

Company Number: 1039582
Registered Charity: 264017
Registered Charity (Scotland): SC039250



**Society for General Microbiology
(Limited by guarantee)
Report and financial statements
31 December 2014**

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

Report of Council (incorporating a director's 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) as of the end of 2014.

Prof. Nigel Brown (Chair)
Prof. Christopher Thomas (Treasurer)
Dr. Evelyn Doyle (General Secretary)
Prof. Colin Harwood
Dr. Sara Burton
Dr. Andrew Davison
Prof. Maggie Smith
Dr Paul Hoskisson
Prof. Mark Harris
Prof. John Sinclair
Prof. Ian Henderson
Dr. Pat Goodwin
Prof. David Pearce
Dr. Steve Diggle

Members of Council who retired during the financial year

None

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

Prof. Nigel Brown (Chair)
Prof. Christopher Thomas (Treasurer)
Dr. Evelyn Doyle (General Secretary)
Dr. Andrew Davison
Prof. Maggie Smith
Dr. Paul Hoskisson
Prof. Mark Harris
Prof. Ian Henderson
Dr. Pat Goodwin
Prof. David Pearce
Dr. Steve Diggle
Dr.. David Whitworth
Prof. Charles Dorman
Dr. Mike Skinner

Senior Staff

Dr Peter Cotgreave (Chief Executive from 2 June 2014 and Company Secretary - appointed 10 November 2014)
Dr. Simon Festing (Chief Executive until 30 April 2014 and Company Secretary - terminated 10 November 2014)
Mrs Dariel Burdass (Director of Communications and strategy)
Mr Leighton Chipperfield (Director of Publishing)
Mr Jas Dhesi (Senior Business Manager) – left 30/1/15
Mrs Sarah Buckman (Director of Scientific Programmes) started 5/1/15
Miss Joanne Morley (Head of Operations) started 16/3/15

Auditor

Moore Stephens LLP
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

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

Report of Council (incorporating a director's report) (continued)

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

Bankers

National Westminster Bank Plc
13 Market Place
Reading
Berkshire
RG1 2EP

Solicitors

RadcliffesLeBrasseur
5 Great College Street
London
SW1P 3SJ

Investment Managers

Until 7 July 2014

BlackRock
12 Throgmorton Avenue
London
EC2N 2DL

Appointed 7 July 2014

Waverton Investment Management Limited
21 St James's Square
London,
SW1Y 4HB

Registered office
Charles Darwin House
12 Roger Street
London
England
WC1N 2JU

Registered number

1039582

Registered charity numbers

England and Wales	264017
Scotland	SC039250

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Structure, governance and management

The Society for General Microbiology ('the Society' / 'SGM') is a company limited by guarantee, first incorporated in 1972. Its governing documents are the Memorandum and Articles of Association. These documents are all available on the Society's website.

The Society is governed by a Council consisting of 14 members. Of these, three are the executive officers, five are the appointed Chairs of Committees and six are elected by the eligible categories of membership of the Society. Members of Council and committees serve on a voluntary basis with no remuneration, but may claim reimbursement of expenses. Council normally meets quarterly, and receives reports from or considers business raised by the President and by the Committees of Council together with the staff departments.

The business of Council is informed and facilitated by a number of committees, as specified on the Society's website. These committees comprise members of the Society and external experts, with a Chair who is appointed to Council, and are attended by the respective members of staff. Matters concerning the appropriate activities of the Society are discussed in committees or referred to full Council.

All newly appointed or elected members of Council receive induction information, and are required to complete a declaration that they are not disqualified from serving as company directors and charity trustees. Members of Council also complete a Register of Interests form and abide by the SGM policy on potential conflicts of interest. The Society provides short training sessions to Council members on their duties and responsibilities as trustees and directors, and governance best practice.

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 mitigate their effects. The critical risk register is reviewed and updated regularly, at least twice a year.

