



**Society for General Microbiology
(Limited by guarantee)
Report and financial statements
31 December 2008**

**Society For General Microbiology
(Limited by guarantee)**

Report of Council (incorporating a directors' report)

Reference and administrative details of the charity, its trustees and advisors

Members of Council (who are directors of the limited company and trustees of the registered charity)

Prof. R.A. Weiss (Chairman)
Dr S.J. Assinder
Prof. M.R. Barer
Dr D.J. Blackburn
Dr U. Desselberger
Prof. C.J. Dorman
Prof. R.M. Elliott (appointed 1 January 2008)
Prof. N.A.R. Gow
Dr R.M. Hall
Dr K.R. Hardie
Prof. M. Harris (appointed 9 September 2008)
Prof. C.R. Harwood
Dr P.A. Hoskisson
Dr M.I. Hutchings
Prof. H.M. Lappin-Scott
Dr C. O'Reilly
Prof. P.C.F. Oyston
Prof. C.W. Penn
Dr G. Rowley (appointed 9 September 2008)
Prof. G.P.C. Salmond

Members of Council who retired during the financial year

Prof. I.M. Hagan (resigned 12 February 2008)
Prof. B.K. Rima (resigned 9 September 2008)
Prof. R.E. Randall (resigned 29 April 2008)

Senior Staff

Dr R.S.S. Fraser (Chief Executive and Company Secretary)
Mrs J. Hurst (Deputy Chief Executive)
Dr R. Dunford (Journals Manager)
Mr R.N. Noble (Finance Manager)

Auditor

Chantrey Vellacott DFK LLP
Russell Square House
10 – 12 Russell Square
London WC1B 5LF

Bankers

National Westminster Bank Plc
13 Market Place
Reading RG1 2EP

**Society For General Microbiology
(Limited by guarantee)**

Report of Council (incorporating a directors' report) (*continued*)

Reference and administrative details of the charity, its trustees and advisors (*continued*)

Solicitors

RadcliffesLeBrasseur
5 Great College Street
London SW1P 3SJ

Investment Managers

BlackRock
33 King William Street
London EC4R 9AS

Registered office

Marlborough House
Basingstoke Road
Spencers Wood
Reading RG7 1AG

Registered number

1039582

Registered charity numbers

England and Wales	264017
Scotland	SC039250

**Society For General Microbiology
(Limited by guarantee)**

Report of Council (incorporating a directors' report) (continued)

Structure, governance and management

The Society for General Microbiology is a company limited by guarantee, first incorporated in 1972. Its governing documents are the Memorandum and Articles of Association. In accordance with the Memorandum of Association, each of its members has undertaken to contribute to the Society a sum not exceeding £1 in the event of its being wound up while they are members, or within 1 year after they cease to be members. Detailed matters affecting membership, journals and organization of scientific meetings are set out in the Bye-Laws.

The Society is governed by a Council consisting of 24 members. Of these, 12 members are elected by postal ballot of all ordinary members of the Society, and 12 officers are chosen by Council itself. All members are appointed for their particular skills and experience, which may benefit the Society in its operation. Council, whose members serve on a voluntary basis, meets quarterly, and receives reports from or considers business raised by the President, General Secretary, Treasurer, Scientific Meetings Officer, Education Officer, Professional Affairs Officer, Industrial Liaison Officer, International Secretary, the Chair of Publications Committee, and the Editors-in-Chief of the Society's learned journals and magazine *Microbiology Today*. At 31 December 2008 there were vacancies for an Industrial Liaison Officer, Professional Affairs Officer and two elected members within Council.

The business of Council is facilitated by two standing committees, Treasurer's Committee (chaired by the Treasurer) and Publications Committee (chaired by the Chief Executive), which meet quarterly and report to the full Council. These committees comprise appropriate Society officers and representative elected members, and are attended by appropriate members of Society staff. Long-term developments are considered by the Strategy Group of representative Council members, other Society members and staff, which meets every 1 – 2 years and also reports to the full Council. From time to time, Council sets up ad hoc working parties to consider and report on specific issues.

A recommendation of the Strategy Group which met in 2007 was that Council should review its own composition and mode of operation, including its sub-committees. Accordingly, a small working party of Council members and staff researched best modern practice in governance of other learned societies and similar bodies, and took legal advice. Council approved the proposals, involving a reduction in the size of Council to six officers (President, Treasurer, General Secretary, Publications Officer, Education and Public Affairs Officer, and Scientific Meetings Officer, with updated job descriptions for each), and six elected members. A Special Resolution to amend the Society's Articles of Association was passed at the Annual General Meeting on 9 September 2008, and the revised Articles were deposited with the Charity Commission, Office of the Scottish Charity Regulator and Companies House. The changes affecting officers will come into effect in September 2009 and those affecting elected members will be completed by September 2011.

