	<u>3,449</u>

12. Creditors and deferred income: Amounts falling due within one year

	The Group		The Society	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	172	114	168	110
Amounts owed to group undertakings	-	-	-	-
Social security and other taxes	(15)	62	(15)	62
USS Pension Scheme	1,282	593	1,282	593
Other creditors	155	50	16	9
Subscriptions in advance	2,089	1,953	58	97
Other deferred income	68	80	68	80
Accruals	265	338	106	130
Total creditors and deferred income	<u>4,016</u>	<u>3,190</u>	<u>1,683</u>	<u>1,081</u>

Creditors and deferred income continued

	The Group		The Society	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Analysis of deferred income				
At 1 January	2,033	1,738	177	149
Amount recognised in the year	(2,033)	(1,738)	(177)	(149)
Amount deferred in the year	2,157	2,033	126	177
At 31 December	<u>2,157</u>	<u>2,033</u>	<u>126</u>	<u>177</u>

Deferred income primarily arises from journal subscription receipts received in advance, which is then unwound through the year.

13. Capital Commitments

There were no capital commitments as at 31 December 2021 (2020: £nil).

14. Contingent liabilities

There were no contingent liabilities as at 31 December 2021 (2020: £nil). All known liabilities have been accounted for in the financial statements.

15. Pensions

The Biochemical Society operates a defined benefit pension provision through two Schemes, the Biochemical Society Staff Pension Scheme and the Universities Superannuation Scheme.

The amounts recognised in the statement of financial position are as follows:

	2021	2020
	£'000	£'000
Biochemical Staff Pension scheme (See Note 15A) - Long Term	-	199
Universities Superannuation Scheme (See Note 15B) - Short Term	1,282	593
Liability recognised in the statement of financial position	<u>1,282</u>	<u>792</u>

A. The Biochemical Staff Pension Scheme

The Biochemical Society Staff Pension Scheme provides final salary defined benefits for service up to and including 28 February 2011. The scheme is closed to new entrants and future accrual. The assets of the scheme are held in a separate trustee-administered fund and subject to independent triennial actuarial valuations.

The level of benefits provided by the Scheme depends on a member's length of service and their salary at their date of leaving the scheme.

The pension fund is subject to triennial valuations by an independent actuary. The last valuation as at 1 January 2020 showed a deficit of £2.3m and a funding level of 89%.

In conjunction with the valuation a recovery plan and schedule of contributions was agreed with the trustees of the pension fund.

The actuarial estimate is that the pension fund will be balanced by mid-2027 and the Society is paying deficit contributions of £285k each year from 2021 to 2027 with a one-off additional payment of £400k which was made during 2021.

The figures in the following disclosure were measured using the Projected Unit Method.

The pension scheme asset has not been recognised in the accounts on the basis it is irrecoverable.

Pensions continued

The principal assumptions used to calculate the liabilities under FRS102 are set out below:

Main financial assumptions

	31 December 2021	31 December 2020
	%pa	%pa
RPI inflation	3.3	3.1
CPI inflation	2.5	2.3
Pension increases RPI inflation up to 7%	3.3	3.1
Discount rate for Scheme liabilities	1.95	1.4

Main demographic assumptions

	31 December 2021	31 December 2020
Mortality		
- Base table	100% of S3PxA_L	100% of S3PxA_L
- Future improvements	CMI 2020	CMI 2019
- Long term rate	1% pa	1% pa

Expected future lifetime from age 65

- Male currently aged 65	22.7 years	22.7 years
- Female currently aged 65	24.4 years	24.3 years
- Male currently aged 45	23.8 years	23.8 years
- Female currently aged 45	25.5 years	25.5 years

Scheme asset allocation:

	31 December 2021	31 December 2020
	£'000	£'000
Target return funds	4,070	8,136
Equities	-	2,243
Bonds (including insured pensioners)	9,404	3,129
Swaps/Gilts (including cash)	8,056	6,505
Closing fair value of scheme assets	<u>21,530</u>	<u>20,013</u>

The scheme has no investments in the Society or in the property occupied by the company

