

Charity Number: 241990

ROYAL MICROSCOPICAL SOCIETY

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

ROYAL MICROSCOPICAL SOCIETY

REPORT AND FINANCIAL STATEMENTS – For the year ended 31 December 2018

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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 Grace Burke	Vice-President (from 27 September 2018)
Professor Peter Nellist	Vice-President (until 27 September 2018)
Dr Peter O'Toole	Vice President
Dr Debbie Stokes	International Secretary
Professor Chris Hawes Hon FRMS	Executive Honorary Secretary
Dr Lynne Joyce	Honorary Treasurer
Dr Rik Brydson	Honorary Secretary Science - Physical
Professor Maddy Parsons	Honorary Secretary Science – Biological
Dr Kerry Thompson	Honorary Secretary Education (from 27 September 2018)
Professor Susan Anderson	Honorary Secretary Education (until 27 September 2018)
Professor Kesara Anamthawat-Jonsson	(until 27 September 2018)
Dr Alex Ball	
Mr Eric Bennett	(until 27 September 2018)
Dr Stan Botchway	(from 27 September 2018)
Dr Andy Brown	(from 27 September 2018)
Dr Lucy Collinson	
Professor Sonia Contera	
Mr Derek Davies	
Dr Liz Duke	(from 27 September 2018)
Mrs Kim Findlay	(from 27 September 2018)
Dr Sarah Haigh	(until 27 September 2018)
Dr Pippa Hawes	(until 27 September 2018)
Professor Beverley Inkson	
Professor Martin Leahy	(until 27 September 2018)
Professor Paul Midgley Hon FRMS	
Mr Ricardo Morilla	(until 27 September 2018)
Professor Klaus Qvortrup	(from 27 September 2018)
Mr Alex Sossick	
Dr Claire Wells	
Dr Neil Wilson	

The following members retired from Council during the year:

Professor Peter Nellist,
Professor Susan Anderson,
Professor Kesara Anamthawat-Jonsson,
Mr Eric Bennett,
Dr Sarah Haigh,
Professor Pippa Hawes,
Professor Martin Leahy and
Mr Ricardo Morilla.

Chief Executive: Ms Allison Winton

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

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

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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 2018 for Royal Microscopical Society (also referred to as RMS or Society).

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Foreword to this Annual Report

Professor Michelle Peckham, President

The Royal Microscopical Society is a well-supported, highly active society, which plays an important role in running meetings, events, workshops and contributing to 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 began with the 11th LM Facility meeting in London, the 3rd EM-UK Facility Managers Meeting in Glasgow, and the first Flow Cytometry Facilities meeting in York, the first 3 of 22 different events run by the Society. These included courses in basic and advanced techniques, including a new course in Cryo-EM techniques run at Leeds. Meetings included the Frontiers in BiImaging Meeting in Glasgow, and our own Annual General Meeting in London, held at the Royal Society. We are currently assessing all of our courses through the Training Focussed Interest Group (Training FIG) to ensure that these remain up to date, and new ideas can be implemented.

Our membership numbers having increased over the last few years, are now remaining steady at just under 1500 members. The Society also awarded two Honorary Fellowships to Professor Joachim Frank for his contributions to cryo-electron microscopy, and to Dame Professor Pratibha Gai, a pioneer in the use of environmental transmission electron microscopy.

The Society's journal, *The Journal of Microscopy* published 120 contributions this year, 10% fewer than last year. The number of submissions to the journal have also fallen by 30%. This may be because we have tightened up our wording on the types of papers that the journal will consider. We have also had a substantial change to the editors, with Pete Nellist taking over as general editor from Tony Wilson, and with Chris Hawes and Graham Dunn retiring as editors. Kurt Anderson, Ulla Neumann and Gail McConnell will become new editors in the new year.

Our *infocus* magazine, distributed to all our members is edited by Adrian Burden and Vikas Trivedi with suggestions for content from the editorial board, composed of members from each of our sections. There have been some excellent articles in the magazine this year, and copies of back issues can be found online.

A new book in the handbook series has been published this year, and more are in the pipeline.

Over 85,000 children have now been able to engage with the Microscopy Activity kits since the scheme began, and it continues to be a great achievement for the Outreach activities of the Society. The Outreach committee has made important contributions in many other areas. However, this year we have to say a fond farewell to Susan Anderson, who has led on these activities as Honorary Secretary for Outreach over the past 9 years. We thank her very much indeed for her invaluable contributions, and wish her well. And a big welcome to our new Honorary Secretary for Outreach, Kerry Thompson.

Given the continuing uncertainties arising from Brexit and other world events, our investment portfolio is performing well under the management of Investec Wealth Management Ltd. We take a cautious approach to ensure that the Society continues to have a sound financial base to enable it to fulfil its charitable objectives into the future.

The RMS has had another busy and exciting year. Perhaps of note is our new Instagram account, which is proving enormously successful, with some great images! All of our achievements would not 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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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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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.

The Royal Microscopical Society is closely monitoring the implications of the Brexit negotiations. We would like to take this opportunity to state that we are an International Society, and welcome members from all countries and backgrounds who are working with microscopes and are interested in the science of microscopy. Brexit is frequently reviewed at our Executive Committee meetings, with future plans evaluated to ensure we can continue to support all of our members. We are aware that funding to attend our activities may be affected by Brexit and will review our current strategy when details of the deal become clear.

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Events

Report by Professor Rik Brydson 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 RMS organised and supported 22 meetings, courses or workshops in 2018, attracting a total of over 1500 delegates. These events ranged from 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 significant 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 2018 covered both basic and advanced techniques and provided 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 (20 students, York), Flow Cytometry Course (8 attendees, York) and Cryo Microscopy Course (14 attendees, Rothamsted). The Electron Microscopy Spring School in Leeds attracted 28 attendees. Finally, the RMS ran the ESRIC summer school in Edinburgh for the second time, which was attended by 32 students. All five of these annual courses are scheduled to run again in 2019. Many of these events were significantly 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 110 attendees.