All newly appointed or elected members of Council receive an induction pack, comprising the Society's Memorandum and Articles of Association, Bye-Laws, Society mission statement and business plan, a paper describing the operation of Council, committees and the Society headquarters, organizational charts, minutes of recent Council meetings, and papers describing the duties and responsibilities of company directors and charity trustees. Newly appointed officers receive detailed job descriptions and are briefed on their specific role in the Society by staff and other officers. All members of Council are required to complete declarations of other interests, including potential competing interests, and that they are not disqualified from serving as company directors and charity trustees. Newly appointed members of Council are invited to tour the Society headquarters to meet the staff and for further informal briefing.

Structure, governance and management (continued)

The detailed planning of the Society's programme of scientific meetings up to September 2008 was carried out by 12 special interest groups, and a regional branch which organized meetings in Ireland. During the second half of 2007, a new meetings planning structure was put in place, to reflect the current scope of microbiological science more accurately, and to ensure that all areas and approaches were covered. This ran parallel with the old structure until that had delivered all meetings it had under development, which was in September 2008. A new Scientific Meetings Committee was set up, supported by five Divisions: Virology, Prokaryotic Microbiology, Eukaryotic Microbiology, Education and Irish. Planning also operates over four cross-cutting themes: Microbial Diversity and Evolution, Fundamental Microbiology, Translational and Applied Microbiology, and Infectious Diseases, to ensure co-ordination between Divisions. The first meeting to be delivered by the new structure will be held in spring 2009.

The day-to-day management of Society business is delegated to the Chief Executive, supported by the other members of the senior management team. The Society employs over 30 staff at its freehold offices, who deal with journal and magazine publication, sales and distribution, membership, scientific meetings, finance, education and careers, public and professional affairs, and general administration of the company and charity. Any new matters of policy or principle are discussed with appropriate officers or referred to full Council.

Council has formally identified the specific risks that might face the Society and its ability to function in pursuit of its charitable objectives, through compilation of a critical risk register, and has formulated policies to avoid occurrence of these risks or manage their effects. The critical risk register is reviewed and updated regularly.

The Society aims to play a full part in the wider scientific community, through its membership or support of bodies such as the Science Council, the British Science Association, the Science, Technology, Engineering and Medicine Public Relations Association, the Foundation for Science and Technology, the Biosciences Federation, the Institute of Biology, the Campaign for Science and Engineering in the UK, Sense About Science, the Parliamentary and Scientific Committee, the Federation of European Microbiological Societies, the International Union of Microbiological Societies, the Federation of Infection Societies, the Royal Institution Science Media Centre, AlphaGalileo, the Microbiology in Schools Advisory Committee, the Association for Science Education, the Association of Learned and Professional Society Publishers, the Association of British Science Writers, the UK Serials Group and the Committee on Publication Ethics. These provide wider opportunities to communicate and promote the importance of microbiology, to network and compare best practice, and to engage in collaborative and cooperative efforts.

Objectives and activities

The Society's objective, as stated in its governing documents, is *to advance the art and science of microbiology*. Microbes and processes controlled by microbes are of great importance for human society, as causes of human, animal and plant diseases, in food production and spoilage, in the environment and nutrient cycles, and in many industrial processes. Understanding and ability to control or live alongside microbes convey important and widespread public benefits. The Society promotes achievement of these by:

- Organizing and supporting regular scientific meetings at centres throughout the UK and abroad, where microbiologists can meet to hear and discuss the latest research findings.
- Supporting the international congresses organized by the International Union of Microbiological Sciences and Federation of European Microbiological Societies, including provision of grants to enable attendance by members.
- Publishing four major international journals, *Microbiology*, *Journal of General Virology*, *International Journal of Systematic and Evolutionary Microbiology* and *Journal of Medical Microbiology*, for the dissemination of scientific knowledge.
- Awarding prize lectures and honorary membership to recognize scientific excellence.
- Keeping members and others, including the general public, informed of current developments in professional, scientific and public interest matters in microbiology, through publication of the quarterly magazine *Microbiology Today*, websites and by other means.