Changes to the present value of the defined benefit obligation during the year:

	2021	2020
	£'000	£'000
Opening defined benefit obligation (DBO)	20,212	19,140
Interest expense on DBO	281	370
Actuarial (gains) / losses on scheme liabilities	(1,632)	1,071
Net benefits paid	(303)	(369)
Closing defined benefit obligation	<u>18,558</u>	<u>20,212</u>

Changes to the fair value of scheme assets during the year:

	2021	2020
	£'000	£'000
Opening fair value of scheme assets	20,013	18,125
Interest income on scheme assets	283	350
Gain on scheme assets	853	1,909
Contributions by the employer	685	-
Net benefits paid out	(303)	(369)
Administration expenses	(1)	(2)
Closing fair value of scheme assets	<u>21,530</u>	<u>20,013</u>
Actual return on Scheme assets	1,136	2,259

Pensions continued

Reconciliation of funded status to Statement of Financial Position:

	2021	2020
	£'000	£'000
Fair value of assets	21,530	20,013
Present value of funded benefit obligations	(18,558)	(20,212)
Funded status	<u>2,972</u>	<u>(199)</u>
Liability recognized on the Statement of Financial Position	<u>-</u>	<u>(199)</u>

The pension scheme asset has not been recognised in the accounts on the basis it is irrecoverable

Amounts recognised in Statement of Financial Activities (SOFA):

	2021	2020
	£'000	£'000
Interest on defined benefit liability	(1)	22
Past service cost	-	-
Pension (credit) / expense recognized in the Statement of Financial Activities	<u>(1)</u>	<u>22</u>
	2021	2020
	£'000	£'000
Return less interest income on scheme assets	853	1,909
Actuarial gain / (loss) on liabilities	1,632	(1,071)
Irrecoverable surplus on pension scheme	(2,972)	-
Gain / (loss) arising in the Statement of Financial Activities	<u>(487)</u>	<u>838</u>

B. Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

A new deficit recovery plan was put in place as apart of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate would have increased to 6%. The 2021 deficit recovery liability reflects this plan with £1,282,000 (2020: £593,000) being recognised in the statement of financial position.

The Society employer contributions for the year ended 31st December 2021 amounted to £273,049 (2020: £273,118). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

Pensions continued

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2020 was completed in April 2022. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2021	2020
Discount rate	2.00%	2.44%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.11%	2.11%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Male members' mortality	97.6% of SAPS S1NMA "light"
Female members' mortality	102.7% of RFV00

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI_2017 projections with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa (male) and 1.6% (female) were also adopted. The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 years	24.6	24.4
Females currently aged 65 years	26.1	25.9
Males currently aged 45 years	26.6	26.3
Females currently aged 45 years	27.9	27.7

16. Financial Instruments

	The Group		The Society	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial Assets at fair value through statement of				
Equity investments	7,079	6,221	7,079	6,221
Financial Assets that are debt instruments measured at				
Trade and other debtors	159	348	27	121
Financial Liabilities measured at amortised cost				
Trade Creditors	(172)	(114)	(168)	(110)

17. The Society's Income and Expenditure

The Society has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements.

An analysis of the differences in movements in resources between the Group and the Society is set out below:

	Unrestricted Funds £'000	Restricted Funds £'000	2021 Total Funds £'000
Incoming per consolidated statement of financial activities	4,353	17	4,370
Deduct: income of Trading Subsidiary	(3,975)	-	(3,975)
Add: gifted payments from Trading Subsidiary	1,223	-	1,223
Incoming resources - Society	1,601	17	1,618

Total expenditure per consolidated statement of financial activities	4,768	16	4,784
Deduct: expenditure of Trading Subsidiary	(2,662)	-	(2,662)
	2,106	16	2,122