Other RMS-organised or co-organised meetings covered a range of events that attracted over 1500 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. Events included the LM Facility Managers Meeting in London (160 attendees), the Flow Cytometry Facility Managers Meeting in York and FlowCytometryUK in Edinburgh (70 and 180 attendees respectively), the EBSD meeting in Plymouth (80 attendees), the EM-UK Facility Managers Meeting in Glasgow (84 attendees) and SPM Meeting (Leeds, 54 attendees). The RMS also hosted the Frontiers in Bioimaging conference in Glasgow, which attracted 61 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. These were the BioimagingUK symposium in London (90 attendees), and ELMI in Dublin (503 attendees). The RMS additionally sponsored a session at the German Society for Cell Biology in Leipzig, Germany, which attracted over 300 delegates. The RMS also supported a number of other key events through advertising other related events on our website.

To further support developing microscopists, in 2018 the RMS awarded a total of 24 travel bursaries to support members attending relevant meetings and conferences.

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, which has grown in 2018 to support the increasing demand for new meeting support, 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. 2019 will see a diverse range of events including mmc2019, which will be held in Manchester in July.

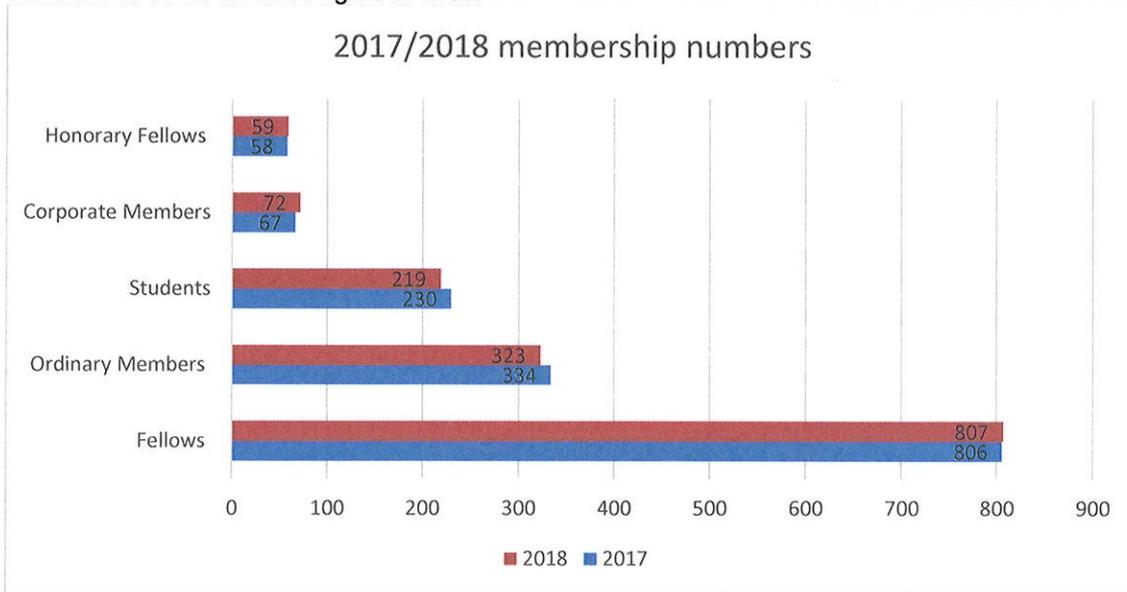
Finally, through the ongoing work of the Training Focussed Interest Group, we are taking a close look at all our offerings during 2019 and beyond, and seeking new opportunities to address the ever-developing fields within microscopy.

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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 2018 is 1480, broken down as shown. This is a decrease of 15 on the 2017 figure of 1495.



158 new members joined in 2018 - (For comparison, 221 members joined in 2017, 204 in 2016, 185 in 2015 and 109 in 2014).

We were also pleased to welcome back three members who re-joined during 2018.

Two Honorary Fellowships were awarded during 2018.

The number of student members continues to represent around 15% of the total individual membership. Out of the total 219 Student members, 120 have taken advantage of the PhD free year, 14 received a free year's membership offered to Masters Students and five 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.

We are always grateful for the support given to us by our Corporate Members and are pleased to report that seven new companies joined us in 2018.

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 2018, 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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RMS Outreach

Report by outgoing Chair Professor Susan Anderson

1. Schools Outreach

Our Microscope Activity Kits (MAK) continue to be a success and I can report that we have a documented reach of 85,325 (just under 20,000 more than last year) children to date. This does not count the significant number of schools which do not give numbers in feedback, and it does not include festivals and public facing activities. We also have two international and successful projects ongoing - one in Ireland and one in Malaysia.

In one of these projects alone, the MAKs have been used by in excess of 100,000 young people and have had positive effects on developing interest in science among students and teachers. They have helped teachers develop cross-curricular activities linking science to other subject areas in imaginative and creative ways, engaging students - including those that are 'hard to reach'. We continue our partnership with County Print Finishers to stock and ship the kits and we are delighted to report that working with the RMS has had a really positive impact on that organisation, which works with people with learning difficulties. Kerry, Kate and I had an inspiring visit with them earlier in the year. I will continue to lead the MAK scheme with Kate.

2. Professional CPD

RMS Diploma:

The RMS Diploma continues to be run by the Education sub-committee led by Prof Susan Brookes. Many thanks to her and the other Education Sub-Committee members for their input in ensuring the smooth running of this qualification and the updating of all the processes and paperwork. We have six current Diploma candidates and five Diplomates from five countries. Due to updating of processes at the Science Council, the possibility of accreditation is on hold but will be followed up.

Training Focussed Interest Group (FIG):

As part of the RMS strategy several FIGs have been established. These are short term task and finish groups of experts with a remit to review strategic areas of priority. One reports into the Outreach Committee looking at the training that the RMS offers and ensuring it covers all aspects of training needed for today's microscopists. This is being led by Alex Ball and we've had a few productive meetings with everything on track.

3. Public Outreach

Events we have attended or loaned microscopes to:

- Big Bang @ Weston, Science & Engineering Festival, Weston-Super-Mare – 27 & 28 April 2018 – Owen Green, Peter Sainsbury, Marie Kokolski
- Lyme Regis Fossil Festival – 5 & 6 May 2018 – Alex Ball and Owen Green
- European Researchers Night at the Natural History Museum, London – 28 September 2018 – Alex Ball and Kerry Thompson

These events are important to engage the general public in science via microscopy and are rewarding for our microscopists. 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.