The Society aims to play a full part in the wider scientific community, through its membership or support of bodies and similar organisations. 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.

The Society is a membership organisation, 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 conferences, members of the editorial boards of the Society's journals, referees, and authors of submitted papers, Society Champions and those who get involved in educational activities, or who contribute as specialist experts to media enquiries and government consultations.

The day-to-day management of Society business is delegated to the Chief Executive, supported by the Directors of departments. The Society employs over 35 staff at the freehold offices, which the Society co-owns, who work in the departments: Scientific Programmes, Communications, Publishing, and Executive (including finance, HR and operations), or in support roles. Staff names, job titles and key responsibilities can be found on the Society website together with (in most cases) photographs of staff.

In January 2014 the Society formally relocated to Charles Darwin House in London, of which it has shared ownership with the Biochemical Society, the Society of Biology, the British Ecological Society and the Society for Experimental Biology. Charles Darwin House Limited (CDHL) is the legal name of the Conference and Rental Management business also jointly owned by the named parties. The proportional shares of the premises and the Company are set out in the co-ownership agreement which has been put in place to govern the relationship between the various parties. CDHL secured a second building in furtherance of support for the CDH Biosciences hub; investment on the refurbishment of 107 Grays Inn road is due to complete in June 2015. All profits are utilised by the owner Societies, proportionate to their equity share, in furtherance of their charitable objectives.

The Society for General Microbiology completed on the sale of its previous property, Marlborough House in April 2014.

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Objectives and activities

The Society's purpose, as stated in its governing documents, is to advance the art and science of microbiology. The public benefit of the Society is achieved through the charitable activities of the advancement of education and the advancement of science. The board of trustees ensure due regard to the Charity Commission public benefit guidance when making relevant decisions to which the guidance is relevant. Activities during 2014 for each of the goals of the Society towards these public benefits are set out in more detail below.

Publishing: to contribute to the science of microbiology through high-quality, sustainable, innovative publications, delivering a high level of value to SGM, its members and the global microbiology community.

2014 saw further strides in the Society's scholarly journals and the publishing operations supporting them.

Article submissions increased to record levels. The Society's new Open Access journal, JMM Case Reports, received over 230 submissions and published over 90 articles in its first full year.

The Society continued to invest in its publishing operations in 2014. Its journals transitioned to a best-of-breed article submission platform, and a project was initiated to review online hosting arrangements.

The Society continued to embrace sustainable models of open access. A record number of authors published their article via immediate open access. The journals adopted new preprint and postprint policies, providing authors with more options to disseminate their work. Plans were initiated to launch a new Open Access journal, Microbial Genomics, in 2015.

Scientific conferences: hold world-class international scientific conferences to disseminate research knowledge and provide a forum for communication between microbiologists and to establish a community among them.

In 2014 the Society moved to a new conferences structure, hosting one main conference per year with a diverse conference programme and up to three smaller specific Focused Meetings to cater for niche communities within the discipline of microbiology. In addition, the Society continues to support a number of meetings through the Society-Supported Conference Grants, contributes to the annual meeting of the Federation of Infection Societies, and supports activities organised by the Society's Irish Division.

The 2014 Annual Conference was held at the ACC in Liverpool with a total participation of 1018 delegates from over 40 countries. Over 500 conference attendees presented their research as invited speakers or offered oral or poster presenters across a range of sessions including:

- | Conference sessions | Workshops and forums |
|---|--|
| • 10 Questions in virology | • Prokaryotic microbial infection forum |
| • <i>Pseudomonas</i> signalling, secretion and social interactions | • Environmental microbiology forum |
| • Cell cycle | • Prokaryotic cell biology forum |
| • Metabolic engineering for biotech | • Prokaryotic genetics forum |
| • Sexually transmitted and reproductive infectious diseases in humans and animals | • Virology workshop: DNA viruses |
| • Mind-altering microbes | • Virology workshop: Positive-strand RNA |
| • Viruses in the respiratory tract | • Virology workshop: Negative-strand RNA |
| • RNA and riboswitches in bacterial regulation | • Virology workshop: Clinical virology |
| • Evolution of microbial populations within the host | • Virology workshop: Retroviruses |
| • Professional microbiologist support | • Virology workshop: Respiratory viruses |

Two smaller meetings were also organized by the Irish Division in Spring and Autumn 2014, welcoming around 100 attendees at each.