Net Gains on Investments	719	139	858
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Investment impairment released	1	-	1
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Net income - Society			
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Before gains and losses as per consolidated statement of	215	140	355
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Unrealised losses on Investment properties	-	-	-
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Realise gain on sale of leasehold property	-	-	-
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Actuarial loss on defined benefit pension scheme	(487)	-	(487)
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Net movement in funds relating to the year	(272)	140	(132)
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	Unrestricted Funds £'000	Restricted Funds £'000	2020 Total Funds £'000
Incoming and endowments per consolidated statement of financial activities	4,854	16	4,870
Deduct: income of Trading Subsidiary	(4,522)	-	(4,522)
Add: gifted payments from Trading Subsidiary	2,160	-	2,160
Incoming resources - Society	2,492	16	2,508

Total expenditure per consolidated statement of financial activities	4,244	13	4,257
Deduct: expenditure of Trading Subsidiary	(2,362)	-	(2,362)
	1,882	13	1,895

Net Gains on Investments	166	32	198
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Investment impairment released	2	-	2
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Net income - Society			
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Before gains and losses as per consolidated statement of	778	35	813
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Unrealised losses on Investment properties	-	-	-
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Realise gain on sale of leasehold property	-	-	-
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Actuarial gain on defined benefit pension scheme	838	-	838
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Net movement in funds relating to the year	1,616	35	1,651
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18. Academic Support Grants

	2021 £'000	2020 £'000
Academic Support Grants paid in year	77	14

Academic Support Grants were paid to the following university departments and organisations to cover time spent by Trustees on Society business:

University of Liverpool £9,624 (2020 £nil); University of Manchester £4,812 (2020 £nil); University of Bristol £4,812 (2020 £nil); University of Glasgow £9,624 (2020 £9,624); University of Sussex £9,624 (2020 £4,812); University of Newcastle £4,812 (2020 £nil); The Francis Crick Institute £4,812 (2020 £nil); University of Kent £24,312 (2020 £nil); Novabiotics Limited £4,812 (2020 £nil)

These grants contributed towards research activities that are in alignment with the objects of the Charity.

19. Transactions with related parties

The Charity has one wholly owned trading subsidiary, which is incorporated in England & Wales as Portland Press Limited (See note 2). All transactions between the two entities during the year have been concluded under normal market conditions.

During the year, Portland Press Limited paid the Society £2.16m (2020: £2.119m), being the amount distributable to the Society under gift aid for the year ended 31 December 2020.

At the year end, the Society was owed £4.444m (2020: £3.425m) from Portland Press Limited due from group undertakings which was settled in the early part of 2022.

During the year, the Society held a non-controlling investment in Charles Darwin House Limited, a private company formed to manage Charles Darwin House, the Society's previous headquarters, which was sold in 2019. At the time of writing Charles Darwin House Limited is in the process of voluntary liquidation and in November 2021 had declared and paid a first and final distribution to its members. It is expected that the company is struck off in late Spring / early Summer 2022.

As at 31 December 2021, There were no debtor or creditor balances owing and the loan of £29,400 outstanding from Charles Darwin House Limited as at 31 December 2020 had been repaid during 2021.

Transactions with related parties continued

Details of transactions between the Group and the co-owners of Charles Darwin House Limited for the year ended 31 December 2021.

	SEB £'000	BES £'000	RSB £'000	MS £'000	SfAM £'000	TOTAL £'000
Income						
Accounting	-	-	-	-	-	-
IT / Admin / HR Service	19	-	-	65	26	110
External Events	-	-	-	-	-	-
Share of office costs	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total income	19	-	-	65	26	110
Expenditure						
Subscriptions	-	-	15	-	-	15
Grant	-	-	-	-	-	-
Grant - Sponsored Staff	-	-	-	-	-	-
Office hub costs	-	-	12	-	-	12
Other	-	-	1	-	-	1
Total Expenditure	-	-	28	-	-	28
 Balances as at 31 Dec 2021						
Debtors	6	-	-	20	4	30
Creditors	-	-	1	-	-	1

Charles Darwin House Limited (CDH Ltd) held the legal title to the properties on trust for the beneficial owners of the properties; the beneficial owners being the Biochemical Society, Royal Society of Biology (RSB), British Ecological Society (BES), Society for Experimental Biology (SEB), Microbiology Society (MS) and Society for Applied Microbiology (SfAM).

There are no other related-party transactions to disclose.