4. Looking to the future

My role as Honorary Secretary for Education and Outreach has now come to an end after nine years.

Firstly, I have the great pleasure of handing over to my successor, Kerry Thompson. I have absolutely no doubt that she will do an amazing job and will receive the outstanding support and commitment of the Outreach Committee and the office that I have enjoyed. That support makes the job so much easier and thoroughly enjoyable.

Secondly, I have the pleasure of leaving something that is far bigger and more wide-ranging than when I started. Our areas of focus are strong and growing and we now have leaders for each theme: Alex for training, Susan for Dip, Me for MAK. Leaving things well organised, allows Kerry the time and space so that new ideas can develop and flourish under her leadership.

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Finally, I want to thank the Society sincerely for the opportunity. I know that the work I've led has helped advance the Society's Outreach and Education agenda and strategy, but I think it is worth pointing out that the Society in return has not only looked after and supported me, but the opportunities that have come for me professionally from this work have been amazing.

As for the future, I have just taken over as Chair of the Board of Directors of the newly established Nottingham Festival of Science and Curiosity company, which I feel I can make a success because of my experience in this role. I can highly recommend a role with the RMS from both a personal and professional perspective.

Publishing

Journal of Microscopy

Report by Professor Pete Nellist, General Editor

In 2018 the Journal of Microscopy published a total of 120 contributions, made up of 100 original research articles, two hot topic papers, two review papers, one invited review, one letter to the editor and 14 themed issue papers. This is down 10% on 2017.

The number of submissions to the Journal of Microscopy is down 30% on the same period last year: 160 papers have been submitted to the Journal so far in 2018 (as at 27 November). This difference could be explained by the update to the Journal aims and scope. 73 papers have been accepted for publication (as at 27 November).

The Journal of Microscopy provides a flexible open access platform for authors. 12 Online Open papers were published in the Journal in 2018, this number is slowly rising.

The 'Short Invited Reviews' series featuring articles which deal with the basic ideas behind particular techniques was launched in 2011. Since then 43 papers have been published (10 in 2011, seven in 2012, nine in 2013, eight in 2014, six in 2015, one in 2016, one in 2017 and one in 2018). There are further papers in the pipeline.

Two themed Issues of the Journal were published in 2018, Environmental Electron Microscopy (February) and ToScA 2017 (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 1443 likes and the Journal has 1963 followers on Twitter (these have risen 21% and 46% respectively over the last 12 months). 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 2018 the Journal has been promoted at numerous events, including M&M 2018 and IMC19 where there were two Journal receptions and a 'how to get your paper published in the journal of microscopy' workshops.

The ISI Journal Citation Report 2017 reports the Journal of Microscopy's impact factor as 1.693.

Professor Pete Nellist took over from Professor Tony Wilson as General Editor in July 2018, and both Professor Chris Hawes and Professor Graham Dunn have stood down as Scientific Editors this year. Professor Kurt Anderson (Francis Crick Institute), Ulla Neumann (Max Planck Institute) and Professor Gail McConnell (University of Strathclyde) have all agreed to join our Scientific Editors in 2019.

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.

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infocus Magazine

Report by Dr Adrian Burden, Scientific Editor

In 2018, *infocus* Magazine published four issues as standard, made up of 412 pages, all with colour images and attractive page layouts. They comprised a total of 12 Feature Articles, 17 Reports, three 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 was a total of 33 advertisements in 2018, this is comparable to previous years (36 – 2017, 38 – 2016, 36 – 2015, 40 – 2014, 36 – 2013, 39 – 2012, 29 – 2011, 32 – 2010). A copy of *infocus* was given to every delegate who attended an RMS event in the last 12 months and this will continue next year.

In June 2018 we celebrated the 50th edition of *infocus* with a special 'gold' issue which included an attractive embossed gold cover, an article on gold and a micro-text 'treasure hunt' game to further engage the reader.

Supporting the Scientific Editors Dr Adrian Burden and Dr Vikas Trivedi, the Editorial Board currently comprises of:

- Dr Susan Cox, King's College London (Light Microscopy)
- Dr Emily Eden, University College London (Life Sciences)
- Dr Laura Fumagalli, University of Manchester (SPM)
- Dr Rebecca Higginson, Loughborough University (EPS)
- Dr Ian Titley, Institute of Cancer Research UK (Flow Cytometry)
- Dr Rebecca Thompson, University of Leeds (EM)
- Dr Leandro Lemgruber, University of Glasgow

The Board are tasked with encouraging submissions and suggesting article topics as well as representing and promoting *infocus* at conferences and events. This strategy has proved particularly fruitful, with many articles and ideas coming from the Board. We also use the Board to sound out new ideas for the publication in terms of content and format.

The *infocus* website (www.infocus.org.uk) is updated regularly with details of the Editorial Board and information on submitting articles or advertising in the Magazine. In addition, all articles published in back issues of *infocus*, excluding the previous year, are available online. All the articles on the RMS website now have a DOI reference and this will continue as each issue is uploaded. Selected published articles are promoted using the RMS Facebook and Twitter pages.

The article pipeline is currently healthy, but we continue to seek new material of interest to the readership and would welcome more articles or sources of potential articles from RMS members.

As usual, I would like to thank the team at the RMS Office for their efficiency and attention to detail in preparing each edition of *infocus*. In particular, I would like to acknowledge Lucy Ridler and Jill Hobbs, and also welcome Owen Morton who has just joined as Publications Assistant.

RMS-Wiley Handbook Series

Report by Professor Susan Brooks – Handbook Editor

The RMS-Wiley Handbook Series continues to progress well. Having published five books up until the end of 2013, we are pleased that one further book appeared in 2017 and one in 2018. One more, a two-volume set, is

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in production (publication November 2018). We are delighted that a long-awaited addition to the series is also in production for release in February 2019.

We currently have one book contracted, with most chapters currently under editorial review, and a publication date of 2019 expected. Three further books are also contracted and progressing more slowly.

We are in discussions about two further new book proposals. As always, new proposals are being sought.