As part of the Annual Conference evaluation, 21% of conference delegates responded to the survey, with 96% reporting that their objectives for attending the conference had been met. By far the most common objectives that people identified were (i) networking with others in one's own field; and (ii) updating knowledge on the latest research.

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Objectives and activities (continued)

September 2014 saw the introduction of the Society's new series of Focused Meetings. The inaugural meeting took place at Loughborough University over two full days and saw experts come together to learn and engage on the topic Emerging Challenges and Opportunities in Soil Microbiology. Themes included:

- The impact of climate change, water scarcity, flooding and agriculture on soil microbial community functioning and vice versa
- Structural and functional soil microbial diversity
- Biophysical processes affecting the life of soil microbes
- Bioengineering soil sustainability
- Spatial ecology, biogeography and (changes in) land use
- (Re)cycling of nutrients, waste and pollution

This meeting attracted 55 delegates, 26 offered papers, 13 posters, and 10 invited speakers. It was an incredibly successful event with delegates leaving extremely satisfied with all aspects of the meeting from the quality of speakers to the opportunity to network.

In November, the second Focused Meeting took place at Charles Darwin House in London over one and a half days. The topic for this meeting was *Infection Models to Investigate Microbial Disease and Antimicrobial Therapies*. Themes included:

- Models for bacterial, viral, fungal and parasite infections
- State-of-the-art in vivo imaging
- Humanised murine models, zebrafish, invertebrate, cell line models
- Models to study innate immunity, interactions with the host and invasion
- Models for drug discovery

This meeting was a short, small and intimate meeting which allowed for beneficial networking. 52 delegates attended, there were 12 invited speakers, six offered oral presentations and 13 posters. In addition, this meeting also included an exciting flash poster session allowing six more delegates to present their work.

In 2014, the Society supported the following meetings through its Society-Supported Conferences Grants scheme:

- 9th Recently Independent Virology Researcher's Meeting
- 19th Glasgow Virology Workshop
- All Island State Veterinarian's Conference – Preparing now for what the future may bring
- 12th UK Meeting on the Biology and Pathology of Hepatitis C virus
- Young Microbiologists Symposium on Microbe Signalling, Organisation and Pathogenesis
- DNA Topoisomerases in Biology and Medicine
- 5th ASM Conference on Cell-Cell Communication in Bacteria
- HPVUK 2014
- Vector-borne Diseases in the UK

Federation of Infection Societies (FIS) is the UK's largest infection-related conference, and one of the most important events of its type in the world, which draws together the wider worlds of medicine, healthcare and science. The Society is one of 16 member organisations that make up FIS. FIS 2014 was hosted by the British Society for Antimicrobial Chemotherapy (BSAC) and the Society contributed a session as a member organisation. Following on from the launch of the Society's Policy Statement on sexually transmitted infections (STI) - Microbiology and the challenge of sexually transmitted infections: Are we up to it? the Society ran a session entitled - Approaches to the prevention and treatment of sexually transmitted infections – successes and challenges. The Chair for the session was David Livermore (member of the STI expert panel) and speakers for the session included Dr Chisholm (gonorrhoea), Professor Cubie (HPV; member of the STI expert panel) and Dr Sadiq (rapid diagnostics; member of the STI expert panel).

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Objectives and activities (continued)

Professional development: to promote microbiology as a career from school level onwards, and support career and professional development of microbiologists.

