

Charity Number: 241990

ROYAL MICROSCOPICAL SOCIETY

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017

ROYAL MICROSCOPICAL SOCIETY

REPORT AND FINANCIAL STATEMENTS – For the year ended 31 December 2017

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ROYAL MICROSCOPICAL SOCIETY

Legal and administrative information

Charity Registration No: 241990
Company Registration No: RC000353

Registered Office: 37/38 St Clements Street
Oxford
OX4 1AJ

Council of Management:

Professor Michelle Peckham	President
Professor Peter Nellist	Vice-President
Dr Peter O'Toole	Vice President (from 5 July 2017, and Honorary Secretary Science – Biological until 5 July 2017)
Dr Debbie Stokes	International Secretary
Professor Chris Hawes Hon FRMS	Executive Honorary Secretary
Dr Lynne Joyce	Honorary Treasurer
Professor Rik Brydson	Honorary Secretary Science - Physical
Professor Maddy Parsons	Honorary Secretary Science – Biological (from 5 July 2017)
Professor Susan Anderson	Honorary Secretary Education
Dr Kesara Anamthawat-Jonsson	
Dr Alex Ball	(from 5 July 2017)
Mr Eric Bennett	
Dr Lucy Collinson	
Professor Sonia Contera	(from 4 July 2017)
Mr Derek Davies	(from 16 November 2017)
Dr Richard Grenfell	(until 16 November 2017)
Dr Sarah Haigh	
Dr Pippa Hawes	
Professor Beverley Inkson	
Professor Martin Leahy	
Dr Terry McMaster	(until 4 July 2017)
Professor Paul Midgley Hon FRMS	(from 5 July 2017)
Dr Ricardo Morilla	
Dr Alex Sossick	
Professor Paul Verkade	(until 5 July 2017)
Dr Claire Wells	
Dr Neil Wilson	(from 5 July 2017)

The following members retired from Council during the year:

Dr Richard Grenfell
Dr Terry McMaster
Professor Paul Verkade

Chief Executive: Ms Allison Winton

Solicitors: Mills & Bann
8 Cheap Street
Newbury
RG14 5DD

Auditors: Moore Stephens LLP
Chartered Accountants
35 Calthorpe Road
Birmingham
B15 1TS

Bankers: Royal Bank of Scotland Plc
Minns Business Park
7 West Way
Oxford
OX2 0JB

Investment Managers: Investec Wealth and Investment Ltd
30 Gresham Street
London
EC2V 7QN

The members of the Board of Trustees present their report and accounts for the year ended 31 December 2017 for Royal Microscopical Society (also referred to as RMS or Society).

ROYAL MICROSCOPICAL SOCIETY

Report of the Board of Trustees for the year ended 31 December 2017

Foreword to this Annual Report

Professor Michelle Peckham, President

The Society continues to grow and has been involved in a wide range of activities this year, from Meetings and Events to playing an important role in Outreach activities. I have briefly summarised some key points below, and encourage you to read the fuller accounts of the Society's activities contained elsewhere within this Annual Report.

This year saw the 10th LM Facility Meeting held in York and the 2nd EM-UK Facility Managers Meeting in Leeds, playing a vital role for the community, and in January 2018, the new Flow Cytometry Facilities meeting will take place for the first time, in York. Our biggest event was our biennial Microscopy Microscience Congress (mmc), which took place in Manchester in July and attracted 1400 delegates, with 122 companies taking part in the excellent Exhibition. The Society continued to run courses in basic and advanced techniques, including the ESRIC Summer School in Edinburgh for the first time. Overall the Society was involved in 29 significant events this year, including Meetings, Workshops and Courses.

Our membership numbers increased by 4% again this year to 1500 members, and we hope this trend will continue. The Society also awarded 5 Honorary Fellowships.

The Society's journal, the Journal of Microscopy published 134 contributions, 7% fewer than last year, although the number of submissions to the Journal have risen by 9%. Particularly exciting to us was the award of the Nobel Prize in chemistry to Jacques Dubochet, Joachim Frank and Richard Henderson for developing cryo-electron microscopy for the high-resolution structure determination of biomolecules in solution. To celebrate this, the Journal released a free special issue dedicated to CryoEM, with a guest introduction from Jacques Dubochet, in which he discusses the work which led to the Nobel Prize, some of which was published in the Journal.

Our **infocus** magazine, distributed to all our members, saw the retirement of Tim Watson from his position as editor, and the appointment of Vikas Trivedi as deputy editor alongside our current scientific editor Adrian Burden. Back issues of **infocus** are available online, together with information on submitting articles to **infocus**, which I encourage you to do.

A new book in the Wiley RMS Book Series has been published this year, with a further 3 due to be published in 2018.

The Schools Microscopy Activity kits have now benefited over 72,000 children since the scheme began. This is a fantastic achievement by the Society, led by the Outreach team. The Diploma scheme continues to be successful, with an update of the documentation for this scheme, and work going ahead with the Science Council on accreditation.

Despite uncertainties arising from Brexit, and other world events, our investment portfolio has also continued to perform well under the management of Investec Wealth Management Ltd. Our cautious approach has again ensured that the Society continues to have a sound financial base to enable it to fulfil its charitable objectives into the future.

And lastly, the RMS now has two patrons: Baroness Brown of Cambridge and Baroness Finlay of Llandaff. I'd like to welcome them to the Society.

As always, the RMS had another busy and exciting year. None of these achievements would have been possible without the hard work and professionalism of all the members of staff in the RMS office in Oxford and I would like to formally record here our sincere thanks for their efforts.

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Report of the Board of Trustees for the year ended 31 December 2017

Governing Document

The Royal Microscopical Society's governing document is its Royal Charter. The Supplemental Royal Charter was obtained 9 October 2008.

Objectives

The Royal Microscopical Society's objects are constituted in Supplemental Royal Charter, they are:

- To promote the advancement of microscopical science by such means as the discussion and publication of research into those branches of science where microscopy is important; and
- To organise educational activities concerned with microscopy for the benefit of the general public and for the science community.

Recruitment of Trustees

All members of Council (except the chairs of the sections) must be elected at the Annual General Meeting and re-elected after three years in office. Every year the longest serving members of Council must retire according to the agreed rotational pattern. They are not eligible to serve on Council during the year following their retirement.

A notice inviting nominations from the Fellowship is published on the RMS website and in *infocus* magazine at least four calendar months before the Annual General Meeting.

At a meeting not less than three calendar months before the Annual General Meeting, Council nominates qualified persons (ensuring a balance in experience, scientific expertise, and gender) for election as Officers and Ordinary Members.

The list of Council nominations is published to all members of the Society not later than three weeks before the Annual General Meeting. This list also contains the names of any nominations from the members of the Society, if there are any, along with the name of the nominating member.

If no candidates have been nominated by the membership, the persons nominated by Council shall be judged to be elected, and no ballot shall be held.

Training of Trustees

New Trustees (Council Members) are sent an Introductory booklet about the Society, which contains general information about the operations of the charity, including a specific section for trustees. In addition to this, all new Trustees receive a more detailed trustee Training Document. Further Trustee training takes place at Council meetings every few years.

Pay and Remuneration

The pay of senior staff is agreed by a remuneration committee consisting of the President, Honorary Treasurer and Executive Honorary Secretary. The salary scales are based on a University salary scale, and the senior staff members pay grades are linked to the most appropriate scale where the breadth of responsibilities are similar.

Organisation & Governance Structure

The Executive Committee, on behalf of the Trustees, has responsibility of the day-to-day management of the Society. The Executive Committee consists of the President, the Vice-President(s), the Executive Honorary Secretary, the Honorary Treasurer and the Honorary Secretaries. The Executive Committee normally meet quarterly. The Chief Executive is the senior permanent officer of the Society and is responsible to Council initially through the Executive Honorary Secretary and the Honorary Treasurer jointly. The Chief Executive is responsible to the members of the Society for ensuring that the actions of the Council are in accordance with the Society's Charter and Bylaws. To facilitate effective operations, the Chief Executive, along with the Finance Director and Event Director, has delegated authority for operational matters including finance, employment and facilitating the event programme.

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Report of the Board of Trustees for the year ended 31 December 2017

Principal Risks and Uncertainties

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity face
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk to the charity. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital.

The RMS is aware that the Journal of Microscopy revenue could decrease due to open-access journal submissions. A procedure and plan has been put into place to reduce our overheads if this risk became apparent. This risk is reviewed at least annually during Executive Committee Meetings.

Attention has also been focussed on non-financial risks arising from Health and Safety issues, Disaster Recovery and a loss of reputation. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff.

The RMS is also aware of the data it processes and ensures it complies with the latest security standards. With the implementation of the new GDPR, fines for data breaches have increased. This poses a heightened risk for the RMS as it is essential to ensure our data is secure. An ISO 27001 accreditation has been achieved to ensure all potential risk is reduced and managed in line with the guideline set out in the standards of the qualification.

The Society is also exposed to risks associated with being an employer, e.g. legislation and litigation.

Events

Report by Professor Rik Brydson, Dr Peter O'Toole and Professor Maddy Parsons (Honorary Secretaries Science)

The Honorary Secretaries Science share the job of overseeing the range and scope of scientific activities undertaken by the Society, and are co-chairs of the Microscience Microscopy Congress (mmc) Organising Committee.