Published to date:

- **Electron Beam-Specimen Interaction and Applications in Microscopy** by Dr Budhika Mendis. Published April 2018.
- **Standard and Super-Resolution Biolmaging 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)
- **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:

- **Biological Field Emission Scanning Electron Microscopy**, by Dr Bruno Humbel and Dr Roland Fleck (Eds). Publication is expected in November 2018.
- **Understanding Light Microscopy** Mr Jeremy Sanderson. Publication is expected in February 2019.

Contracted:

- **Correlative Light Electron Microscopy (CLEM)** by Professor Paul Verkade and Dr Lucy Collinson (Eds). Manuscript due December 2018, most chapters at editorial review. Publication expected 2019.

Progressing :

- **Atlas of images and spectra for electron microscopists** By Ursel Bangert.
- **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 2018, the RMS has welcomed over 55,000 visitors which is a 10% increase on last year. We have seen more international visitors this year with a 7% drop in visitors from the UK to just 48%. The United States, Germany and France have provided over 22% of our traffic for the year and the remaining 25% of traffic has come from all

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over the world including India, the Netherlands and Australia, demonstrating the truly international nature of the RMS.

We have again seen an increase of almost 3,000 visitors from the United States during 2018. It seems we have been able to maintain these numbers in 2018 ahead of the Florida ToSca Meeting in 2019.

RMS Events have been our most popular pages with five of the top 10 pages being events-related - the events calendar page being at #2 (after the home page). Also included in the top 10 are the Membership page, Jobs Listings, Microscope Activity Kits and the Facilities Database which shows the diverse interests of our visitors. The mmc series and emc2020 websites are in the process of being moved under the same CMS as the main RMS website. This will have the advantage of sharing the same content as the main RMS website and will mean that members of staff can make updates more quickly and efficiently on a system they are familiar with.

Alongside this we will be using an event management system developed by our website providers to manage registrations for mmc2019. This should make the process much more streamlined next year.

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 2,800 followers with posts regularly receiving monthly tweet impressions of around 50k.

A new Twitter account has been created for emc2020, which will become more crucial as we move nearer to the event. The Society Instagram account was launched in July 2018 and has quickly gained almost 800 followers with individual posts regularly receiving over 100 likes and numerous comments. We plan to extend the reach of this over the coming 12 months.

Although the new CRM system has stalled, we have reached an agreement with Pixl8 to utilise the system they are developing. This will be up and running in 2019 and will provide all the content and functionality we require to help develop our membership offer.

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 £1.722M compared to £2.027M in 2017 reflecting the fact that 2018 was not an mmc year, but 2017 was. The Investec managed portfolio of listed investments had a value at the end of 2018 of £3.034M (2017: £3.199M). The overall value of the Society's funds, including the property and other investments at the end of 2018 was £4.375M (2017: £4.461M).

When viewing the 2018 accounts, the following points should also be noted:

- The total value of the Society's funds has decreased by £86K primarily due to the loss made during the year in our investment portfolio of £123K.

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- £16K was spent on Outreach activities with a further £14K 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 2018 rent provided an income of £24K (2017: £24K).

Investment income in 2018 was £79K (2017: £79K) which includes bank interest and interest from the charity property fund of £3K (2017: £4K). The cost of generating these funds was £39K (2017: £39K).

Charitable activities

Meetings and Courses

During the year, the Society organised seventeen meetings and five courses; last year the Society organised nine courses and eleven meetings. Total income from Meetings was £623K (2017: £246K), and income from courses was £177K (2017: £132K). Expenditure on Meetings was £815K (2017: £356K). Expenditure on Courses was £185K (2017: £161K).

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 £201K (2017: £139K deficit). 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 were consistent at to £107K (2017: £107K). We are grateful for the support given to us by our Corporate Members. There were 72 Corporate Members and 219 Student Members at the end of 2018, compared with 62 and 230 respectively at the end of 2017.

Publications

The Society publishes the internationally recognised Journal of Microscopy and the membership magazine, *infocus*. In addition, we have back issues of the Journal of Microscopy dating from 1841 available through Wiley online. Together they generated income of £706K (2017: £709K) with expenditure of £496K (2017: £458K).

Outreach

Outreach income of £2.5K (2017: £3.4K) 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 £30K (2017: £31K), which includes expenditure on the Microscope Activity Kits.

During 2018 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

ROYAL MICROSCOPICAL SOCIETY

microscopes in 2018 totalling £100 (£385). The RMS provided 5 Summer Studentships in 2018 totalling £10K for undergraduate students to complete a microscopy project during their summer break.

Governance costs

Governance costs were £49K (2017: £49K), comprising costs incurred for meetings of Council, professional fees (including the auditors fee), and a proportion of office costs. The 2018 figure is 2.8% (2017: 2.4%) 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.

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 2018 the total value of the Society's investments were £3,098,473 (2017: £3,262,026), the majority of this is held in an Investec managed mixed portfolio.

As at the 31 December 2018 the total value of the portfolio was £3,033,673. After a very difficult and volatile year for investors the portfolio ended 2018 down -1.8%. Although disappointing, this compares favourably with a fall of 4.8% in the APCIMS benchmark and -9.5% in the FTSE AllShare over the corresponding period. The challenging backdrop of rising interest rates, increasing inflationary pressure, geopolitical issues with Italy, Brexit and trade wars proved too much for the markets to make any headway. So much so that December put in the worst performance in asset classes since 1994. The portfolio remained relatively resilient against this backdrop and the more defensive stance that we had been working towards over the year paid off, particularly in Q4. This said, it is never pleasant to report a negative return but after such a long run in equity markets it was somewhat predictable. Looking forward, we do not see the major signs of a recession anytime soon and as such are still relatively constructive on equity markets as a whole. It is likely that returns will moderate from here and volatility will remain high so I am inclined to continue to run a balanced asset allocation targeting a medium risk portfolio mandate. Hopefully we will get more clarity in the first quarter of how the macroeconomic backdrop will settle.

As at 31 December the value of equities stood at £1,881,507 (2017: £2,286,520), fixed interest £645,264 (2017: £568,865) and cash deposits £202,138 (2017: £113,878).

In 2001 the Society invested £50K in the Charities Property Fund. At the end of 2018 the Fund stood at £64,800 (2017: £63,044). The cumulative income for the fund up to year end 2018 is now £34,756. 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.