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Report of Council (incorporating a directors' report) (continued)

Objectives and activities (continued)

- Representing the science and profession of microbiology on a number of biological committees and organizations, in the UK and internationally, and to opinion formers and government, thereby exerting influence on science policy and education, regulatory affairs, and international co-ordination and collaboration.
- Promoting microbiology as a career for young people, for example by increasing awareness of microbiology in schools, by developing and freely distributing teaching resources, by provision of training courses for teachers and technicians, by awarding prizes, and by providing financial support for young scientists to attend scientific meetings and for vacation studentships.
- Promoting the understanding of microbiology by the public, and the dialogue between them and microbiologists, including work to achieve balanced and accurate coverage of microbiological issues in the media, and recognition of the importance of microbiology for human and animal health, the environment, food and water and other industries.
- Aiding the development of microbiology and microbiological education in developing countries.
- Running an efficient and cost effective headquarters, reflecting best practices in learned society operations, to provide a high quality service to members and other participants in Society activities, and to follow good employment procedures for staff.

The Society is a membership organization, and Council's policy is to encourage the involvement of members and other microbiologists in Society activities and the achievement of its charitable objectives. These 'volunteers' include not only Council and committee members, but also speakers and other contributors at Society scientific meetings, members of the editorial boards of the Society's journals and referees, and authors of submitted papers, and those who contribute as specialist experts to media enquiries and government consultations.

Achievements and performance in 2008

The year 2008 was a successful one for the Society, with all main activities achieving good performance, whether measured by the quality and quantity of the outputs, or financially. To reflect the extent of its activities in Scotland, and to comply with legislation recently introduced by the Scottish Government, the Society registered as a Scottish charity. The Society continues to be registered as a charity in England and Wales. A new category of Associate Membership was introduced for 2008, to make it easier for those at the early stages of their careers, and those with lower earnings, to benefit from the Society's educational and career development activities.

The Society organized two main scientific meetings. The largest, the spring meeting at the Edinburgh International Conference Centre, spanned four days and attracted 1,318 delegates for its programme of lectures, offered papers, poster sessions and workshops on diverse aspects of microbiology. A smaller four day meeting at Trinity College Dublin in September 2008 attracted 600 delegates. Three Society prize lectures were delivered at these meetings. Both meetings included some sessions organized jointly with other organizations, including the Institution of Chemical Engineers and the Bioscience for Business Knowledge Transfer Network. The Society's Irish Branch continued its active programme, with a meeting in Galway and strong involvement in the Trinity College Dublin main meeting. Regional meetings sponsored jointly with the Society for Applied Microbiology were held in Dundee, Leeds, The Wirral and Bristol. The Society supported the Federation of Infection Societies 2008 Conference in Cardiff and held joint specialist meetings with the Biochemical Society (St Andrews), the Royal Microscopical Society (London), and the Bio-organic Group of the Royal Society of Chemistry (London). The Society was strongly represented at the triennial Congresses of the International Union of Microbiological Societies 'IUMS', held in Istanbul, with an exhibition stand, grants to members to attend, and full participation in the work of IUMS committees and assemblies.

Achievements and Performance (continued)

Twelve issues of each of the Society's four journals were published, totalling 12,000 pages, just below the all-time record. Overall, the journals attracted record numbers of submitted articles, with *International Journal of Systematic and Evolutionary Microbiology* and *Journal of Medical Microbiology* continuing their particularly strong growth. The journal impact factors were maintained. Authors of a number of papers chose to pay the optional 'open access' charge, whereby their papers were made freely available online at the time of publication. A number of research funding agencies made funds available for this purpose, although the overall percentage of papers published with immediate open access was very small.

The entire archive of the *International Journal of Systematic and Evolutionary Microbiology*, back to volume 1 issue 1, and consisting of more than 25,000 pages, was scanned and published online, in time for the triennial meeting of the International Committee on Systematics of Prokaryotes. Complete back runs of the *Microbiology* and *Journal of Medical Microbiology* were assembled and sent for scanning during the year, a further 155,000 pages. The back archive of *Journal of General Virology*, some 78,000 pages, had been published online in 2007. In support of the Society's charitable objective to provide public benefit by the dissemination of knowledge, the entire online back content of all four journals will be made freely available worldwide without charge. Four issues of *Microbiology Today* were published, containing news and informative articles. As well as being sent to all members, including school corporate members, the magazine has been more widely circulated to opinion formers and the media. Most of the content is also freely available on the SGM website.