The range of activities undertaken by the Society is a vital role of the RMS. The most significant RMS event in 2017 was mmc2017, held in Manchester. mmc attracted around 1,400 delegates, with 122 companies taking the opportunity to participate in the Exhibition, which was extremely well attended. The RMS also organised and supported 19 additional Meetings in 2017, attracting a total of 1,270 delegates. These events ranged from major Conferences and Exhibitions through to the courses and networking events that are essential to the RMS's strategy of helping to assist in the development of those seeking careers in microscopy. The Society is very fortunate to have many willing and dedicated members who organise, run and participate in these events and we take this opportunity to thank them for their contributions. In addition, the Section Chairs, Honorary Secretaries and Section Committee members have played a valuable role in ensuring that we continue to maintain such high standards and a diversity of offerings.

The five Courses run by the Society in 2017 covered both basic and advanced techniques and provide a unique portfolio of events for training both the next generation and established expert microscopists and end users. These were the Light Microscopy Summer School (21 students), Getting the most from your Confocal Microscope (12 delegates) and the Flow Cytometry Course (37 attendees), all of which were all held in York. The Electron Microscopy Spring School in Leeds attracted 17 attendees. Finally, the RMS ran the ESRIC Summer School in Edinburgh for the first time in 2017, which was attended by 36 students. All five of these annual Courses are scheduled to run again in 2018. Many of these events were significantly and gratefully supported by the commercial microscopy vendors through the loan of microscopes and time from their applications and expert staff. In total, RMS run Courses attracted 123 attendees.

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Other RMS organised or co-organised Meetings covered a range of events that attracted 946 participants, including many delegates from overseas. These Meetings and Workshops were also very well supported by Exhibition or Techno Bites from a range of different companies. These events included the 10th LM Facility Managers Meeting in York (140 attendees) and the EM-UK Meeting Facility Managers meeting (attracting 84 attendees) in Leeds, the Microscopy Characterisation of Organic-inorganic Interfaces Meeting in London (90 attendees), the FlowCytometryUK Meeting in London (78 attendees) and the EBSD meeting in Oxford (68 attendees). In addition, the 8th Abercrombie meeting was held in Oxford (90 attendees). The breadth of these events and number of international delegates and events highlights the importance of microscopy across many fields and once again demonstrates that the RMS is in place to assist its membership across the world.

An additional two events were hosted and administered by the RMS, on behalf of other groups, involving a further 160 attendees. These were the Crick Electron Microscopy Opening Symposium in London (132 attendees), and the Electron Microscopy of Catalysts Meeting in Didcot (28 attendees). The RMS also supported a number of other key events through advertising other related events on our website.

To further support developing microscopists, in 2017 the RMS awarded a total of 26 travel bursaries to support members attending relevant meetings and conferences and an additional 20 bursaries to attendees of mmc2017.

It is a credit to the Society that we have such fantastic support from all of those in the office who are vital to the success of these activities. Along with the office team, none of these events would be possible without the countless number of willing volunteers who contribute significant effort and time. These efforts allow the RMS to fulfil all of the annual events and take on the staging of significant national and international meetings. 2018 will see a diverse range of events as well as the starting of planning for mmc2019.

Finally, we will be taking a close look at all our offerings during 2018 and seek new opportunities to address the ever developing fields within microscopy and we welcome suggestions and new ideas. Already lined up is the January launch of the new Flow Cytometry facilities meeting in York which mirrors similar meetings for LM and EM and the RMS will once again organise ELMI 2018 in Dublin and Frontiers in Bioluminescence in Glasgow.

Exhibitions

During 2017 the Society's Meetings, Conferences and Courses were well supported by a broad range of Exhibitors. RMS Events provided our companies with a large number of exhibition and sponsorship opportunities, of which mmc2017 attracted 121 companies, the largest number of mmc exhibitors yet. These Exhibitions, many of which are linked to specific topic-focused Meetings, allow the companies to reach their target audience in a relaxed and friendly environment and offer the delegates the opportunity to view the latest equipment and hear the latest in terms of product developments. The two Facility Managers Meetings (LM and EM), were supported by well over 48 companies who attend as delegates and have the opportunity to give short Techno Bites (an increasing and successful trend at meetings in general).

On behalf of the Society we would like to thank those involved in the Exhibitions this last year. In particular, we must acknowledge the dedication and skills of the team in the office and it is also important to acknowledge the work of the Corporate Advisory Board which comprises the RMS Executive Committee and company representatives who provide an invaluable input from the commercial side of microscopy. The Society thanks those members of the Board who gave their time and support in helping the Society to ensure its meetings are best able to appeal to both delegates and exhibitors. Finally, thanks should also be given to the companies who contribute, support and exhibit at the meetings and make them exciting, vibrant and cost effective for members to attend.

Outreach

Report by Professor Susan Anderson, Honorary Secretary for Education and Outreach

2017 has been a busy year for the Education and Outreach Section and I would like to start by thanking the Committee Members and the RMS Office Staff. None of what follows would be possible without their generosity of time and spirit. I will report separately on our three themes: School's Outreach, Professional CPD and Public outreach.

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1. Schools Outreach

MAK: The MAK continues to be a success and I can report that the number of children who benefitted from their school borrowing the Kits during 2017 was 14,597 (15,997 in 2016, 17,141 in 2015; 15,770 in 2014). This figure does not include data from our overseas partners and does not reflect those schools who do not provide feedback. Hard work by staff in the office (Mrs Kate Wooding in particular) has ensured the accurate collection and collation of feedback, and an excellent negotiated rate for transport to ensure the scheme is sustainable. By the end of Autumn 2017, the kits had reached 72,385 children since the scheme began. The kits are currently booked completely until Autumn 2018. We conducted an impact study of the kits with a PG student, Mr Aaron Horsey, undertaking a 3 month placement with the Society and found interesting outcomes around engaging students beyond science, in cross curricular activities and in 'hard to reach' children. Interestingly, our work with Oxfordshire Employment/County Print has had a really positive impact on that organisation, which works with people with learning difficulties.

We have also maintained and strengthened our links with PSTT, the Microscopical Society of Ireland and the Israel Society for Microscopy (MSI and ISM). Our kits at the University of Nottingham Malaysia Campus (UoNMC) have been used for Schools Outreach, to support teacher training and refugees, attracting press coverage.

"The kit was the best I have experienced in over 20 years of teaching; the quality of the activities, the resources that were all provided so nothing had to be brought in, the quality of the microscopes. From the first activity, children were enthralled by what they discovered and saw. The project has been a real highlight of our learning this term and engaged every child in a wide ability range within a mixed-age junior class (year 3 to year 6)." Beetham CE Primary, Spring 2017.

2. Professional CPD

RMS Diploma: We have 5 RMS Diplomates and 9 current candidates. The Education Sub-Group has been established to oversee the DipRMS. Many thanks to Professor Susan Brookes for her leadership in ensuring the smooth running of this qualification. A review has seen the updating and improvement of all documentation relating to the DipRMS which is very valuable. We continue to work with the Science Council on accreditation.

The Learning Zone at mmc2017 was well attended with over 380 attendees and a variety of new and classic talks were included. Many thanks to Mr Leslie Stump for his hard work in ensuring that this was a success.

3. Public Outreach

We attended ASE in January and we also had a number of public engagement activities (listed below). We are able to run these thanks to the dedication of our members who organise and attend these on a voluntary basis. Their names are listed below. They take a lot of hard work by the organisers, volunteers and office staff and I would like to sincerely thank everyone involved in making these events a success.

Attended outreach events:

- 14th Schools Science Conference, University of Westminster – 26 April 2017 – Dr Claire Wells, Professor Rob Kessler, Mrs Kate Wooding
- Lyme Regis Fossil Festival 27 – 30 April 2017 – Dr Alex Ball, Mr Owen Green
- Wonder, University of Nottingham – 17 June 2017 – Professor Susan Anderson
- Wychwood Festival, Oxfordshire – 3 September 2017 – Ms Karen Collins, Mrs Debbie Hunt
- Science Uncovered, London – 29 September 2017 – Professor Chris Hawes Hon FRMS
- Festival of Innovation, Malvern – 7 October 2017 – Mr Adam Clay, Mrs Debbie Hunt

Our priorities in 2018 will be to ensure the appointment of a new Honorary Secretary for Education and Outreach and to enable a smooth handover to ensure the successful delivery of the aims of the Committee. Professor Anderson will continue to support and evaluate the MAK Scheme and will provide support to the new Honorary Secretary. We will continue to develop the successful RMS Diploma and seek to gain some recognition for it via the Science Council. We will seek to develop new junior activities via the website, engaging Doctoral Training Programme (BBSRC) placement students (3 month postgraduate placements), as well as other possible placement projects and we will continue to attend several science events and festivals.

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Membership

Report by Professor Chris Hawes Hon FRMS, Executive Honorary Secretary

The total number of paid up members of the Society for the year 2017 is 1495, broken down as shown. This is an increase of 35 on the 2016 figure of 1460.



221 new members joined in 2017 - (For comparison, 204 members joined in 2016, 185 in 2015 and 109 in 2014). On the whole membership is steadily increasing.

We were also pleased to welcome back 3 members who re-joined during 2017.