ROYAL MICROSCOPICAL SOCIETY

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 £590K 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 £1.72 million (not including direct costs on activities). Running costs including all direct costs less Journal income would be approximately £2.9 million.

In 2018 - 2019 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 Society's 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*. The Society is committed to running the 100 Microscope Activity Kit loan scheme for the foreseeable future at a cost of approximately £25K per year.

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 2018, the balance of this fund was £358K (2017: £337K). 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 2018, the balance of this fund was £3.82M (2017: £3.90M).

The Society's designated funds consist of the Building Fund £25K (2017: £40K), Outreach Fund £31K (2017: £40K) and IT Fund £100K (2017: £100K). 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 (2017: £15K). Secondly, ToScA, which had a year-end balance of £25K (2017: £24K), to fund the annual ToScA event and travel bursaries. ToScA are now established in their own right and will therefore require their funds to be transferred during 2019.

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 85,000 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.

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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.

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 2019 in order to carry out its charitable activities.

During 2019 we will be organising some of our usual Courses and Workshops including the Electron Microscopy Spring School, the Light Microscopy Summer School, Getting the Most from your Confocal Course, the Flow Cytometry Course, the Cryo TEM Course and the Facility Managers Course. We will be repeating the Electron Backscatter Diffraction (EBSD) workshop, organising the ESRIC Super-Resolution Summer School, as well as the Super-Resolution Workshop. Meetings will include the LM Facility Managers Meeting, the EM-UK Meeting, the Flow Cytometry Facility Managers Meeting, the High Content Imaging Meeting, the Electron Backscatter Diffraction (EBSD) meeting, the Botanical Microscopy Meeting and the Flow Cytometry UK (FCUK) Meeting. The Society will be assisting with organising the ToScA North America (Tomography for Scientific Advancement) meeting which is due to take place in Florida.

Future planning has already started on the regular RMS events taking place in 2019, as well as planning for the Microscience Microscopy Congress 2019 (mmc2019). Also, as the RMS is 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 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, particularly with the potential introduction of PlanS in 2020.

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.

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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. 2018 saw the very successful introduction of Instagram, we will continue to promote the RMS in this way. We will be moving forward with Phase 2 of our website, which will improve functionality and make it more interactive. We are also working with our website company, Pixl8, to develop a membership CRM as well as an efficient and customer-friendly online registration system for mmc2019 and beyond.

During 2019 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. 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 2018 and in addition to running events and other charitable activities, has continued to implement improvements to the IT and infrastructure.

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 Regulation (GDPR) being implemented from 25 May 2018, we have adapted our working practices to ensure that all new requirements are met. We will continue to improve the ISO 27001 system and ensure compliance with GDPR.

ROYAL MICROSCOPICAL SOCIETY

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.

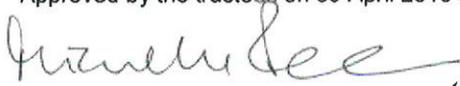
The maintenance and integrity of the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

In so far as the Trustees are aware:

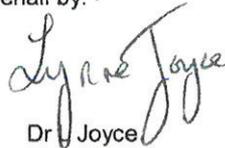
There is no relevant information of which the charity's auditor is not aware, and

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 30 April 2019 and signed on their behalf by: -



Professor M Peckham



Dr Joyce

ROYAL MICROSCOPICAL SOCIETY

Independent Auditor's Report to the Members and Trustees of Royal Microscopical Society

Opinion

We have audited the financial statements of Royal Microscopical Society (the 'charitable company') for the year ended 31 December 2018 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 2018 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.

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.

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.

ROYAL MICROSCOPICAL SOCIETY

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 Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees has 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 Report of the Board of Trustees.

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 18, 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.

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.

ROYAL MICROSCOPICAL SOCIETY

Use of our report

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.



Nicholas Simkins
Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor
BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

Date: 13/5/2019.

ROYAL MICROSCOPICAL SOCIETY

Statement of financial activities for the year ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Income and endowments from:					
Donations and legacies	3	3,741	-	3,741	4,360
Charitable activities	4	1,581,742	33,525	1,615,267	1,920,003
Other trading activities	5	24,000	-	24,000	24,115
Investments	6	79,078	15	79,093	79,015
Total		1,688,561	33,540	1,722,101	2,027,493
Expenditure on:					
Raising funds	7	38,910	-	38,910	39,022
Charitable activities	8	1,609,693	33,310	1,643,003	1,915,076
Other expenditure		2,934	-	2,934	3,538
Total		1,651,537	33,310	1,684,847	1,957,636
Gains/(losses) on investment assets	14	(123,308)	-	(123,308)	230,008
Net movement in funds		(86,284)	230	(86,054)	299,865
Reconciliation of funds					
Total funds brought forward at 1 January 2018		4,420,921	39,633	4,460,554	4,160,689
Total funds carried forward at 31 December 2018		4,334,637	39,863	4,374,500	4,460,554

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 26 to 38 form part of these Financial Statements.

ROYAL MICROSCOPICAL SOCIETY

Statement of financial activities for the year ended 31 December 2017

	Note	Unrestricted funds £	Restricted funds £	2017 Total £
Income and endowments from:				
Donations and legacies	3	4,360	-	4,360
Charitable activities	4	1,858,116	61,887	1,920,003
Other trading activities	5	24,115	-	24,115
Investments	6	78,999	16	79,015
Total		<u>1,965,590</u>	<u>61,903</u>	<u>2,027,493</u>
Expenditure on:				
Raising funds	7	39,022	-	39,022
Charitable activities	8	1,860,873	54,203	1,915,076
Other expenditure		<u>3,538</u>	<u>-</u>	<u>3,538</u>
Total		<u>1,903,433</u>	<u>54,203</u>	<u>1,957,636</u>
Gains on investment assets		230,008	-	230,008
Net movement in fund		292,165	7,700	299,865
Reconciliation of funds				
Total funds brought forward at 1 January 2017		4,128,756	31,933	4,160,689
Total funds carried forward at 31 December 2017		<u>4,420,921</u>	<u>39,633</u>	<u>4,460,554</u>

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 26 to 38 form part of these financial statements.