The new programme of grant schemes was launched with more than 700 grants awarded across the board. 2014 saw over 50 Harry Smith Vacation Studentship recipients embarking on summer projects and 60 undergraduates were recognised for their academic success via the Undergraduate Microbiology Prizes. Our Research Visit Grant scheme helped early career researchers to travel all over the world from Uganda to New Zealand. The Microbiology in Schools Fund was awarded to several schools, enabling rigorous microbiology teaching initiatives in schools.

A review of the membership saw a realignment of existing categories, benefits packages and rates, the Champions initiative was launched to enable current members to support and promote Society activities in their local region. All measures are designed to increase recruitment, retention and engagement of the Society's members.

The Society awarded five prestigious Prize Lectures for outstanding contributions to microbiology in 2014 and invited the winners to give a lecture on their work at the Society conference the following year. The Society also hosted the Sir Howard Dalton Young Microbiologist of the Year finals and awarded the Undergraduate Microbiology Prize and the Microbiology Outreach prize.

Raising awareness: to inspire people about microbiology, and allow them to make informed decisions which recognise the importance of microbiology and its advances. This will be achieved through communication, information provision and education, to wider audiences.

The Society continues to support students, teachers and technicians by providing a range of multimedia educational resources across the key stages and post 16. For example, in 2014 the Society developed an educational play aimed at 14-16 year olds on sexually transmitted infections which is being performed in schools during 2015, and under the theme of Microbial Superheroes it developed a new suite of resources for 10-13 year olds including; a practical activity, microbial passports and animations. The Society continues to provide training in practical microbiology techniques; in 2014 the Society delivered five courses in universities which were attended by over 100 students studying for a PGCE in Secondary School Science.

The Society raises awareness of microbiology to wider audiences by participating in national events, for example, the Big Bang Fair and Cheltenham Science Festival, Big Biology Day in Cambridge, and Antimicrobial Resistance panel discussion in Cambridge and Edinburgh. The Society encourages and supports its members to take part in our events or run their own outreach activities.

The Society also raises awareness by engaging with the media, producing a range of online resources such as, Microbe Post, and having a growing presence on multiple social networking platforms such as, Twitter and Facebook. Each of our digital media channels has seen a year-on-year increase compared with the same time last year. The Society's website had over 125,000 views in 2014, the educational website Microbiology Online had almost 550,000 and the blog Microbe Post almost 15,000.

In 2014 the Society's magazine, Microbiology Today, was rebranded and its content reviewed to ensure it continues to be an engaging and inspiring source of microbiological information for members, policy-makers and the general public.

Policy work: ensure that appropriate scientific information and expert opinion is made available to policy- and decision-makers, and that the improvement of resources and infrastructure for microbial sciences is supported.

The Society has been focusing on the policy area of antimicrobial resistance (AMR). We are a founder member of the Learned Societies Partnership on AMR and are working with six other societies to provide a single and unified voice for the antimicrobial research community spanning sectors and disciplines. The Society's President, Professor Nigel Brown, addressed an audience of policy makers within Government raising the profile of the Society and the importance of microbiology in solving the issue of AMR.

The Society continues to raise the profile of microbiology by attending Parliamentary events both in Westminster and the devolved regions and through the responses it makes to Government consultations. The Society also continues to issue, on a regular basis its highly regarded topical briefing papers, which provide need-to-know information on various subjects such as antimicrobial resistance.

To ensure it continues to best serve the community, the Society has developed a Policy roadmap framework, identifying current and future global policy issues where microbiology has a key role and can provide solutions that bring about societal and economic benefits. This has been informed by three regional workshops held with members and a Policy Survey which received 120 responses. The Society will develop an action plan for delivering policy activities in line with this framework and the Society's strategy.

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Plans for the future

Council continuously reviews and develops the activities of the organisation, and has published a Strategic Plan to set appropriate priorities for the future. The strategy undergoes a review every two years, including consultation with staff and members. The latest review began towards the end of 2014 and will complete during 2015; it focuses on the ways in which the Society can support the microbiology community to help deliver the visions of a world in which the science of microbiology provides maximum benefit to society. In particular, it will seek to embed more effective coordination of activities across the various parts of the revised governance structure that was put into place in 2012.