5 Honorary Fellowships were awarded during 2017.

We are encouraged by our numbers of student members which now represent 15.4% of the total individual membership. Out of the total 230 Student members, 198 have taken advantage of the PhD Free year, 12 received a free years membership offered to Masters Students and 11 as undergraduate students.

We are proud to be a truly International Society and are pleased to be able to offer as a benefit to members, membership of the European Microscopy Society.

Individual Members - geographical spread



We are always grateful for the support given to us by our Corporate Members and are pleased to report that 5 new companies joined us in 2017.

The Society aims to increase membership numbers and attends many events to actively recruit new members and we urge all members to encourage anyone who might be interested in joining.

We value and appreciate the support given to us by our members and were pleased to see that of those who did not renew their subscription in 2017 this was largely due to external circumstances and not because the membership failed to provide value to them, so we are confident that RMS Membership continues to offer a real benefit to microscopists worldwide.

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Publishing

Journal of Microscopy

Report by Professor Tony Wilson Hon FRMS, General Editor

In 2017 the Journal of Microscopy published a total of 134 contributions, made up of 115 original research articles, 3 hot topic papers, 3 review papers, 1 invited review and 12 themed issue papers. This is down 7% on 2016.

The number of submissions to the Journal of Microscopy is up 9% on the same period last year: 230 papers have been submitted to the Journal so far in 2017 (as at 28 November). This difference correlates with the amount of themed issue papers submitted in 2017 compared to 2016, (16 / 0). 138 papers have been accepted for publication (as at 28 November).

The Journal of Microscopy provides a flexible open access platform for authors. 10 Online Open papers were published in the Journal in 2017.

The 'Short Invited Reviews' series featuring articles which deal with the basic ideas behind particular techniques was launched in 2011. Since then 42 papers have been published (10 in 2011, 7 in 2012, 9 in 2013, 8 in 2014, 6 in 2015, 1 in 2016 and 1 in 2017). There are further papers in the pipeline.

One themed Issue of the Journal was published in 2017, Microscopy of Semi-Conducting Materials - published in December; Two further themed issues are planned for publication in 2018 dealing with Cryo FIB-SEM and Environmental EM.

The Journal pages on the Royal Microscopical Society's website continue to be regularly updated and feature Journal news, details of the current issue, reviews published by the Journal, a sample issue, links to highly cited and most accessed papers and information on submitting papers to the Journal. The web pages also have links to follow the Journal on Facebook and Twitter. The Journal group on Facebook has 1196 likes and the Journal has 1344 followers on Twitter (these have risen 19% and 50% respectively). They are regularly updated with Journal news, updates and interesting and useful links. A Journal App is now available for both iPhone and Android, this is proving successful.

During 2017 the Journal has been promoted at numerous events, including M&M and mmc2017 where there were two 'how to get your paper published in the journal of microscopy' workshops presented by Wiley.

The ISI Journal Citation Report 2016 reports the Journal of Microscopy's impact factor as 1.692.

The Journal of Microscopy thanks the Scientific Editors; Professor Graham Dunn (King's College London, UK), Professor Chris Hawes Hon FRMS (Oxford Brookes University, UK), Dr Bert Hecht (University of Wurzburg, Germany), Dr Richard Leapman (National Institutes of Health, USA), Professor Pete Nellist (University of Oxford, UK), Professor Jens Randel Nyengaard (Aarhus University, Denmark), Professor Michelle Peckham (University of Leeds, UK), and Professor Mark Rainforth (University of Sheffield, UK), for their hard work and contribution to the Journal.

infocus Magazine

Report by Dr Adrian Burden, Scientific Editor

In 2017, **infocus** Magazine published 4 issues as standard, made up of 416 pages, all with colour images and attractive page layouts. With a total of 16 Feature Articles, 17 Reports, 2 Book Reviews, plus the Calendar, News, Journal of Microscopy Information, new RMS Member Details and Corporate Member Profiles, New Product Information and Company News.

There were a total of 36 advertisements in 2017, this is comparable to previous years (38 – 2016, 36 – 2015, 40 – 2014, 36 – 2013, 39 – 2012, 29 – 2011, 32 – 2010, 25 – 2009.) A copy of **infocus** was given to every delegate who attended an RMS event in the last 12 months and this will continue through 2018.

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Report of the Board of Trustees for the year ended 31 December 2017

The Editorial Board is going through a period of change, Dr Neil Thomson, Dr Hannah Lomax-Browne and Dr Rebecca Higginson have all come to the end of their tenure on their respective science sections. Dr Lomax-Browne and Dr Higginson have agreed to stay on the **infocus** Editorial Board, however we will still add new members from the relevant sections through the next round of meetings.

Currently the members are as follows:

- Dr Susan Cox, King's College London (Light Microscopy)
- Dr Rebecca Higginson, Loughborough University
- Mr Ian Titley, Institute of Cancer Research UK (Flow Cytometry)
- Dr Pippa Hawes, Pirbright Institute (Electron Microscopy)
- Dr Hannah Lomax-Browne, Imperial College London
- Dr Leandro Lemgruber, University of Glasgow

They are tasked with encouraging submissions and suggesting articles topics as well as representing and promoting **infocus** at conferences and events. This has proved particularly fruitful, with many articles and ideas coming from the board.

Professor Tim Watson has now stepped down from his role as editor of **infocus**. We advertised a deputy editor position through the RMS website and social media accounts. From nine applications Dr Adrian Burden and Ms Lucy Saxton interviewed two potential editors, although both were excellent candidates, Dr Vikas Trivedi has more relevant experience in publishing. He has now taken up the position of Deputy Editor, the other candidate Dr Leandro Lemgruber has agreed to join the editorial board which is a great outcome.

The **infocus** website (www.infocus.org.uk) is updated with every issue, with selected articles highlighted and available for free download. In addition, all articles published in back issues of **infocus**, excluding the previous year, are available online. Information on submitting to **infocus** and advertising in the Magazine is also available. Selected published articles are promoted using the RMS Facebook and Twitter pages.

All the articles on the RMS website now have a DOI reference and this will continue as each issue is uploaded.

Although copy is looking fairly healthy at the moment, we continue to seek new material of interest to the readership and would welcome more articles or sources of potential articles from RMS members.

I would like to thank the team at the RMS Office for all the hard work they put in to ensure **infocus** is published on time with high quality news and articles that benefit our readership.

RMS-Wiley Handbook Series

Report by Professor Susan Brooks – Handbook Editor

The RMS-Wiley Handbook Series initially progressed well, with 5 books published up to the end of 2013. There have been a few delays since then but 1 book was published in 2017 (15th December) and a further 3 should be published in 2018. This is very encouraging, however several books are now on hold or have been shelved so more ideas are sought.

Published to date:

- **Standard and Super-Resolution BioImaging Data Analysis: A Primer** by Dr Ann Wheeler and Dr Ricardo Henriques (Eds) published 15 December 2017.
- **Low Voltage Electron Microscopy for Materials Science and Biology** by Dr David Bell (*Harvard University*) and Dr Natasha Erdman (*JEOL USA Inc.*) published 4 January 2013. (Sales to date: print – 326, o-book – 119, e-book – 51)

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- **Diagnostic Electron Microscopy** by Professor John Stirling (*The Centre for Ultrastructural Pathology, Australia*), Dr Alan Curry (*Manchester Royal Infirmary*) and Dr Brian Eyden (*Christie NHS Foundation Trust*). Published 7 December 2012. (Sales to date: print – 556, o-book – 90, e-book – 70)
- **Aberration-Corrected Analytical Transmission Electron Microscopy** by Professor Rik Brydson (*University of Leeds*). Published 16 September 2011. (Sales to date: print – 515, o-book – 166, e-book – 61)
- **Principles and Practice of Variable Pressure/Environmental Scanning Electron Microscopy** by Dr Debbie Stokes. Published 14 November 2008. (Sales to date: print 620, o-book – 118, e-book – 40)

In Production:

- **Electron Beam-Specimen Interaction and Applications in Microscopy** by Dr Budhika Mendis. Currently in copyediting, proofs due January 2018. Publication is expected in April 2018.
- **Understanding Light Microscopy** Mr Jeremy Sanderson. Permissions have now been cleared. Publication is expected in May 2018.
- **Biological Field Emission Scanning Electron Microscopy**, by Dr Bruno Humbel and Dr Roland Fleck (Eds). Currently clearing permissions. Publication is expected in June 2018.

Contracted:

- **Correlative Light Electron Microscopy (CLEM)** by Professor Paul Verkade and Dr Lucy Collinson (Eds). Manuscript due early 2018, most chapters at editorial review.

On-hold:

- **Principles and Practice of Focused Ion Beam Microscopes** by Dr Dudley Finch and Dr Alexander Buxbaum
- **The Preparation of Geomaterials for Microscopical Study: A Laboratory Manual** by Mr Owen Green and Mr Jonathan Wells,
- **Electron Energy Loss Spectroscopy** by Professor Rik Brydson and Dr Ian MacLaren (Eds)

Under Discussion:

- **Facility Management** - Professor Kurt Anderson and Dr Spencer Shorte
- **Electron Microscopy of Plant Cells** – Professor Chris Hawes Hon FRMS

Website and Social Media

The RMS Website and Social Media presence is an important tool in the promotion of Events, Society News and Outreach Activities.