ROYAL MICROSCOPICAL SOCIETY

Balance sheet at 31 December 2018

Company Number: RC000353

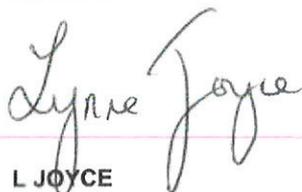
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	662,856	678,689
Listed investments	14	3,098,473	3,262,026
		<u>3,761,329</u>	<u>3,940,715</u>
Current assets			
Debtors	15	422,302	536,295
Cash at bank and in hand	16	453,030	290,195
		875,332	826,490
Creditors			
Amounts falling due within one year	17	(262,161)	(306,651)
		<u>613,171</u>	<u>519,839</u>
Net current assets		<u>613,171</u>	<u>519,839</u>
Net assets		<u>4,374,500</u>	<u>4,460,554</u>
The funds of the charity			
Restricted income funds	19	39,863	39,633
Unrestricted income funds	18	4,334,637	4,420,921
		<u>4,374,500</u>	<u>4,460,554</u>
Total charity funds		<u>4,374,500</u>	<u>4,460,554</u>

Approved by the Council on 30th April 2019 and signed on their behalf by



M PECKHAM

PRESIDENT



L JOYCE

HONORARY TREASURER

The notes on pages 26 to 38 form part of these financial statements.

ROYAL MICROSCOPICAL SOCIETY

Cash flow Statement at 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities	25	62,558	39,964
Cash flows from investing activities	26	100,277	95,959
Change in cash & cash equivalents in the reporting period		162,835	135,923
Cash & cash equivalents at the beginning of the reporting period	27	290,195	154,272
Cash and cash equivalents at the end of the reporting period	27	453,030	290,195

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018

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 ¼% reducing balance
Office equipment and fittings	: 20% to 33 ¼% 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 £788,010 (2017 - £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 2018 (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 2018 (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

	2018 £	2017 £
Donations	<u>3,741</u>	<u>4,360</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 £	2018 Total £	2017 Total £
Publications	705,648	-	705,648	708,755
Subscriptions	107,155	-	107,155	107,122
Meetings and courses income (see below)	766,484	33,525	800,009	377,851
Outreach	2,455	-	2,455	3,377
mmc 2017	-	-	-	722,898
	<u>1,581,742</u>	<u>33,525</u>	<u>1,615,267</u>	<u>1,920,003</u>

Meetings and courses income is made up as follows:

	2018 £	2017 £
Meetings	622,889	245,636
Courses	<u>177,120</u>	<u>132,215</u>
	<u>800,009</u>	<u>377,851</u>

5. Income from: Other trading activities - unrestricted

	2018 £	2017 £
Rents receivable	<u>24,000</u>	<u>24,115</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

6. Income from: Investments

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Bank interest receivable	3,213	15	3,228	3,556
Dividends	<u>75,865</u>	<u>-</u>	<u>75,865</u>	<u>75,459</u>
	<u>79,078</u>	<u>15</u>	<u>79,093</u>	<u>79,015</u>

7. Expenditure on: Raising funds - unrestricted

	2018 Total £	2017 Total £
Brokers' management fees	<u>38,910</u>	<u>39,022</u>

8. Expenditure on: Charitable activities

	Support costs £	Direct costs £	2018 Total £	2017 Total £
Publication costs	194,399	301,731	496,130	457,520
Subscriptions	29,521	28,594	58,115	62,881
Meetings	171,600	644,221	815,821	356,211
Courses	48,795	136,699	185,494	160,708
Outreach	676	7,458	8,134	12,785
mmc 2017	-	(45)	(45)	794,417
Grants payable	-	30,052	30,052	31,350
Governance costs	49,302	-	49,302	39,204
	<u>494,293</u>	<u>1,145,290</u>	<u>1,643,003</u>	<u>1,915,076</u>
Total 2017:	<u>586,065</u>	<u>1,329,011</u>	<u>1,915,076</u>	

Included within Meeting is £33,310 of restricted expenditure which relates to the costs of the TOSCA hosted meeting held in the year. Full details of the TOSCA fund can be found in note 19.

9. Charitable activities

	2018 Total	2017 Total
Grants payable are made up as follows:		
	£	£
Activity kit equipment and logistics	13,952	13,844
Microscopes in schools	-	385
Donations and grants (unrestricted)	<u>16,100</u>	<u>17,121</u>
	<u>30,052</u>	<u>31,350</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

10. Allocation of support costs

	Publications	Subscriptions & Membership	Meetings & courses	Microscience	Outreach	Governance	Total 2018	Total 2017
	£	£	£	£	£	£	£	£
Office overheads								
Rates	841	127	953	-	3	-	1,924	2,779
Heating and lighting	1,429	216	1,620	-	5	-	3,270	3,141
Insurance	3,052	464	3,461	-	11	-	6,988	6,534
Council and committee general expenses	9,109	1,383	10,327	-	32	24,087	44,938	45,021
Printing and stationery	3,592	545	4,073	-	12	2,115	10,337	10,231
Advertising	3,019	459	3,423	-	11	-	6,912	16,077
Public Relations	1,904	289	2,158	-	7	-	4,358	4,015
Postage	1,962	298	2,224	-	7	-	4,491	3,084
IT Infrastructure	12,082	1,835	13,697	-	42	-	27,656	40,992
Telephone	1,576	239	1,788	-	5	-	3,608	4,062
Professional fees	561	85	637	-	2	-	1,285	2,853
Audit and accountancy	-	-	-	-	-	8,150	8,150	7,750
Legal and professional	-	-	-	-	-	4,950	4,950	-
Bookkeeping fees	1,005	153	1,139	-	3	-	2,300	2,300
Bank charges	7,290	1,107	8,265	-	25	-	16,687	12,410
<i>Repairs and renewals</i>								
- Property	3,199	486	3,626	-	11	-	7,322	17,843
- Equipment	2,820	428	3,197	-	10	-	6,455	3,568
<i>Depreciation</i>								
- Office	8,762	1,330	9,934	-	30	-	20,056	54,869
- Freehold property	6,080	923	6,893	-	21	-	13,917	13,917
Input VAT not recovered	22,529	3,421	25,541	-	78	-	51,569	47,495
Catering	2,870	436	3,254	-	10	-	6,570	6,097
Parking	4,221	641	4,786	-	15	-	9,663	9,650
Staff training	1,207	183	1,367	-	4	-	2,761	1,579
Staff travel	241	37	273	-	1	-	552	840
Health insurance	3,586	545	4,066	-	12	-	8,209	7,625
Subscriptions	1,137	173	1,289	-	4	-	2,603	3,060
Exchange rate gain	1,955	297	2,216	-	7	-	4,475	5,011
Bad debts	1,849	281	2,096	-	6	-	4,232	1,594
Sponsorship	1,102	168	1,251	-	4	-	2,525	3,011
Recruitment	6,527	991	7,399	-	23	-	14,940	4,554
Other	6,529	992	7,402	-	23	-	14,946	3,975
Wages and Salaries	72,363	10,989	82,040	-	252	-	165,644	240,128
	194,399	29,521	220,395	-	676	39,302	484,293	586,065
Total 2017:	201,867	30,510	107,620	205,904	960	39,204	586,065	