The Society continued to participate actively in a number of national and international bodies, to increase its ability to foster the advancement of microbiological science for the public benefit. The Education Officer continued as chair of the Biosciences Federation Education Committee, and chaired the Higher Education Academy subject review of microbiology, in which the Deputy Chief Executive was also involved. The review was published in 2008. The Chief Executive was a member of the Bioscience Federation Journals Committee, which carried out research exercises on learned society responses to open access publishing, and on author attitudes and behaviour. The Society again participated in the *Science and the Parliament* and *Science and the Assembly* events organized in Edinburgh and Cardiff respectively by the Royal Society of Chemistry. As part of the *Microbiology Awareness Campaign*, an event was organized in Dublin for Irish and Northern Irish parliamentarians and for the Irish microbiological community. Contributions were made to responses to consultations by government and other bodies such as the Royal Society, either through the Biosciences Federation, or by the Society in its own right. Numerous media releases were sent out about discoveries reported in the Society's journals and meetings, and received extensive media coverage worldwide, with several thousands of articles published or broadcast. In a new development, the Society started a monthly podcast, *Micropodonline*, on microbiological issues in the news (jointly with the Society for Applied Microbiology), and monthly podcasts (*MicrobeTalk*) of interviews with authors of articles in the Society's journals. The Society held discussions with the new Chief Executive of the Medical Research Council on research priorities and funding and on open access publishing. The Department of the Environment, Food and Rural Affairs engaged the Society to convene an independent panel of experts to review research on bovine tuberculosis; the report was published in October 2008. The Society continued to provide membership administration and financial support services to the European Society for Clinical Virology, and financial support services to the International Union of Microbiological Societies.

The Society continued its educational activities aimed at schools and the general public, and provided information about microbiological issues to the media and government. Careers information and resources for microbiology teaching were distributed free of charge to schools, and 76 teachers, 56 PGCE (post graduate certificate in education) students and 83 school technicians attended ten 1-day practical microbiology training courses organized and delivered by the Society. Undergraduate prizes were awarded to pre-honours students in 52 university departments. The Society also provided financial support for Nuffield Science Bursaries, which enable students in the first year of an advanced or higher-level science course to take up paid scientific project placements for four-six weeks, and for development of the Nuffield Practical Biology website.

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Report of Council (incorporating a directors' report) (continued)

Achievements and Performance (continued)

The year 2007 had seen a major restructuring of the Society's grant giving activity, to match more accurately the groups of people most likely to require and benefit from support. A new addition for 2008 was support for medical trainees doing laboratory-based microbiology projects. In 2008 in all, 65 vacation studentships, 608 conference grants and 18 research visit grants were awarded, to a total value of £310k. Expenditure on grants for developments in microbiology teaching, and for microbiology in developing countries, amounted to £51k.

Further enhancements were made to office information technology systems, to improve efficiency, technical capability and continuity of service. In the journals offices, the migration of all four journals to the online submission system Bench>Press was successfully completed, and there were further developments of the Bench>Press post-acceptance module and of the 'eXtyle' software allowing enhanced autoredaction of authors' manuscripts. The triennial re-tendering of the journal typesetting and print contracts was successfully completed and competitive prices were negotiated.

Staff turnover in 2008 was again very low.

Financial review

Results for the year

The Society's results for the year are set out in detail in the statement of financial activities on pages 12 and 13 which incorporates the income and expenditure account. Council has reviewed the results for the year and the position at the year end and considers them to be satisfactory.

The principal funding sources have continued to be income from sales of publications, investment income, membership subscriptions, and meetings registration fees and exhibitor charges.

The Society has continued expenditure on meetings support, grants, education and careers, professional affairs and public awareness.

Reserves policy

It is the policy of Council to maintain sufficient funds to meet its objectives and obligations on a long-term basis. To this end, the unrestricted general reserves (see note 12) are considered necessary to cover both capital requirements and recurring and non-recurring expenditure over a reasonable period. It is the objective of the Society to utilize fully each current year's net income after providing for non-recurring items. Council's policy is that significant proportions of the income from publishing activities are used to support the Society's scientific meetings, for educational activities, and for grants to young microbiologists, to encourage their career development. The Society has a number of other designated funds, which are represented by investments. The purpose of these funds is detailed in note 13 to the financial statements. A possible future threat to journal subscription is the 'open access' movement, which is agitating for online journal articles to be made freely available at shorter and shorter times after publication, with possible threats to subscription income. The extent to which this can be mitigated by charging authors a publication fee in exchange for immediate open access to individual papers remains to be seen. Council has therefore identified a £2 million sum in the reserves, to help the Society to come through any difficult transitional period, while preserving its spend on charitable activities.