During 2017, the RMS has welcomed nearly 50,000 visitors which is a 12% increase on last year. We have seen more international visitors this year with a 5% drop in visitors from the UK to just 55%. The United States, Germany and France have provided nearly 20% of our traffic for the year and the remaining 25% of traffic has come from all over the world including India, Canada and Australia, demonstrating the truly international nature of the RMS.

We have seen an increase of over 3,000 visitors from the United States during 2017 and this is due to the ToScA North America Meeting that we hosted in Texas in June. It will be interesting to see if we are able to maintain these numbers in 2018 ahead of the Florida ToScA Meeting in 2019.

RMS Events have been our most popular pages with our top 10 pages all being events related. ToScA UK, the Francis Crick EM Opening Symposium and Abercrombie Meeting all ranked higher than the Event Calendar page itself, showing that most visitors arrive directly at the page they are interested in rather than browsing the website for it. This could be from links on social media, emails or printed material such as flyers.

As 2017 hosted another mmc-series event, we again saw traffic split between two websites. This year the RMS and mmc-series websites together saw well over 100,000 visits. The first time we have ever exceeded this impressive milestone.

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In the autumn of 2017 we launched the elmi2018 website, built by Cooperrepco. This allows us to provide the meeting with the independent identity it has developed but on a system that the RMS Office Staff are familiar with.

The RMS, the Journal and mmc-series all have active social media accounts with Twitter being the most popular platform in terms of followers compared to facebook and LinkedIn. The RMS Twitter account now has over 2,000 followers and the mmc_series account is nearing 1,000.

A new Twitter account has been created for emc2020 and an Instagram account for the Society and attention will be given to increasing followers on these accounts during 2018.

With our new CRM system ready for the office, we plan to scope and deliver Phase 2 of the RMS website by the end of 2018, providing our members with a new benefit of RMS membership; their own, personalised login area and further improving the functionality, content and user experience for visitors.

FINANCIAL REVIEW

Report by Dr Lynne Joyce, Honorary Treasurer

Foreword

These accounts have been prepared in accordance with the Charity Commission Statement of Recommended Practice which was updated in 2015. In accordance with these guidelines, indirect or support costs are allocated to each charitable activity based on the percentage of income provided by the particular charitable activity, e.g. if an activity generates 20% of the annual income, then 20% of indirect costs will be apportioned to the activity. In this way an accurate representation of the costs of activities can be presented.

A flagship event (Microscience Microscopy Congress – mmc) is staged every two 'odd' years, so whilst a comparison of income between years is straightforward, a comparison of expenditure requires a level of understanding and interpretation. This is because the percentages used to apportion indirect costs change from year to year, i.e. expenditure on 'meetings and courses' will include a larger proportion of indirect costs in a non mmc year.

Overall

The Society received incoming resources of £2.027M compared to £1.361M in 2016 reflecting the fact that 2017 was an mmc year, but 2016 was not. The Investec managed portfolio of listed investments had a value at the end of 2017 of £3.199M (2016: £3.014M). The overall value of the Society's funds, including the property and other investments at the end of 2017 was £4.461M (2016: £4.161M).

When viewing the 2017 accounts, the following points should also be noted:

- The total value of the Society's funds has increased by £300K, primarily due to the gain made during the year in our investment portfolio of £230K.
- £13K was spent on Outreach activities with a further £31K being spent on Microscope Activity Kit (MAK) equipment and logistics, the microscopes in schools' fund and summer studentships (see note 9).
- Further investment was made in improvements to the building, and also to IT and infrastructure, funded by free reserves.

During the course of the year, one of the designated funds (portions of the Society's free reserves that are ring-fenced) was used to support activities in the area of its Outreach programme. The value of the designated funds and the expenditure charged to them appears in the accounts and provides the reader with a picture of expenditure in these areas (see note 18).

Generated funds

The Society owns the St Clements building in Oxford and leases the ground floor to a restaurant. During 2015 a new lease was negotiated which expires in 2039. During 2017 rent provided an income of £24K (2016: £30K), the decrease being due to back rent being received in 2016.

Investment income in 2017 was £79K (2016: £74K) which includes bank interest and interest from the charity property fund of £4K (2016: £2K). The cost of generating these funds was £39K (2016: £36K).

ROYAL MICROSCOPICAL SOCIETY

Report of the Board of Trustees for the year ended 31 December 2017

Charitable activities

Meetings and Courses

During the year, the Society organised five courses and twenty meetings; last year the Society organised nine courses and eleven meetings. Total income from Meetings was £246K (2016: £353K), and income from courses was £132K (2016: £126K). Expenditure on Meetings was £356K (2016: £520K). Expenditure on Courses was £161K (2016: £158K).

The Society's policy on meetings and courses is that the income from a meeting should at least meet the direct costs of that meeting, and courses should try to return a surplus on direct costs (but excluding direct staff time). Once the indirect costs are apportioned, meetings and courses made a deficit with expenditure exceeding income by £139K (2016: £199K). A breakdown of direct and indirect costs for meetings and courses can be found in Note 8 of the accounts.

Subscriptions

Income from membership subscriptions increased to £107K (2016: £98K). We are grateful for the support given to us by our Corporate Members. There were 67 Corporate Members and 230 Student Members at the end of 2017, compared with 62 and 199 respectively at the end of 2016.

Publications

The Society publishes the internationally recognised Journal of Microscopy and the membership magazine, *infocus*. In addition, we have back issues dating from 1841 available through Wiley online. Together they generated income of £709K (2016: £671K) with expenditure of £458K (2016: £499K).

Outreach

Outreach income of £3.4K (2016: £4.2K) is largely generated by the sale of microscopes to enthusiasts. These microscopes are donated to the Society by organisations and universities when they become surplus to requirements. They are then restored and sold on by Dr Peter Evennett Hon FRMS and Dr Chris Hammond. The Society continues to be indebted to them both for their time and expertise in generating this income. Efforts continue, via articles in *infocus*, to publicise this activity and to encourage organisations to donate redundant and unwanted microscopes to the Society.

Donations and grants

The level of donations and grants was £31K (2016: £48K), which includes expenditure on the Microscope Activity Kits.

During 2017 the Outreach committee continued to make progress with its plan to provide greater access to microscope resources by providing Microscope Activity Kits (MAKs) funded from RMS resources. Each Kit costs in the region of £850 to put together and the Society is looking to use selected partners to expand the reach, currently 18 Kits are available to support the Primary Science Teaching Trust and 4 Kits to remain in circulation to Primary Schools in Ireland. There were requests for refunds to Primary Schools for the purchase of approved microscopes in 2017 totalling £385 (£313). The RMS provided 4 Summer Studentships in 2017 totalling £8K for undergraduate students to complete a microscopy project during their summer break.

Governance costs

Governance costs were £49K (2016: £48K), comprising costs incurred for meetings of Council, professional fees (including the auditors fee), and a proportion of office costs. The 2017 figure is 2.4% (2016: 2.6%) of income.

Investment Policy

The Investment Manager has discretionary powers – investments are bought and sold without the need for the Society's consent for each transaction.

The objective is to maximise growth in excess of inflation in order to support future charitable activities of the Society. Should there be a future reduction in other income streams, the Society would rely on increased income from the portfolio and there would then be a change of emphasis between capital growth and income.

The Society will hold an amount in Government and Corporate Bonds that is equivalent to twenty-four months operating costs for the Society. This may be managed by the investment manager or invested in an alternative fund to be agreed by trustees.

ROYAL MICROSCOPICAL SOCIETY

Report of the Board of Trustees for the year ended 31 December 2017

There are no restrictions on the Society's power to invest and the trustees have not adopted an ethical investment policy.

Investment Performance

As at the 31 December 2017 the total value of the Society's investments were £3,262,026 (2016: £3,073,334), the majority of this is held in an Investec managed mixed portfolio. The Society's objective of to maximise growth in excess of inflation has therefore been achieved.

As at the 31 December 2017 the total value of the portfolio was £3,198,981. After allowing for withdrawals, the portfolio achieved a return of £314,561 or 10.3% over the year. This compares to a return of 9.5% in the APCIMS Balanced and 6.9% for RPI +3% over the corresponding period. 2017 was a better year than many predicted given the returns we achieved across asset classes in 2016. The Society mainly benefited from their equity weighting across the year even though the portfolio was relatively defensively positioned for the second half of the year. Valuations continued to rise across the period but were backed up by earnings growth rather than multiple expansion. The major turning point we saw in 2017 was the withdrawal of QE and the start of a normalisation in bank rates across the world. This represents a significant headwind for bond holders going forward and is something we need to be mindful of in our asset allocation. On a positive note it also signals the first period of synchronised growth across the major economies for over 10 years. In the short term a more defensive approach is probably warranted but over the longer term, we remain confident in the strategy to provide a balance between income and growth with a medium risk profile.

As at 31 December the value of equities stood at £2,286,520 (£2,060,594), fixed interest £568,865 (£577,640) and cash deposits £113,878 (£160,826).

In 2001 the Society invested £50K in the Charities Property Fund. At the end of 2017 the Fund stood at £63,044 (2016: £59,775). The cumulative income for the fund up to year end 2017 is now £33,000. In view of the current climate, the performance of all investments is considered favourable.