Council publishes minutes of its meetings on the Society website for transparency and to encourage an interest in the affairs of the Society.

Most of the usual activities of the Society continue from day to day, such as publishing journals, running scientific conferences, education and outreach activity, and providing career support to microbiologists. During 2014 the Council of the Society initiated reviews of a number of areas of activity of the Society, including its international impact and its conferences. These assessments are contributing to the overall review of strategy.

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.

Total incoming resources were £4,059k (2013: £4,039k) and total resources expended were £4,044k (2013: £4,142), resulting in a net operating surplus of £15k (2013: £103k net deficit). Other recognised gains were £249k (2013: £987k), resulting in a positive net movement in funds of £264k (2013: £884k).

The principal funding sources have continued to be income from sales of publications, investment income, membership subscriptions, and meetings registration fees and exhibitor charges. An internal group has been set up look at new sources of income and ways of expanding current sources.

The Society has continued expenditure on journal publishing, scientific conferences, grants, education and careers, policy and public awareness. Directors of individual areas have been given greater responsibility for setting budgets and increasing productivity within the rolling three to five year plan.

It is the objective of the Society over a period of time to utilise fully each current year's net income after providing for non-recurring items, and so run a balanced budget. The Society expects to run a necessary (decreasing) deficit until 2017. However through stringent budget planning the Society was able to improve a forecasted deficit, to a balanced budget in 2014.

Society For General Microbiology (Limited by guarantee)

Report of Council (incorporating a director's report) (continued)

Reserves policy

It is the policy of Council to maintain sufficient funds to meet its objectives and obligations on an on-going basis. To this end, the unrestricted general reserves (see note 13) are considered necessary to cover both capital requirements and recurring and non-recurring expenditure over a reasonable period.

A possible future threat to journal income is the changing external environment. This includes financial austerity, increasing competition, and a continued drive towards open-access. The Publishing strategy has been developed to mitigate this and initiatives to provide other sources of income through Corporate Sponsorship programmes were scoped in 2014.

Investment policy and objectives

During 2014, the Society appointed Asset Risks Consultants (ARC) to assist in reviewing SGM's current investment management and assist in appointing new managers if appropriate. As part of this SGM developed for the first time an explicit Investment Policy document. The review concluded that although Blackrock had delivered growth we should be able to do better. With ARC's help SGM ran a competitive tender to appoint new investment managers and appointed Waverton.

As a result of the appointment of Waverton's as investment managers the Society's assets are now invested primarily in a portfolio of good quality companies worldwide that are chosen for both the long term value of their shares and their profitability and their potential to generate dividend income. The objective is to maximize the total long-term total return of the fund, subject to certain limitations and restrictions. The performance of the investments is monitored by the Society Finance Committee currently assisted by ARC.

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 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.

Auditors

During the year, the Society's auditors, Chantrey Vellacott DFK LLP, merged with another audit firm Moore Stephens LLP. As a result of this merger, Chantrey Vellacott DFK LLP resigned as auditors and Moore Stephens LLP was appointed in their place. A resolution to re-appoint Moore Stephens LLP as auditor was put to the members at the Annual General Meeting.

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

Report of Council (incorporating a director's report) (continued)

Statement of Council's responsibilities

Council members (who are also directors of the Society of General Microbiology for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Council to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and of the incoming resources and application of resources, including the income and expenditure, of the Society for that period. In preparing these financial statements, Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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.

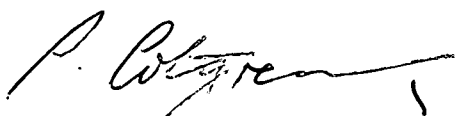
Council is responsible for keeping adequate accounting records which are sufficient to show and explain the Society's transactions and which disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Society's constitution. 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.