Investment policy and objectives

The Society's objectives for its investment portfolio are to achieve growth in excess of inflation, while permitting income withdrawal for support of charitable activities. The investment managers are given a target income, and for 2008 exceeded this due mainly to growth in dividends. The investment portfolio is benchmarked against appropriate indexes, and over the longer time frames, generally outperformed the benchmarks. However, over the course of 2008 it underperformed the benchmark by -15.3% against -13.0%. The fund containing the Society's main investment in UK equities excludes investment in tobacco manufacturing companies.

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Report of Council (incorporating a directors' report) (continued)

Plans for future periods

It is intended that all major activities will be continued.

Two main meetings will be held in 2009, at the Harrogate International Centre and at Heriot-Watt University, Edinburgh. Detailed plans for future meetings to 2013 will continue to be developed.

The Society will support the third FEMS Congress of European Microbiologists in Göteborg in June/July 2009. The Society will continue to support the Federation of Infection Societies Conferences in 2009 and 2010.

The facility allowing authors to make optional payments for their articles to be made open access at the time of publication will continue to be monitored, and if necessary extended to meet the demands of research funders. Trends in traditional subscription income will be monitored. During 2008, publishing industry consultants were engaged to assist development of proposals to move the Society's journals to a tiered subscription pricing model from 2010, based on the size and type of institution, and these proposals will be put to Treasurer's Committee and Council in February 2009.

Efforts will be continued to increase the impact factors of the journals, and to increase the usage of published articles.

Digitization and online publication of the complete archive of back content of articles for the four journals will be completed.

A number of educational resources published by the Society will be updated and new ones produced, including *Microbes, the Good, the Bad and the Ugly* for Key Stages 3 and 4, *Micro-organisms*, a set of looseleaf booklets, teaching aids and CD for Key Stage 5, new editions of the *Tuberculosis* and *Cold Wars* factfiles, and a new poster on microbial diversity.

Further *Microbiology Awareness Campaign* events will be organized, for parliamentarians and opinion formers in Ireland and Westminster.

Restrictions on distribution

The Memorandum of Association prohibits the distribution of income and property of the Society to the members. Upon dissolution or winding up of the Society the assets shall be given or transferred to some similar institution or institutions having objects similar to the Society.

Tax status

The Society is entitled to exemption from taxation on income and capital gains to the extent that its funds are applied for charitable purposes.

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor will be put to the members at the Annual General Meeting.

**Society For General Microbiology
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Report of Council (incorporating a directors' report) (continued)

Statement of Council's responsibilities

Council are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The financial statements are required by law to give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period.

In preparing these financial statements Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

Each member of Council has taken all steps that they ought to have taken as Council members in order to make themselves aware of any information relevant to the audit and to ensure that the auditor is aware of all relevant audit information. As far as each Council member is aware, there is no relevant audit information of which the Society's auditor is unaware.

Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council is responsible for the maintenance and integrity of the Corporate and financial information included on the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of Council

R.S.S. Fraser

Dr R.S.S. Fraser
Company Secretary

Approved by Council on

8 May 2009

**Society For General Microbiology
(Limited by guarantee)**

**Independent auditor's report to the members of
Society For General Microbiology (Limited by guarantee)**

We have audited the financial statements of Society For General Microbiology (Limited by Guarantee) for the year ended 31 December 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditor

As described in the Statement of Council's Responsibilities the charitable company's directors (who also act as Council for the charitable activities of the charitable company) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We report to you whether in our opinion the information given in the Report of Council is consistent with the financial statements.

We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Council's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation in the financial statements.

**Society For General Microbiology
(Limited by guarantee)**

Independent auditor's report to the members of Society For General Microbiology (Limited by Guarantee)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and of its incoming resources and application of resources including its income and expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulation 2006; and
- the information given in Council's report is consistent with the financial statements.

Chantrey Vellacott DFK LLP

CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditor

LONDON

Date: 8/5/09

Chantrey Vellacott DFK LLP

**Society For General Microbiology
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Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 December 2008