Reserves Policy

The current reserves policy is:

"The reserve will be sufficient to confront the risks (recorded within the Risk Register) that the Society is exposed to. These include those associated with the charitable activities. In addition to expenditure commitments for the annual meetings and courses, The Society makes a major commitment two years in advance of its flagship meeting Microscience Microscopy Congress (mmc), so that in any one year the sum approaches £1,000,000.

The Society is also exposed to risks associated with being an employer, e.g. legislation and litigation.

The Society relies on sources of significant income (the Journal of Microscopy and its investments) that are particularly vulnerable to external factors. The Society has a risk register and acknowledges the financial risk to the Society from reduced and/or curtailed income sources, e.g. Journal of Microscopy, investments and events (fewer people attending conferences as a result of a poor economic climate). The Journal provides an income of around £550K so if there were to be a loss of revenue from the Journal in the future due to changes in publication models for scientific journals, provision should be made for this additional amount each year from investments to cover the potential loss.

The Society's reserves therefore need to be sufficient to allow it to operate and adapt for a minimum of twenty-four months in the event of cessation of income from these sources and thereafter if it ceased to be financially viable to meet its commitments to staff. Twenty-four months running costs equate to around £1.56 million (not including direct costs on activities). Running costs including all direct costs would be approximately £2.6 million.

In 2017 - 2018 the Society's commitment to growth – described within its rolling five-year strategy – will continue with its ambitious Outreach & Education projects and will continue to draw on some of its reserves. The rolling strategy also requires us to make improvements to the building and also the IT and infrastructure.

Plans for the future include marketing the Societies expertise in organising conferences and exhibitions, running the 100 Microscope Activity Kits for the foreseeable future, with a substantial annual cost for transportation and replenishing the boxes and making investments in growing the appeal of infocus magazine. The Society is

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Report of the Board of Trustees for the year ended 31 December 2017

committed to running the 100 Microscope Activity Kit loan scheme for the foreseeable future at a cost of approximately £25K per year."

Unfortunately, due to some project management difficulties following a merger between the company selected to upgrade our CRM System, with another company, progress on the CRM project has been slow and is now behind schedule. The CRM system is in the final stages of development and testing of the system will be undertaken in the early part of 2018. This will enable us to proceed with the stage two development of the website.

The Society's unrestricted funds consist of the accumulated fund and the capital fund. The accumulated fund represents the charity's reserves that have not been assigned to any other funds. At 31 December 2017, the balance of this fund was £308K (2016: £225K). The capital fund represents the society's interest in investments and the freehold property. The cost of investment management is shown as a charge against the capital fund and similarly the depreciation cost on freehold property has been charged to the capital fund. At 31 December 2017, the balance of this fund was £3.90M (2016: £3.73M).

The Society's designated funds consist of the Building Fund £40K (2016: £35K), Outreach Fund £40K (2016: £30K) and IT Fund £100K (2016: £110K). The Building Fund was set up to fund future repairs, maintenance and improvements to the offices, flat and restaurant. The Outreach Fund was set up to support any activities in the area of its Outreach program. The IT Fund was set up to fund future improvements to IT database.

The Society has two restricted funds. Firstly, the Pearse Prize Fund, to fund the award of the Pearse Prize Medal, which had a year-end balance of £15K (2016: £15K). Secondly, ToScA, which had a year-end balance of £24K (2016: £17K), to fund the annual ToScA event and travel bursaries.

PUBLIC BENEFIT

The Trustees' Annual Report describes the activities undertaken to further the Society's charitable purposes for the public benefit. Particular highlights of the Society's public benefit activities include the provision of the Microscope Activity Kits, which are lent to Primary Schools for a school term at a time, free of charge, and include microscopes and activities which are linked to the school curriculum. These kits are booked out up to a year in advance and so far have benefited over 72,000 primary school children, encouraging them to have an interest in science. At the other end of the scale the Society organises training courses and scientific meetings. The courses provide basic training to scientists to enable them to get the best possible results from using their microscopes in their research, in teaching at various Universities, and in Industry. The Scientific Meetings provide a forum for cutting edge science networking and discussion, which attendees take back to their colleagues to work on and develop further their scientific research. The Society provides bursaries to enable scientists to attend these meetings.

The trustees have considered the Charities Commission's requirement in respect of Public Benefit. In their view the charity meets, in full, the criteria to satisfy the test. The trustees' annual report further describes the activities undertaken to further its charitable purposes for the public benefit.

PLANS FOR THE FUTURE

General

The Society's finances are inextricably linked with the performance of its investments, the Journal of Microscopy and its other charitable activities.

The long-term strategy is to keep the number of Microscope Activity Kits to a maximum of 100 to enable us to ensure that the high standard of distribution procedures and the quality of the Kits can be maintained. We will also continue to run a broad range of topical meetings to raise our profile within the scientific community and provide additional resources to improve the public understanding of science and microscopy.

Generated funds

The restaurant will be leased to the existing tenant until 2039 and rent for the restaurant will continue to be charged at the market rate with regular rent reviews. The flat is not rented out through a letting agent, but may be rented on an ad hoc basis.

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Report of the Board of Trustees for the year ended 31 December 2017

On-going repairs and maintenance to the building will continue to be funded from the designated Building Fund.

The Society will continue to explore ways of maximising investment income (within the boundaries of the Investment Policy) and will work closely with its investment manager and bankers to maximise returns on cash holdings.

Charitable activities

The Society is forecasting to draw on its reserves in 2018 in order to carry out its charitable activities.

During 2018 we will be organising some of our usual Courses and Workshops including the Electron Microscopy Spring School, the Light Microscopy Summer School, the Quantitative Analysis of Grain Size Course, Getting the Most from your Confocal Course, the Flow Cytometry Course, and the Cryo EM Course. We will be repeating the Electron Backscatter Diffraction (EBSD) workshop and also organising the ESRIC Super-Resolution Summer School for the second time. Meetings will include the Facility Managers Meeting, the EM-UK Meeting, the Electron Microscopy Characterisation of Organic-Inorganic Interfaces Meeting, the *in-situ* liquid phase electron microscopy meeting, the Electron Backscatter Diffraction (EBSD) meeting, the SPM Meeting, the Frontiers in Bioluminescence Meeting, the FlowCytometryUK meeting, and the Microscopy: Advances, Innovation, Impact 2018 Meeting which will incorporate the Society's Annual General Meeting. A new meeting for the Society will be the Photonic and Optoelectronic Materials Meeting. The Society will be assisting with organising a Bioluminescence UK Meeting at The Wellcome Trust, the ELMI Meeting at UCD in Dublin, the SuperSTEM Meeting in Daresbury and the ToSCA (Tomography for Scientific Advancement) meeting which is due to take place in Warwick.

Future planning has already started on the regular RMS events taking place in 2019, as well as early planning for mmc2019. As the Professional Congress Organiser for the European Microscopy Congress (EMC2020) which will be taking place in Copenhagen in 2020, future planning is also well underway.

We will try to increase our current membership numbers by keeping subscription rates low, with just a small increase. We will be encouraging junior members to join the society with a range of special offers available to them. We will be recruiting new members at both our own events, and attending other events to promote both membership and the Society in general.

The quality of the Journal has enabled us to maintain income similar to previous years; this plays a major role in retaining subscribers and securing future income. On-line subscriptions will continue to replace hardcopy subscriptions and the digitized back issues of the Journal continue to be popular, providing in the short term an additional income stream.

Developments in Open Access publishing will continue to be monitored carefully by the trustees and Wiley. The well-established *infocus* will be reviewed, and we will concentrate on including more scientific, technical and tutorial articles. We are continuing to promote *infocus* to organisations as a vehicle to advertise scientific instruments and we will further explore ideas to make the magazine available on electronic devices.

We have been putting additional resources into Social Media as it is proving to be a tool widely used within the scientific community to communicate more effectively and in a more instantaneous way. Our followers on Facebook and Twitter increase steadily each month and this helps us to promote the Society, engage with our members and the wider community. We will be moving forward with Phase 2 of our website, which will improve functionality and make it more interactive.

During 2018 various activities will be organised through the Outreach section and we will continue to work with third parties to broaden the reach of the Kits still further. We are also currently evaluating a microscope suitable for use in secondary schools. The Diploma programme will continue to be supported to ensure that all candidates receive a good experience as they work towards achieving the qualification.

The RMS had a very busy year in 2017 and in addition to running events and other charitable activities, has continued to implement improvements to the IT and infrastructure, particularly the CRM system which will be live in 2018, will benefit both members and the RMS when managing membership details and make booking of events, meetings and conferences a far easier journey.

Having been awarded the ISO27001 standard, we will ensure that sufficient resources are available to maintain this, by ensuring that policies and procedures are followed to ensure continued best practice in providing adequate data security to protect the RMS from breaches in cyber security. With the new General Data Protection

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Report of the Board of Trustees for the year ended 31 December 2017

Regulation (GDPR) being implemented from 25 May 2018, we will also adapt our working practices to ensure that all new requirements are met.

Trustees' responsibilities in relation to the financial statements

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

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

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with Part 8 of the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the Charter and By-laws. The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

In so far as the Trustees are aware:

There is no relevant information of which the charity's auditor is not aware, and

The Trustees have 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.