In so far as Council is aware:

- there is no relevant audit information of which the Society auditor is unaware; and
- Council has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Council is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

Signed on behalf of Council



Dr Peter Cotgreave
Company Secretary

Approved by Council on [3 July 2015]

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

We have audited the financial statements of the Society for General Microbiology (Limited by Guarantee) for the year ended 31 December 2014 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and to the Society's Council, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Respective responsibilities of the members of Council and auditors

As explained more fully in the statement of Council's responsibilities set out on page 9, the members of Council (who are also the directors of the Society for the purposes of company law) are responsible for the preparation of the Annual Report and the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of Council (incorporating a directors' report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of Council (incorporating a directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the Society has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not audited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Councils' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the Council was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of Council.

Moore Stephens LLP

Michael McAllister (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
READING

18-09-2015

Moore Stephens LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Society For General Microbiology (Limited by guarantee)
Statement of financial activities (incorporating the income and expenditure account)
Year ended 31 December 2014

	Notes	Unrestricted funds General £'000	Designated £'000	2014 Total £'000	2013 Total £'000
Incoming resources					
Incoming resources from generated funds					
Investment income		306	-	306	371
Incoming resources from Charitable activities					
Publishing		3,292	-	3,292	3,211
Professional development (includes membership)		184	-	184	180
Scientific conferences		238	-	238	273
Other income		39	-	39	4
Total incoming resources		4,059	-	4,059	4,039
Resources expended					
Costs of generating funds					
Investment management costs		5	-	5	34
Charitable expenditure					
Publishing		1,971	-	1,971	1,907
Professional development (includes membership)		332	-	332	257
Scientific conferences		579	-	579	674
Grants and awards	2	315	-	315	390
Raising awareness and influencing policy		827	-	827	867
Governance costs	5	15	-	15	13
Total resources expended	4&7	4,044	-	4,044	4,142
Net incoming / (outgoing) resources for the year before other recognised gains and losses		15	-	15	(103)
Other recognised gains and losses					
Gains / (losses) on investment assets					
Realised		(2)	-	(2)	578
Unrealised	10	251	-	251	409
Net movement in funds for the year		264	-	264	884
Fund balances brought forward		12,674	7	12,681	11,797
Fund balances carried forward		12,938	7	12,945	12,681

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 14 to 21 form part of these financial statements

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

Balance sheet

31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	9	3,494	2,960
Investments	10	9,230	9,174
		<u>12,724</u>	<u>12,134</u>
Current assets			
Debtors	11	257	1,130
Cash at bank and in hand (including deposits)		2,206	1,908
		<u>2,463</u>	<u>3,038</u>
Creditors: amounts falling due within one year			
Sundry creditors		471	348
Other taxation and social security		39	53
Publication income received in advance	12	1,732	2,090
		<u>2,242</u>	<u>2,491</u>
Net current assets / (liabilities)		<u>221</u>	<u>547</u>
Net assets		<u>12,945</u>	<u>12,681</u>
Unrestricted funds			
General	14	12,938	12,674
Designated	15	7	7
Total funds		<u>12,945</u>	<u>12,681</u>

Small company provisions


These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Approved and authorised for issue on 3 July 2015 and signed on behalf of Council.

Prof. Nigel Brown



Prof. Chris Thomas



Company number: 1039582

The notes on pages 14 to 21 form part of these financial statements

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

Notes to the financial statements (continued)

Year ended 31 December 2014

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 2006 is given in the statement of financial activities on page 12 and in the notes to the financial statements.

The Society 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 Society 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 the 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 (continued)

Year ended 31 December 2014

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 and in particular the number of employees involved in each area.

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.

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 in note 15.