	Notes	Unrestricted funds General £'000	Designated £'000	2008 Total £'000	2007 Total £'000
Incoming resources					
Incoming resources from generated funds					
Investment income		398	-	398	306
Incoming resources from Charitable activities					
Publication income		2,699	-	2,699	2638
Membership fees		199	-	199	186
Scientific meetings and conferences		219	-	219	374
Other income		63	-	63	5
Total incoming resources		3,578	-	3,578	3,509
Resources expended					
Costs of generating funds					
Investment management costs		25	-	25	37
Charitable expenditure					
Publication costs		1,923	56	1,979	1,951
Membership administration		78	-	78	80
Scientific meetings and conferences		671	-	671	592
Office and administration		69	-	69	71
Grants and awards	2	361	-	361	258
Careers and promotion		404	-	404	262
Other		39	-	39	-
Governance costs	4	10	-	10	13
Total resources expended		3,580	56	3,636	3,264
Net (outgoing)/ incoming resources for the year before transfers					
c/f to page 13		(2)	(56)	(58)	245

The notes on pages 15 to 23 form part of these financial statements

**Society For General Microbiology
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Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 December 2008

	Notes	Unrestricted funds General £'000	Designated £'000	2008 Total £'000	2007 Total £'000
Net (outgoing)/ incoming resources for the year before transfers b/f from page 12		(2)	(56)	(58)	245
Transfer between funds		(56)	56	-	-
Net (outgoing)/ incoming resources before other recognised gains and losses		(58)	-	(58)	245
Other recognised gains and losses					
Gains/(losses) on investment assets					
Realised		-	-	-	198
Unrealised	8	(2,123)	-	(2,123)	543
Revaluation of property		-	-	-	15
Net movement in funds for the year		(2,181)	-	(2,181)	1,001
Fund balances brought forward		11,860	458	12,318	11,317
Fund balances carried forward		9,679	458	10,137	12,318

All the above amounts relate to continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages 15 to 23 form part of these financial statements

**Society For General Microbiology
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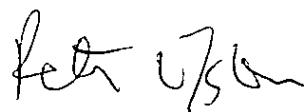
Balance sheet

31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	7	1,020	1,024
Investments	8	9,317	11,190
		<u>10,337</u>	<u>12,214</u>
Current assets			
Stock of stationery		3	4
Debtors	9	405	212
Cash at bank and in hand (including deposits)		1,680	2,107
		<u>2,088</u>	<u>2,323</u>
Creditors: amounts falling due within one year			
Sundry creditors		353	325
Deferred income	10	1,935	1,894
		<u>2,288</u>	<u>2,219</u>
Net current (liabilities) assets		<u>(200)</u>	<u>104</u>
Net assets		<u>10,137</u>	<u>12,318</u>
Unrestricted funds			
General	12	9,679	11,860
Designated	13	458	458
Total funds		<u>10,137</u>	<u>12,318</u>

Approved and authorised for issue on 8 May 2009 and signed on its behalf by Council.





Dr D.J. Blackburn

Professor P.C.F. Oyston

The notes on pages 15 to 23 form part of these financial statements

**Society For General Microbiology
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Notes to the financial statements

Year ended 31 December 2008

1. Accounting policies

i) Basis of accounting

The financial statements are prepared under the historical cost basis of accounting as modified by the revaluation of land and buildings and investments, and are prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005, and applicable Accounting Standards.

A separate income and expenditure account has not been prepared as the information required by the Companies Act 1985 is given in the statement of financial activities on pages 12 and 13 and in the notes to the financial statements.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

ii) Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

iii) Tangible fixed assets

Assets with a cost in excess of £100 and which have an expected useful life of over one year are capitalised.

Depreciation is provided on all fixed assets, other than freehold property, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Office equipment, fixtures and fittings	- at 25% or 20% p.a. on a straight line basis
Motor vehicles	- at 25% p.a. on a straight line basis

Contrary to Financial Reporting Standard 15, no depreciation is provided on freehold buildings as it is Council's policy to maintain its premises in such condition that their future useful economic life is not diminished by the passage of time. Such expenditure is charged to revenue in the year in which it is incurred. As a consequence any amount of depreciation would in the opinion of Council be immaterial and no provision for depreciation has been made.

**Society For General Microbiology
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Notes to the financial statements

Year ended 31 December 2008

1. Accounting policies (*continued*)

iv) Investments

The fixed asset investments are carried at market value.