Approved by the trustees on 26 April 2018 and signed on their behalf by: -



Professor M Peckham

Dr L Joyce



ROYAL MICROSCOPICAL SOCIETY

Independent Auditor's Report to the members of Royal Microscopical Society

Opinion

We have audited the financial statements of Royal Microscopical Society (the 'charitable company') for the year ended 31 December 2017 which comprise of the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 and the Charities Act 2011.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

Other information

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

ROYAL MICROSCOPICAL SOCIETY

Independent Auditor's Report to the members of Royal Microscopical Society

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report. We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities Statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ROYAL MICROSCOPICAL SOCIETY

Independent Auditor's Report to the members of Royal Microscopical Society

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nicholas Simkins
Senior Statutory Auditor

MOORE STEPHENS LLP
Chartered Accountants
Statutory Auditor
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date:

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

ROYAL MICROSCOPICAL SOCIETY

Statement of financial activities for the year ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Income and endowments from:					
Donations and legacies	3	4,360	-	4,360	4,620
Charitable activities	4	1,858,116	61,887	1,920,003	1,251,817
Other trading activities	5	24,115	-	24,115	30,125
Investments	6	78,999	16	79,015	74,341
Total		1,965,590	61,903	2,027,493	1,360,903
Expenditure on:					
Raising funds	7	39,022	-	39,022	36,233
Charitable activities	8	1,860,873	54,203	1,915,076	1,375,654
Other expenditure		3,538	-	3,538	2,160
Total		1,903,433	54,203	1,957,636	1,414,047
Gains/(losses) on investment assets	14	230,008	-	230,008	277,094
Net movement in funds		292,165	7,700	299,865	223,950
Reconciliation of funds					
Total funds brought forward at 1 January 2017		4,128,756	31,933	4,160,689	3,936,739
Total funds carried forward at 31 December 2017		4,420,921	39,633	4,460,554	4,160,689

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
The notes on pages 24 to 36 form part of these Financial Statements.

ROYAL MICROSCOPICAL SOCIETY

Statement of financial activities for the year ended 31 December 2016

	Note	Unrestricted funds £	Restricted funds £	2016 Total £
Income and endowments from:				
Donations and legacies	3	4,620	-	4,620
Charitable activities	4	1,216,966	34,851	1,251,817
Other trading activities	5	30,125	-	30,125
Investments	6	74,325	16	74,341
Total		1,326,036	34,867	1,360,903
Expenditure on:				
Raising funds	7	36,233	-	36,233
Charitable activities	8	1,344,266	31,388	1,375,654
Other expenditure		2,160	-	2,160
Total		1,382,659	31,388	1,414,047
Gains on investment assets		277,094	-	277,094
		220,471	3,479	223,950
Net movement in fund				
Reconciliation of funds				
Total funds brought forward at 1 January 2016		3,908,285	28,454	3,936,739
Total funds carried forward at 31 December 2016		4,128,756	31,933	4,160,689

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
The notes on pages 24 to 36 form part of these financial statements.

ROYAL MICROSCOPICAL SOCIETY

Balance sheet at 31 December 2017

Company Number: RC000353

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	678,689	726,642
Listed investments	14	3,262,026	3,073,334
		<u>3,940,715</u>	<u>3,799,976</u>
Current assets			
Debtors	15	536,295	509,035
Cash at bank and in hand	16	290,195	154,272
		826,490	663,307
Creditors			
Amounts falling due within one year	17	<u>(306,651)</u>	<u>(302,594)</u>
Net current assets		<u>519,839</u>	<u>360,713</u>
Net assets		<u>4,460,554</u>	<u>4,160,689</u>
The funds of the charity			
Restricted income funds	19	39,633	31,933
Unrestricted income funds	18	4,420,921	4,128,756
Total charity funds		<u>4,460,554</u>	<u>4,160,689</u>

Approved by the Council on 26th April 2018 and signed on their behalf by



M PECKHAM

PRESIDENT

L JOYCE



HONORARY TREASURER

The notes on pages 24 to 36 form part of these financial statements.

ROYAL MICROSCOPICAL SOCIETY

Cash flow Statement at 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities	25	39,964	(153,322)
Cash flows from investing activities	26	95,959	91,664
		<hr/>	<hr/>
Change in cash & cash equivalents in the reporting period		135,923	(61,658)
Cash & cash equivalents at the beginning of the reporting period	27	154,272	215,930
Cash and cash equivalents at the end of the reporting period	27	<hr/> 290,195	<hr/> 154,272

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017

1. Accounting policies

Charity information

Royal Microscopical Society is a charity registered in England and Wales No.241990. The Charity is incorporated as a Royal Charter company (RC000353), domiciled in England and registered in registered in England and Wales. The charity's principal address is: 37/38 St Clements Street, Oxford, OX4 1AJ.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) effective from 1 January 2015, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity meets the definition of a public benefit entity as defined by FRS 102 so has applied the specific "PBE" prefixed paragraphs of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared for the charitable company as a single entity.

The financial statements are denominated in sterling, which is the Society's functional currency, and are rounded to the nearest whole pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies (see note 2)

b) Going concern

The financial statements have been prepared on a going concern basis. The Trustees consider the use of the going concern basis of accounting is appropriate, as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Organisation to continue as a going concern. The Financial reserves of the RMS are considered adequate to fund two years of Charitable Activities. There is no intention for the charity to cease its operations in the foreseeable future.

c) Listed investments

Listed investments are stated at market value at the year end.

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

d) Tangible fixed assets

Fixed assets over £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets to write off the cost, less estimated residual value of each asset, over its expected useful life.

The rates used for this purpose are as follows:

Freehold property	: 2% straight line
Flat fixtures and fittings	: 20% to 33 ⅓% reducing balance
Office equipment and fittings	: 20% to 33 ⅓% straight line
Microscopes	: 10% straight line

Heritage assets

The society possesses an historical collection of microscopes and allied equipment with a current insured value of £739,900. Any market valuation of the collection is indeterminable due to the age and a lack of accurate financial information relating to the individual items making up such a collection. Therefore, no value has been included in the tangible fixed assets included these financial statements in relation to this collection. The collection is presently in the care of the Museum within the History of Science in Oxford.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

e) Pensions

The society contributes to a defined contribution pension scheme. The assets are held separately from those of the society in independently administered funds. The contributions are charged to the statement of financial activities on a payable basis. The contributions paid are shown in note 12.

f) Fund accounting

The society maintains various types of funds as follows:

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the society for particular purposes.

g) Income

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

h) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the society to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the heading.

Expenditure on raising funds are those costs involved in attracting voluntary income and those associated with the management of the investment portfolio.

Expenditure on charitable activities includes expenditure associated with the production of publications, organisation of meetings and courses and the processing of grants.

Governance costs include those incurred in the governance of the society and its assets and are primarily associated with constitutional and statutory requirements.

Support costs represent the costs incurred by staff directly providing support for the production of publications, meetings and other activities that further the charity's objects.

Support costs that cannot directly be allocated to activity cost categories are then apportioned on a basis consistent with the proportion of incoming resources for charitable activities.

i) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income and expenditure account.

j) Operating leases

Rentals payable in respect of an operating lease are charged on a straight line basis over the term of the lease.

k) Financial instruments

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

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

2. Judgements

In preparing the Financial Statements, trustees are required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

There are not considered to be any significant judgements or estimates other than the valuation placed on the heritage assets. These are carried at nil value on the basis that the value of these assets is impossible to estimate, due to their unique nature.

There is little estimation involved in determining the value of accruals and prepayments, as these are mostly based on supplier invoices etc. Depreciation rates are based on "industry" norms and experience of the life of assets.

3. Income from: Donations and legacies - unrestricted

	2017 £	2016 £
Donations	<u>4,360</u>	<u>4,620</u>

Donations and legacies are the only income that the charity obtains from non-exchange transactions. There are no unfulfilled conditions or other contingencies attaching to resources from non-exchange transactions.