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 2018 (continued)

10a. Governance costs

	2018 £	2017 £
Support costs (note 8)	39,302	39,204
Direct wages	10,000	10,000
	<u>49,302</u>	<u>49,204</u>

11. Net incoming/(outgoing) resources

	2018 £	2017 £
This is stated after charging:		
Depreciation	34,894	71,305
Auditors' remuneration:		
Audit services	8,150	7,750
Amounts payable under operating leases	4,267	4,267
Amounts receivable under operating leases	24,000	24,115
	<u> </u>	<u> </u>

12. Staff costs

Staff costs during the year amounted to:

	2018 £	2017 £
Salaries and wages	387,552	415,724
Social security costs	35,713	39,883
Pension costs	34,790	45,371
	<u>458,055</u>	<u>500,978</u>

The number of employees whose total employee benefits (excluding employer pension costs) exceeded £60,000 during the year was 1 (2017: 1). The emoluments they received were within £70,000-£80,000 (2017: £60,000-£70,000).

The average number of employees analysed by function was:

	2018	2017
Charitable activities	13	14
Governance	2	2
	<u>15</u>	<u>16</u>
Total full time equivalent staff	<u>10.5</u>	<u>10.5</u>

The members of the Council of Management received no remuneration for their services (2017: £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 2018 totalled £174,884 (2017: £217,674).

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 2018 (continued)

13. Tangible assets

	Microscopes	Freehold property	Office equipment and fittings	Flat fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation:					
1 January 2018	23,022	695,842	317,767	31,469	1,068,100
Additions	-	-	19,061	-	19,061
Disposals	-	-	(921)	-	(921)
31 December 2018	<u>23,022</u>	<u>695,842</u>	<u>335,907</u>	<u>31,469</u>	<u>1,086,240</u>
Depreciation:					
1 January 2018	17,267	54,400	288,819	28,925	389,411
Provided this year	2,302	13,917	18,166	509	34,894
Released on disposal	-	-	(921)	-	(921)
31 December 2018	<u>19,569</u>	<u>68,317</u>	<u>306,064</u>	<u>29,434</u>	<u>423,384</u>
Net book value:					
31 December 2018	<u>3,453</u>	<u>627,525</u>	<u>29,843</u>	<u>2,035</u>	<u>662,856</u>
31 December 2017	<u>5,755</u>	<u>641,442</u>	<u>28,948</u>	<u>2,544</u>	<u>678,689</u>

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

	Freehold property	
	2018	2017
	£	£
Net book value at end of year	<u>627,525</u>	<u>641,442</u>
Historical cost		
At 1 January 2018	173,559	173,559
At 31 December 2018	<u>173,559</u>	<u>173,559</u>
Depreciation		
At 1 January 2018	101,609	98,138
Charge for the year	3,471	3,471
At 31 December 2018	<u>105,080</u>	<u>101,609</u>
Net Historical cost value		
At 31 December 2018	<u>68,479</u>	<u>71,950</u>
At 31 December 2017	<u>71,950</u>	<u>75,421</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.

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

	2018	2017
	£	£
14. Fixed asset investments		
Listed investments:		
Market value 1 January 2018	3,262,026	3,073,334
Additions	427,105	549,456
Disposals	(555,610)	(543,824)
Realised gains/(losses) on disposals	(4,543)	(2,715)
Unrealised gains/(losses)	(118,765)	232,723
Movement in cash awaiting investment	88,260	(46,948)
	<u>3,098,473</u>	<u>3,262,026</u>
Market value 31 December 2018	<u>3,098,473</u>	<u>3,262,026</u>
	2018	2017
	£	£
Investments at market value comprised:		
Equities	1,881,507	2,286,520
UK fixed interest securities	645,264	568,865
Cash deposits	202,138	113,878
Alternative Assets	190,231	190,344
Property	114,533	39,375
Open ended investment fund	64,800	63,044
	<u>3,098,473</u>	<u>3,262,026</u>

The trustees consider individual holdings at 31 December 2018 in excess of 5% of the portfolio value to be material. At 31 December 2018 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.

	2018	2017
	£	£
Listed investments at cost		
1 January 2018	2,174,492	2,075,766
Additions	427,105	549,456
Disposals	(385,050)	(450,730)
	<u>2,216,547</u>	<u>2,174,492</u>
31 December 2018	<u>2,216,547</u>	<u>2,174,492</u>
15. Debtors	2018	2017
	£	£
Trade debtors	242,568	421,892
Other debtors	-	-
Prepayments and accrued income	179,734	114,403
	<u>422,302</u>	<u>536,295</u>
16. Cash at bank and in hand	2018	2017
	£	£
Bank current accounts	452,280	289,486
Petty cash	750	709
	<u>453,030</u>	<u>290,195</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

17. Creditors: Amounts falling due within one year	2018 £	2017 £
Trade creditors	45,422	70,876
Accruals	38,086	33,651
Deferred income (see Note 17a)	141,413	165,433
Other taxes and social security	30,820	29,500
Pension	4,140	4,911
Other creditors	2,280	2,280
	<u>262,161</u>	<u>306,651</u>