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Notes to the financial statements (continued)

Year ended 31 December 2014

2. Grants awarded

	2014 Total £'000	2013 Total £'000
Infection Training Support		
0 (2013 - 0) grant	-	-
Vacation studentships		
49 (2013 - 43) grants	91	76
Education Development Fund		
2 (2013 - 4) grants to fund microbiology promotion	1	4
Joint meetings fund		
0 (2013 - 7) grants	-	5
SFAM/Regional meetings		
5 (2013 - 7) grants	1	5
International development		
10 (2013 - 17) grants to fund microbiology training in developing countries	19	36
Total institutional grants	112	126
Heatley – Payne Travel Fund		
6 (2013: 2) grants	9	3
Hayes Burnett Travel Fund		
0 (2013: 2) grants	-	3
Technician taster grants		
1 (2013 - 20) grants	1	7
President's fund		
19 (2013 - 30) grants for research visits	25	31
Post-graduate and undergraduate meeting		
330 (2013 - 362) grants for travel and accommodation at SGM meetings	107	128
Student prizes		
56 (2013 - 62) grants	11	12
Electives		
0 (2013 - 6) grants	-	4
Seminar speakers		
0 (2013 - 5) grants to attend and speak at meetings	-	1
Retired members grants		
0 (2013 - 6) grants	-	1
Scientific Meetings Travel Grants		
116 (2013 - 177) grants	48	72
Gradschool grant		
1 (2013 - 3) grant	2	2
Total grants to individuals	203	264
Total grants	315	390

3. Turnover

At 31 December 2014, included within Publication Income and Membership fees is overseas income amounting to 73% (2013: 79%) of the total income generated from these activities.

**Society For General Microbiology
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Notes to the financial statements (continued)

Year ended 31 December 2014

4. Resources expended

	2014	2013
	£'000	£'000
Costs include:		
Auditor's remuneration:		
- Audit fees	15	13
Depreciation	66	93
	<u>66</u>	<u>93</u>

5. Governance costs

	2014	2013
	£'000	£'000
Audit fees and professional fees	15	13
	<u>15</u>	<u>13</u>

6. Expenses reimbursed to members of Council

13 (2013: 17) members of Council were reimbursed expenses of £12,177 (2013: £38,056) relating to travel, subsistence and secretarial assistance.

7. Total resources expended

	Note	Staff costs £'000	Other costs £'000	Support allocation £'000	Total 2014 £'000	Total 2013 £'000
Publication costs		535	1,002	434	1,971	1,907
Membership administration		169	25	138	332	257
Scientific meetings and conferences		27	531	21	579	674
Grants and awards	2	-	315	-	315	390
Careers and promotion		298	287	242	827	867
Support		236	599	(835)	-	-
Governance costs	5	-	15	-	15	13
Investment management costs		-	5	-	5	34
Total resources expended		<u>1,265</u>	<u>2,779</u>	<u>-</u>	<u>4,044</u>	<u>4,142</u>

8. Staff costs

	2014	2013
	£'000	£'000
Salaries	1,056	1,271
Social security costs	105	133
Other pension costs (see note 13)	104	127
Redundancy	-	187
	<u>1,265</u>	<u>1,718</u>

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

	No.	No.
Editorial staff	13	14
Administration and distribution	18	22
	<u>31</u>	<u>36</u>

**Society For General Microbiology
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Notes to the financial statements (continued)

Year ended 31 December 2014

8. Staff costs (continued)

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

The number of employees whose emoluments amounted to over £60,000 in the year, not including employer pension contributions, were as follows:

	2014	2013
	No.	No.
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	-	1
	3	4

Contributions to the pension scheme on behalf of the employees noted above amounted to £20,513 (2013: £57,338).