4. Income from: Charitable activities

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Publications	708,755	-	708,755	670,705
Subscriptions	107,122	-	107,122	97,991
Meetings and courses income (see below)	315,964	61,887	377,851	478,911
Outreach	3,377	-	3,377	4,210
mmc 2017	<u>722,898</u>	<u>-</u>	<u>722,898</u>	<u>-</u>
	<u>1,858,116</u>	<u>61,887</u>	<u>1,920,003</u>	<u>1,251,817</u>

Meetings and courses income is made up as follows:

	2017 £	2016 £
Meetings	245,636	352,927
Courses	<u>132,215</u>	<u>125,984</u>
	<u>377,851</u>	<u>478,911</u>

5. Income from: Other trading activities - unrestricted

	2017 £	2016 £
Rents receivable	<u>24,115</u>	<u>30,125</u>

6. Income from: Investments

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Bank interest receivable	3,540	16	3,556	2,337
Dividends	<u>75,459</u>	<u>-</u>	<u>75,459</u>	<u>72,004</u>
	<u>78,999</u>	<u>16</u>	<u>79,015</u>	<u>74,341</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

7. Expenditure on: Raising funds - unrestricted

	2017 Total £	2016 Total £
Brokers' management fees	<u>39,022</u>	<u>36,233</u>

8. Expenditure on: Charitable activities

	Support costs £	Direct costs £	2017 Total £	2016 Total £
Publication costs	201,867	255,653	457,520	499,028
Subscriptions	30,510	32,371	62,881	77,564
Meetings	37,658	318,553	356,211	520,416
Courses	69,962	90,746	160,708	158,418
Outreach	960	11,825	12,785	24,147
mmc 2017	205,904	588,513	794,417	92
Grants payable	-	31,350	31,350	47,831
Governance costs	39,204	-	39,204	48,158
	<u>586,065</u>	<u>1,329,011</u>	<u>1,915,076</u>	<u>1,375,654</u>
Total 2016:	<u>506,880</u>	<u>868,774</u>	<u>1,375,654</u>	

9. Charitable activities

	2017 Total £	2016 Total £
Grants payable are made up as follows:		
Activity kit equipment and logistics	13,844	39,518
Microscopes in schools	385	313
Donations and grants (unrestricted)	<u>17,121</u>	<u>8,000</u>
	<u>31,350</u>	<u>47,831</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

10. Allocation of support costs

	Publications	Subscriptions & Membership	Meetings & courses	Microscience	Outreach	Governance	Total 2017	Total 2016
	£	£	£	£	£	£	£	£
Office overheads								
Rates	1,026	155	547	1,046	5	-	2,779	3,627
Heating and lighting	1,159	175	618	1,183	6	-	3,141	3,442
Insurance	2,412	365	1,286	2,460	11	-	6,534	5,467
Council and committee general expenses	5,880	889	3,135	5,997	28	29,092	45,021	37,901
Printing and stationery	2,905	439	1,549	2,962	14	2,362	10,231	17,862
Advertising	5,935	897	3,164	6,053	28	-	16,077	8,900
Public Relations	1,482	224	790	1,512	7	-	4,015	4,267
Postage	1,138	172	607	1,162	5	-	3,084	6,055
IT Infrastructure	15,132	2,287	8,067	15,434	72	-	40,992	30,615
Telephone	1,499	227	799	1,530	7	-	4,062	4,403
Professional fees	1,053	159	561	1,075	5	-	2,853	345
Audit and accountancy						7,750	7,750	7,350
Bookkeeping fees	849	128	453	866	4	-	2,300	2,150
Bank charges	4,581	692	2,442	4,673	22	-	12,410	6,613
<i>Repairs and renewals</i>								
- Property	6,587	996	3,511	6,718	31	-	17,843	6,155
- Equipment	1,317	199	702	1,344	6	-	3,568	4,546
<i>Depreciation</i>								
- Office	20,254	3,061	10,798	20,659	97	-	54,869	44,996
- Freehold property	5,137	776	2,739	5,241	24	-	13,917	13,917
Input VAT not recovered	17,532	2,650	9,347	17,882	84	-	47,495	3,345
Catering	2,251	340	1,200	2,295	11	-	6,097	5,792
Parking	3,562	538	1,899	3,634	17	-	9,650	9,246
Staff training	583	88	311	594	3	-	1,579	6,050
Staff travel	310	47	165	317	1	-	840	1,112
Health insurance	2,815	425	1,501	2,871	13	-	7,625	3,969
Subscriptions	1,130	171	602	1,152	5	-	3,060	2,430
Exchange rate gain	1,850	280	986	1,886	9	-	5,011	(8,386)
Bad debts	588	89	314	600	3	-	1,594	3,084
Sponsorship	1,111	168	593	1,134	5	-	3,011	3,682
Recruitment	1,681	254	896	1,715	8	-	4,554	-
Other	1,467	222	782	1,497	7	-	3,975	8,968
Wages and Salaries	88,641	13,397	47,256	90,412	422	-	240,128	258,977
	201,867	30,510	107,620	205,904	960	39,204	586,065	506,880
Total 2016:	246,560	44,803	175,947	-	1,422	38,158	506,880	

The society allocates its support costs as shown in the table above and then further apportions those costs between the charitable activities undertaken. Support costs are allocated on a basis consistent with the proportion of incoming resources for charitable activities.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

10a. Governance costs

	2017 £	2016 £
Support costs (note 8)	39,204	38,158
Direct wages	10,000	10,000
	<u>49,204</u>	<u>48,158</u>

11. Net incoming/(outgoing) resources

	2017 £	2016 £
This is stated after charging:		
Depreciation	71,305	66,136
Auditors' remuneration:		
Audit services	7,750	7,350
Amounts payable under operating leases	4,267	4,267
Amounts receivable under operating leases	24,115	30,125
	<u></u>	<u></u>

12. Staff costs

Staff costs during the year amounted to:

	2017 £	2016 £
Salaries and wages	415,724	381,623
Social security costs	39,883	37,613
Pension costs	45,371	51,257
	<u>500,978</u>	<u>470,493</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000 during the year was 1 (2016: 1). The emoluments they received were within £60,000-£70,000 (2016: £60,000-£70,000).

The average number of employees analysed by function was:

	Number	Number
Charitable activities	14	13
Governance	2	2
	<u>16</u>	<u>15</u>
Total full time equivalent staff	<u>10.5</u>	<u>11</u>

The members of the Council of Management received no remuneration for their services (2016: £Nil).

During the year, members of the Council of Management were reimbursed for out of pocket expenses incurred during the course of their duties. The amounts incurred in out of pocket expenses and payable at the year end are detailed in note 24.

Key management personnel remuneration, including pension contributions, for the year ended 31 December 2017 totalled £217,674 (2016: £206,074).

Pension costs and liabilities have been assigned entirely to unrestricted funds on the basis that the amount of time spent by staff working on the activities associated with the restricted funds is minimal in proportion of time spent on unrestricted activities.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

13. Tangible assets

	Microscopes	Freehold property	Office equipment and fittings	Flat fixtures and fittings	Total
Cost or valuation:	£	£	£	£	£
1 January 2017	23,022	695,842	294,925	31,469	1,045,258
Additions	-	-	24,372	-	24,372
Disposals	-	-	(1,530)	-	(1,530)
31 December 2017	<u>23,022</u>	<u>695,842</u>	<u>317,767</u>	<u>31,469</u>	<u>1,068,100</u>
Depreciation:					
1 January 2017	14,963	40,484	234,879	28,290	318,616
Provided this year	2,304	13,916	54,450	635	71,305
Released on disposal	-	-	(510)	-	(510)
31 December 2017	<u>17,267</u>	<u>54,400</u>	<u>288,819</u>	<u>28,925</u>	<u>389,411</u>
Net book value:					
31 December 2017	<u>5,755</u>	<u>641,442</u>	<u>28,948</u>	<u>2,544</u>	<u>678,689</u>
31 December 2016	<u>8,059</u>	<u>655,358</u>	<u>60,046</u>	<u>3,179</u>	<u>726,642</u>

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:-

	Freehold property	
	2017	2016
	£	£
Net book value at end of year	<u>641,442</u>	<u>655,358</u>
Historical cost		
At 1 January 2017	173,559	173,559
At 31 December 2017	<u>173,559</u>	<u>173,559</u>
Depreciation		
At 1 January 2017	98,138	94,667
Charge for the year	3,471	3,471
At 31 December 2017	<u>101,609</u>	<u>98,138</u>
Net Historical cost value		
At 31 December 2017	<u>71,950</u>	<u>75,421</u>
At 31 December 2016	<u>75,421</u>	<u>78,892</u>

A professional valuation of the freehold property, prepared by an independent chartered surveyor R Sherrott FRICS, was obtained in December 2013 which valued the property at an open market value of £615,000.

Heritage assets

The society possesses an historical collection of microscopes and allied equipment with a current insured value of £739,900. Any market valuation of the collection is indeterminable due to the age and a lack of accurate financial information relating to the individual items making up such a collection. Therefore, it is considered to be impracticable and unreflective to attempt to value these microscopes, so no value has been included in the tangible fixed assets included these financial statements in relation to this collection. The collection is presently in the care of the Museum of the History of Science in Oxford.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

14. Fixed asset investments	2017	2016
	£	£
Listed investments:		
Market value 1 January 2017	3,073,334	2,823,115
Additions	549,456	548,155
Disposals	(543,824)	(671,493)
Realised gains/(losses) on disposals	(2,715)	(22,317)
Unrealised gains/(losses)	232,723	299,411
Movement in cash awaiting investment	(46,948)	96,463
	<u>3,262,026</u>	<u>3,073,334</u>
Market value 31 December 2017	<u>3,262,026</u>	<u>3,073,334</u>
	2017	2016
	£	£
Investments at market value comprised:		
Equities	2,286,520	2,060,594
UK fixed interest securities	568,865	577,640
Cash deposits	113,878	160,826
Alternative Assets	190,344	174,949
Property	39,375	39,550
Open ended investment fund	63,044	59,775
	<u>3,262,026</u>	<u>3,073,334</u>

The trustees consider individual holdings at 31 December 2017 in excess of 5% of the portfolio value to be material. At 31 December 2017 there were no such holdings.

Since the year end, there has been a general decline in the overall value of the managed investment fund. The decrease in the market value of the shares is not uniform across the portfolio; some shares have increased in value. The charity intends to continue to hold the investments for long term returns, so it is not considered to account for this general decline in value, which is in-line with market trends.