17a. Deferred income	Membership £	Meetings and courses £	MMC £	2018 £	2017 £
At 1 January 2018	15,491	149,665	277	165,433	171,719
Released to incoming resources	(15,491)	(149,665)	(277)	(165,433)	(171,719)
Deferred in the year	20,718	73,925	46,770	141,413	165,433
At 31 December 2018	<u>20,718</u>	<u>73,925</u>	<u>46,770</u>	<u>141,413</u>	<u>165,433</u>

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 2018 £	Movement in resources		Transfer between funds £	Investment Gains and Revaluation of assets £	Balance 31 December 2018 £
		Incoming £	Outgoing £			
Accumulated Fund	337,453	1,607,208	(1,577,393)	(8,854)	-	358,414
Capital Fund	3,903,468	79,093	(39,030)	-	(123,308)	3,820,223
<i>Designated Funds:</i>						
Building Fund	40,000	-	-	(15,000)	-	25,000
Outreach Fund	40,000	2,260	(7,458)	(3,802)	-	31,000
IT Fund	100,000	-	(27,656)	27,656	-	100,000
	<u>4,420,921</u>	<u>1,688,561</u>	<u>(1,651,537)</u>	<u>-</u>	<u>(123,308)</u>	<u>4,334,637</u>

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 2018 (continued)

Analysis of movements in unrestricted funds previous year

	Balance 1 January 2017 £	Movement in resources		Transfer between funds £	Investment Gains and Revaluation of assets £	Balance 31 December 2017 £
		Incoming £	Outgoing £			
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
	<u>4,128,756</u>	<u>1,965,590</u>	<u>(1,903,433)</u>	<u>-</u>	<u>230,008</u>	<u>4,420,921</u>

19. Restricted funds

	Balance 1 January 2018 £	Movement in resources		Transfer Between funds £	Balance 31 December 2018 £
		Incoming £	Outgoing £		
Pearse Prize Fund	15,288	15	-	-	15,303
TOSCA	24,345	33,525	(33,310)	-	24,560
	<u>39,633</u>	<u>33,540</u>	<u>(33,310)</u>	<u>-</u>	<u>39,863</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 2017 £	Movement in resources		Transfer Between funds £	Balance 31 December 2017 £
		Incoming £	Outgoing £		
Pearse Prize Fund	15,272	16	-	-	15,288
TOSCA	16,661	61,887	(54,203)	-	24,345
	<u>31,933</u>	<u>61,903</u>	<u>(54,203)</u>	<u>-</u>	<u>39,633</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

20. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2018 Total £	2017 Total £
Tangible fixed assets	662,856	-	662,856	678,689
Listed investments	3,098,473	-	3,098,473	3,262,026
Debtors	422,302	-	422,302	536,295
Cash at bank and in hand	413,167	39,863	453,030	290,195
Creditors	(262,161)	-	(262,161)	(306,651)
	<u>4,334,637</u>	<u>39,863</u>	<u>4,374,500</u>	<u>4,460,554</u>

Analysis of net assets between funds – previous year

	Unrestricted funds £	Restricted funds £	2017 Total £
Tangible fixed assets	678,689	-	678,689
Listed investments	3,262,026	-	3,262,026
Debtors	536,295	-	536,295
Cash at bank and in hand	250,562	39,633	290,195
Creditors	(306,651)	-	(306,651)
	<u>4,420,921</u>	<u>39,633</u>	<u>4,460,554</u>

21. Capital commitments

There were capital commitments contracted at the year-end totalling £nil (2017: £nil).

22. Financial commitments

Operating leases

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 Total £	2017 Total £
Amounts due within one year	3,378	4,267
Amounts due between one and five years	1,246	4,624
Amounts due after five years	-	-
	<u>4,624</u>	<u>8,891</u>

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

22. Financial commitments (continued)

At 31 December 2018 the total of the Charity's future rentals receivable under non-cancellable operating leases was:

	2018 Total £	2017 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	360,000	384,000
	<u>480,000</u>	<u>504,000</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

	2018 Total £	2017 Total £
Financial assets measured at fair value through SOFA	453,030	290,195
Financial assets measured at amortised cost	<u>242,568</u>	<u>421,892</u>
	2018 Total £	2017 Total £
Financial liabilities measured at amortised cost	<u>120,748</u>	<u>141,218</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 2018 £2,577 was owed to 12 Trustees (2017: £4,036 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 were reimbursed to 22 members of the Council of Management totalling £21,040 (2017: £12,772 to 17 members). Honoraria of £4,010 was paid to 7 members of the Council (2017: £2,625 to 3 members). Speaker expenses of £982 were reimbursed to 5 members of the Council (2017: £Nil) and one member was also paid £92 for general expenses (2017: £Nil). Bad debts of £66 were written off in relation to one Trustee (2017: £19 to one Trustee) and no Trustees were reimbursed for any gifts purchased on behalf of the charity (2017: £30).

ROYAL MICROSCOPICAL SOCIETY

Notes to the accounts for the year ended 31 December 2018 (continued)

25. Cash flows from operating activities	2018	2017
	£	£
Net income/(expenditure) for the year	(86,054)	299,865
Adjustments for:		
Depreciation charges	34,894	71,305
(Gains)/losses on disposal of fixed assets	-	1,020
(Gains)/losses on investments	123,308	(230,008)
Dividends, interest & rents from investments	(79,093)	(79,015)
(increase)/decrease in debtors	113,993	(27,260)
Increase/(decrease) in creditors	(44,490)	4,057
	<hr/>	<hr/>
Net cash used in operating activities	62,558	39,964
	<hr/>	<hr/>
26. Cash flows from investing activities	2018	2017
	£	£
Dividends, interest and rents from investments	79,093	79,015
Purchase of property, plant & equipment	(19,061)	(24,372)
Proceeds from sales of investments	555,610	543,824
Purchase of investments	(427,105)	(549,456)
Movement in cash awaiting investment	(88,260)	(46,948)
	<hr/>	<hr/>
Net cash used in investing activities	100,277	95,959
	<hr/>	<hr/>
27. Analysis of cash and cash equivalents	2018	2017
	£	£
Cash at bank	452,280	289,486
Petty cash	750	709
	<hr/>	<hr/>
	453,030	290,195
	<hr/>	<hr/>