9. Tangible fixed assets

	Freehold land and buildings £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost or valuation			
At 1 January 2014	2,802	282	3,084
Additions	600	-	600
Disposals	-	-	-
At 31 December 2014	3,402	282	3,684
Depreciation			
At 1 January 2014	-	124	124
Provided during the year	-	66	66
Disposals	-	-	-
At 31 December 2014	-	190	190
Net book value			
At 31 December 2014	3,402	92	3,494
At 31 December 2013	2,802	158	2,960

**Society For General Microbiology
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Notes to the financial statements (continued)

Year ended 31 December 2014

10. Investments

	2014 £'000	2013 £'000
Market value at 1 January 2014	9,174	11,168
Additions at cost	-	2,609
Less disposals at carrying value	(195)	(5,012)
Net gain on revaluation	251	409
Market value at 31 December 2014	9,230	9,174

	Cost 2014 £'000	Cost 2013 £'000	Market value 2014 £'000	Market value 2013 £'000
Property	995	1,238	579	795
UK fixed interest	1,637	1,673	1,632	1,538
UK equities	4,574	4,574	5,076	5,022
Overseas equities	1,892	1,892	1,943	1,819
Corporate Bonds	-	-	-	-
	9,098	9,377	9,230	9,174

All investments held are listed on the London Stock Exchange.

Included in the market value of investments at 31 December 2014, individual investments exceeding 5% of the investment portfolio valuation at 31 December 2014 were:

	No. of Ordinary shares / units	Market value at 31.12.14	Cost at 31.12.14	Percentage of total valuation
BlackRock Global Income Fund D	1,534,682.88	1,942,909	1,892,389	21.0%
Charishare	3,158,644.32	5,075,941	4,573,555	55.0%
Charinco Distribution units	826,710.80	1,631,927	1,636,842	17.7%
FDS European Property	17,802.15	579,350	994,967	6.3%

11. Debtors

	2014 £'000	2013 £'000
Investment income receivable	13	68
Other debtors	54	998
Prepayments and accrued income	190	64
	257	1,130

**Society For General Microbiology
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Notes to the financial statements (continued)

Year ended 31 December 2014

12. Publication income received in advance

	2014	2013
	£'000	£'000
Institutional sales of publications in advance	1,621	1,961
Members' subscriptions in advance	111	126
Miscellaneous charges	-	3
	1,732	2,090
	£'000	£'000
Balance at 1 January 2014	2,090	1,780
Amount released to incoming resources	(2,090)	(1,780)
Amount deferred in the year	1,732	2,090
Balance at 31 December 2014	1,732	2,090

13. 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 £104k (2013: £127k). At 31 December 2014 the amounts payable to the pension fund amounted to £21k (2013: £Nil).

14. Unrestricted fund – General

	Revaluation fund £'000	General fund £'000	2014 Total £'000	2013 Total £'000
Balance at 1 January 2014	(204)	12,878	12,674	11,790
Net (incoming) resources	-	15	15	(103)
Realised gains / (losses) on disposal of investment assets	-	(2)	(2)	578
Transfer of unrealised gain on disposal of investment assets	85	(85)	-	-
Unrealised gains on revaluation of investment assets	251	-	251	409
Balance at 31 December 2014	132	12,806	12,938	12,674

**Society For General Microbiology
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Notes to the financial statements (continued)

Year ended 31 December 2014

15. Unrestricted fund – Designated

	Watanabe fund £'000	2014 Total £'000	2013 Total £'000
Balance at 1 January 2014	7	7	7
Balance at 31 December 2014	<u>7</u>	<u>7</u>	<u>7</u>

Watanabe fund

This fund, established by a donation from K. Watanabe, is for scholarship in the developing world.

16. Analysis of net assets between reserves

	General reserves £'000	Designated reserves £'000	2014 Total £'000	2013 Total £'000
Fixed assets	12,724	-	12,724	12,134
Current assets	2,456	7	2,463	3,038
Creditors: amounts falling due within one year	(2,242)	-	(2,242)	(2,491)
	<u>12,938</u>	<u>7</u>	<u>12,945</u>	<u>12,681</u>

17. Finance commitments

	Land and buildings		Office equipment	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Expiry date:				
Due after 2 – 5 years	-	-	2	-
Due after five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>