Investment income includes the appropriate tax deductions and tax credits and interest accrued on all fixed-interest stocks.

v) Income and expenditure

Income from membership and publication subscriptions is included in the statement of financial activities in the period to which it relates. Subscription receipts in advance are recorded as deferred income

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot directly be attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

vi) Foreign currencies

Transactions in foreign currencies, principally US dollars, are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are converted at the year end exchange rate. All exchange differences are reflected in the income and expenditure account. The Society also operates a US Dollar Exchange Fund (see ix b).

vii) Stock

Stock is valued at the lower of cost and net realisable value.

viii) Pensions

The Society operates defined contribution pension arrangements, the assets of which are held separately from those of the Society in independently administered funds. Contributions are charged to the income and expenditure account as they become payable.

ix) Funds

Council's policy is to plan in advance for substantial future commitments and to provide for them by way of appropriations from general funds to designated funds. The costs of these projects when they arise are then charged directly to these funds. The designated funds in existence at the year end and their purposes are set out below:

a) Journal page equalisation

All costs reflecting substantial adverse or favourable variances between the estimated and actual numbers of pages in the Society's journals are debited or credited to this fund.

b) US dollar exchange

This fund is designed to protect the Society against adverse movements in the US dollar exchange rate during the interval between the determination of dollar prices for its journals and the receipt of the appropriate remittances.

c) Journal development fund

The purpose of this fund is to finance developments in electronic publishing designed to improve the availability of information to the scientific community and promote subscriptions.

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Notes to the financial statements

Year ended 31 December 2008

1. Accounting policies (*continued*)

d) Watanabe book fund

This fund, established by a donation from T.Watanabe, makes grants to libraries in developing countries for the purchase of books relating to microbiology.

2. Grants awarded (from General Fund)

	2008 Total £'000	2007 Total £'000
Vacation studentships		
65 (2007 – 42) grants	112	74
Education Development Fund		
4 (2007 – 1) grants to fund microbiology promotion	7	1
Joint meetings fund		
5 (2007 – 4) grants	10	2
SFAM/Regional meetings		
4 (2007 – 10) grants	7	6
International development		
4 (2007 – 3) grants to fund microbiology training in developing countries	7	7
Total institutional grants	<u>143</u>	<u>90</u>
Technician taster grants		
21 (2007 – 10) grants	6	1
President's fund		
13 (2007 - 10) grants for research visits	17	26
Post-graduate meeting		
390 (2007 – 364) grants for travel and accommodation at SGM meetings	100	67
Student prizes		
53 (2007 - 49) grants	8	5
Electives		
2 (2007 – 2) grants	3	2
Seminar speakers		
16 (2007 – 14) grants to attend and speak at meetings	1	1
Retired members grants		
4 (2007 - Nil) grants	1	-
Education development fund		
0 (2007 – 1) grants	-	1
Scientific Meetings Travel Grants		
189 (2007 – 149) grants	81	64
Gradschool grant		
2 (2006 – 1) grant	1	1
Total grants to individuals	<u>218</u>	<u>168</u>
	<u><u>361</u></u>	<u><u>258</u></u>

**Society For General Microbiology
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Notes to the financial statements

Year ended 31 December 2008

3. Resources expended

	2008	2007
	£'000	£'000
Costs include:		
Auditor's remuneration:		
- Audit fees	11	15
- Other	-	3
Depreciation	40	49
	<u>51</u>	<u>67</u>

4. Governance

	2008	2007
	£'000	£'000
Audit fees	11	13
	<u>11</u>	<u>13</u>

5. Expenses reimbursed to members of Council

23 (2007: 27) members of Council were reimbursed expenses of £81,544 (2007:£82,122) relating to travel, subsistence and secretarial assistance.

6. Staff costs

	2008	2007
	£'000	£'000
Salaries	1,079	996
Social security costs	114	106
Other pension costs (see note 11)	152	137
	<u>1,345</u>	<u>1,239</u>

The number of persons employed by the Society during the year were:

	No.	No.
Editorial staff	15	15
Administration and distribution	18	17
	<u>33</u>	<u>32</u>

No member of Council received any remuneration in respect of their services to the Society.

The number of employees whose emoluments amounted to over £50,000 in the year, not including employer pension contributions, were as follows:

	2008	2007
	No.	No.
£50,000 - £60,000	2	3
£60,000 - £70,000	1	1
£80,000 - £90,000	1	1
	<u>4</u>	<u>5</u>

Contributions to the pension scheme on behalf of the employees noted above amounted to £38,517 (2007 : £44,424).

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Notes to the financial statements

Year ended 31 December 2008

7. Tangible fixed assets

	Freehold land and buildings £'000	Office equipment, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2008	950	391	11	1,352
Additions	-	36	-	36
Revaluation	-	-	-	-
Disposals	-	-	-	-
At 31 December 2008	950	427	11	1,388
At cost	725	427	11	1,163
Revaluation	225	-	-	225
At valuation	950	427	11	1,388
Depreciation				
At 1 January 2008	-	317	11	328
Provided during the year	-	40	-	40
Disposals	-	-	-	-
At 31 December 2008	-	357	11	368
Net book value				
At 31 December 2008	950	70	-	1,020
At 31 December 2007	950	74	-	1,024

Freehold land and buildings were revalued as at 13 December 2007 by an external valuer, Martin & Pole, Chartered Surveyors, on a market value basis. The original cost was £725,000.