	2017	2016
	£	£
Listed investments at cost		
1 January 2017	2,075,766	2,066,669
Additions	549,456	548,155
Disposals	(450,730)	(539,058)
	<u>2,174,492</u>	<u>2,075,766</u>
31 December 2017	<u>2,174,492</u>	<u>2,075,766</u>
15. Debtors	2017	2016
	£	£
Trade debtors	421,892	359,859
Other debtors	-	10,763
Prepayments and accrued income	114,403	138,413
	<u>536,295</u>	<u>509,035</u>
16. Cash at bank and in hand	2017	2016
	£	£
Bank current accounts	289,486	153,513
Petty cash	709	759
	<u>290,195</u>	<u>154,272</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

17. Creditors: Amounts falling due within one year	2017 £	2016 £
Trade creditors	70,876	48,790
Accruals	33,651	26,033
Deferred income (see Note 17a)	165,433	171,719
Other taxes and social security	29,500	33,851
Pension	4,911	19,178
Other creditors	2,280	3,023
	306,651	302,594

17a. Deferred income	Membership £	Meetings and courses £	MMC £	2017 £	2016 £
At 1 January 2017	46,484	51,601	73,634	171,719	103,864
Released to incoming resources	(46,484)	(51,601)	(73,634)	(171,719)	(103,864)
Deferred in the year	15,491	149,665	277	165,433	171,719
At 31 December 2017	15,491	149,665	277	165,433	171,719

Deferred income related to membership fees, mmc and meetings and courses income related to future periods, which is invoiced in advance during the year.

18. Unrestricted funds

	Balance 1 January 2017 £	Movement in resources Incoming £	Outgoing £	Transfer between funds £	Investment Gains and Revaluation of assets £	Balance 31 December 2017 £
Accumulated Fund	225,064	1,883,409	(1,796,717)	25,697	-	337,453
Capital Fund	3,728,692	78,999	(52,939)	(81,292)	230,008	3,903,468
<i>Designated Funds:</i>						
Building Fund	35,000	-	-	5,000	-	40,000
Outreach Fund	30,000	3,182	(12,785)	19,603	-	40,000
IT Fund	110,000	-	(40,992)	30,992	-	100,000
	4,128,756	1,965,590	(1,903,433)	-	230,008	4,420,921

The capital fund represents the society's interest in investments and the freehold property. The cost of investment management is shown as a charge against the capital fund and similarly the depreciation cost on freehold property has been charged to the capital fund.

The Building Fund was set up to fund future repairs, maintenance and improvements to the offices, flat and restaurant.

The Outreach Fund was set up to support any activities in the area of its Outreach program.

The IT Fund was set up to fund future improvements to IT database.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

Analysis of movements in unrestricted funds previous year

	Balance 1 January 2016 £	Movement in resources Incoming £	Outgoing £	Transfer between funds £	Investment Gains and Revaluation of assets £	Balance 31 December 2016 £
Accumulated Fund	215,894	1,240,116	(1,238,615)	7,669	-	225,064
Capital Fund	3,492,390	72,743	(50,150)	(63,385)	277,094	3,728,692
<i>Designated Funds:</i>						
Building Fund	40,000	-	-	(5,000)	-	35,000
Outreach Fund	100,000	4,210	(63,241)	(10,969)	-	30,000
IT Fund	60,000	-	(21,685)	71,685	-	110,000
	<u>3,908,284</u>	<u>1,317,069</u>	<u>(1,373,691)</u>	<u>-</u>	<u>277,094</u>	<u>4,128,756</u>

19. Restricted funds

	Balance 1 January 2017 £	Movement in resources Incoming £	Outgoing £	Transfer Between funds £	Balance 31 December 2017 £
Pearse Prize Fund	15,272	16	-	-	15,288
TOSCA	<u>16,661</u>	<u>61,887</u>	<u>(54,203)</u>	<u>-</u>	<u>24,345</u>
	<u>31,933</u>	<u>61,903</u>	<u>(54,203)</u>	<u>-</u>	<u>39,633</u>

Name of fund

Purpose of fund

Pearse Prize Fund

To fund the award of the Pearse Prize Medal

TOSCA

To fund the annual TOSCA event and travel bursaries

Analysis of movements in restricted funds previous year

	Balance 1 January 2016 £	Movement in resources Incoming £	Outgoing £	Transfer Between funds £	Balance 31 December 2016 £
Pearse Prize Fund	15,256	16	-	-	15,272
BBSRC Bursary Fund	424	-	(424)	-	-
TOSCA	<u>12,774</u>	<u>34,851</u>	<u>(30,964)</u>	<u>-</u>	<u>16,661</u>
	<u>28,454</u>	<u>34,867</u>	<u>(31,388)</u>	<u>-</u>	<u>31,933</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

20. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Tangible fixed assets	678,689	-	678,689	726,642
Listed investments	3,262,026	-	3,262,026	3,073,334
Debtors	536,295	-	536,295	509,035
Cash at bank and in hand	250,562	39,633	290,195	154,272
Creditors	(306,651)	-	(306,651)	(302,594)
	<u>4,420,921</u>	<u>39,633</u>	<u>4,460,554</u>	<u>4,160,689</u>

Analysis of net assets between funds – previous year

	Unrestricted funds £	Restricted funds £	2016 Total £
Tangible fixed assets	726,642	-	726,642
Listed investments	3,073,334	-	3,073,334
Debtors	509,035	-	509,035
Cash at bank and in hand	122,339	31,933	154,272
Creditors	(302,594)	-	(302,594)
	<u>4,128,756</u>	<u>31,933</u>	<u>4,160,689</u>

21. Capital commitments

There were capital commitments contracted at the year-end totalling £nil (2016: £14,844).

22. Financial commitments

Operating leases

At 31 December 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 Total £	2016 Total £
Amounts due within one year	4,267	4,267
Amounts due between one and five years	4,624	8,891
Amounts due after five years	-	-
	<u>8,891</u>	<u>13,158</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

22. Financial commitments (continued)

At 31 December 2017 the total of the Charity's future rentals receivable under non-cancellable operating leases was:

	2017 Total £	2016 Total £
Amounts due within one year	24,000	24,000
Amounts due between one and five years	96,000	96,000
Amounts due after five years	384,000	408,000
	<u>504,000</u>	<u>528,000</u>

The company owns a building of which the ground floor is rented out by a restaurant. This non-cancellable lease which runs to 1 January 2039.

23. Financial instruments

	2017 Total £	2016 Total £
Financial assets measured at fair value through SOFA	290,195	154,272
Financial assets measured at amortised cost	<u>421,892</u>	<u>370,622</u>
	2017 Total £	2016 Total £
Financial assets measured at amortised cost	<u>141,218</u>	<u>130,875</u>

Financial assets at fair value through the statement of financial activities comprises of cash at bank and on hand. The fair value of this asset is determined with reference to the bank statements at the year end.

Financial assets measured at amortised cost consist of trade debtors and other debtors. The value of these is the amount expected to be recovered at the year end.

Financial liabilities measured at amortised cost consist of trade creditors, other taxation & social security, pension, other creditors and accruals. The value of trade creditors and other creditors is based on purchase invoices received from suppliers. Invoices denominated in foreign currencies are translated into sterling at the prevailing exchange rate at the year end. Accruals are based on management's best estimate of the cost of settling the liability.

24. Related party transactions

The only related party transactions that the charity has is with its trustees. Details of trustee remuneration can be found in note 12.

At 31 December 2017 £4,036 was owed to 11 Trustees for amounts claimed in out of pocket expenses but not yet reimbursed. These short term creditors, upon which no interest is incurred, will be reimbursed in the normal course of the Society's ordinary activities.

Travel and subsistence expenses reimbursed to 17 members of the Council of Management totalling £12,772 (2016: £13,913 to 21 members). Honoraria of £2,625 was paid to three members of the Council. Bad debts of £19 (2016: £nil) were written off in relation to one Trustee and one Trustee was reimbursed £30 (2016: £nil) for a gift purchased on behalf of the charity.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2017 (continued)

25. Cash flows from operating activities	2017	2016
	£	£
Net income/(expenditure) for the year	299,865	223,950
Adjustments for:		
Depreciation charges	71,305	66,136
(Gains)/losses on disposal of fixed assets	1,020	-
(Gains)/losses on investments	(230,008)	(277,094)
Dividends, interest & rents from investments	(79,015)	(74,341)
(increase)/decrease in debtors	(27,260)	(174,057)
Increase/(decrease) in creditors	4,057	82,084
	<hr/>	<hr/>
Net cash used in operating activities	39,964	(153,322)
	<hr/>	<hr/>
26. Cash flows from investing activities	2017	2016
	£	£
Dividends, interest and rents from investments	79,015	74,341
Purchase of property, plant & equipment	(24,372)	(9,552)
Proceeds from sales of investments	543,824	671,493
Purchase of investments	(549,456)	(548,155)
Movement in cash awaiting investment	46,948	(96,463)
	<hr/>	<hr/>
Net cash used in investing activities	95,959	91,664
	<hr/>	<hr/>
27. Analysis of cash and cash equivalents	2017	2016
	£	£
Cash at bank	289,486	153,513
Petty cash	709	759
	<hr/>	<hr/>
	290,195	154,272
	<hr/>	<hr/>