Subsequent to the balance sheet date there has been a fall generally in UK property market values which in instances has been abnormal. Such a fall, and any corresponding adjustment required to the carrying value of the Charity's freehold property, represents a non – adjusting post balance sheet event and therefore no adjustment, should it be required, has been made. The trustees consider it is not practical or feasible in the current economic climate to give an estimate of the financial effect.

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Notes to the financial statements

Year ended 31 December 2008

8. Investments

	2008	2007
	£'000	£'000
Market value at 1 January 2008	11,190	10,523
Cash introduction/ (withdrawal)	275	(37)
Proceeds of disposals	-	7,008
Market value of disposals	-	(6,810)
Net(loss)/gain on revaluation (includes refund management fees)	(2,123)	543
Management Fees	(25)	(37)
Market value at 31 December 2008	9,317	11,190

	Cost	Cost	Market value	Market value
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Property	1,616	1,616	1,986	1,682
UK fixed interest	892	892	826	795
UK equities	5,340	5,340	3,774	5,692
Overseas equities	1,787	1,787	1,854	2,444
Cash held to order of stockbrokers, awaiting re-investment	877	577	877	577
	10,512	10,212	9,317	11,190

All investments held are listed on the London Stock Exchange.

9. Debtors

	2008	2007
	£'000	£'000
Investment income receivable	97	95
Other debtors	189	7
Prepayments and accrued income	119	110
	405	212

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Notes to the financial statements

Year ended 31 December 2008

10.	Deferred income	2008	2007
		£'000	£'000
	Institutional sales of publications in advance	1,770	1,736
	Members' subscriptions in advance	134	130
	Miscellaneous charges	31	28
		<u>1,935</u>	<u>1,894</u>
		£'000	£'000
	Balance at 1 January 2008	1,894	1,732
	Amount released to incoming resources	(1,894)	(1,732)
	Amount deferred in the year	1,935	1,894
		<u>1,935</u>	<u>1,894</u>
	Balance at 31 December 2008	1,935	1,894

11. Pensions

The Society operates defined contribution pension arrangements, the assets of which are held separately from those of the Society in independently administered funds. The pension cost charged represents contributions payable by the Society to the funds amounting to £152K (2007 - £137K).

12. Unrestricted fund – General

	Revaluation fund £'000	General fund £'000	2008 Total £'000	2007 Total £'000
Balance at 1 January 2008	1,203	10,657	11,860	10,859
Net incoming resources	-	(2)	(2)	273
Transfer to designated fund	-	(56)	(56)	(28)
Realised gains on disposal of investment assets	-	-	-	198
Unrealised gain on property	-	-	-	15
Unrealised gain on revaluation of investment assets	(2,123)	-	(2,123)	543
Transfers in relation to management charges paid/refunded	(50)	50	-	-
	<u>(970)</u>	<u>10,649</u>	<u>9,679</u>	<u>11,860</u>
Balance at 31 December 2008	(970)	10,649	9,679	11,860

Notes to the financial statements

Year ended 31 December 2008

13. Unrestricted fund – Designated	Journal page equalisation £'000	US Dollar exchange £'000	Journal development £'000	Watanabe book fund £'000	2008	2007
					Total £'000	Total £'000
Balance at 1 January 2008	130	120	200	8	458	458
Transfer from general funds	-	-	56	-	56	28
Expenses incurred	-	-	(56)	-	(56)	(28)
Balance at 31 December 2008	130	120	200	8	458	458

See accounting policy note 1x for details of the funds and their purposes.

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Notes to the financial statements

Year ended 31 December 2008

14. Analysis of net assets between reserves

	General reserves £'000	Designated reserves £'000	2008 Total £'000	2007 Total £'000
Fixed assets	10,337	-	10,337	12,214
Current assets	1,630	458	2,088	2,323
Creditors: amounts falling due within one year	(2,288)	-	(2,288)	(2,219)
	<u>9,679</u>	<u>458</u>	<u>10,137</u>	<u>12,318</u>

15. Capital commitments

The Society committed to the purchase of capital items at 31 December 2008 for subsequent delivery as follows:

	2008 £'000	2007 £'000
Computer hardware	<u>-</u>	<u>2</u>