

2021 Annual Report



Company information

for the year ended 31 December 2021

TRUSTEES

PRESIDENT:

Prof. Brendan Gilmore

GENERAL SECRETARY:

Dr Clare Taylor

(until 15 July 2021)

GENERAL SECRETARY:

Dr Suzy Moody

(appointed 15 July 2021)

SCIENTIFIC PROGRAMME

SECRETARY:

Prof. Ian Feavers

TREASURER:

Mr Oern Greif

Mrs Claire Hill

(until 4 January 2021)

Dr Michael Dempsey

(until 15 July 2021)

Prof. Stephen Forsythe

Prof. Sally Cutler

Dr Elaine Cloutman-Green

Dr Marcela Hernandez Garcia

Dr Catherine Ludden

Dr Emmanuel Adukwu

Dr Samantha Law

(elected 15 July 2021)

Dr James Williamson

(elected 15 July 2021)

Prof. John Threlfall

(elected 15 July 2021)

COMPANY REGISTERED NUMBER

06462427

CHARITY REGISTERED NUMBER

1123044

REGISTERED OFFICE

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CB1 2LA

COMPANY SECRETARY and CHIEF EXECUTIVE

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CB1 2LA

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INVESTMENT MANAGERS

Brewin Dolphin Securities

12 Smithfield Street

London

EC1A 9BD

Cazenove Capital

1 London Wall Place

London

EC2Y 5AU

The Officers and Ordinary Committee Members are the Trustees of the Charity and Directors of the Company Limited by Guarantee

Trustees' report

for the year ended 31 December 2021

The Trustees present their Annual Report together with the audited financial statements of the company for the year 1 January 2021 to 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP (FRS102) October 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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Objectives and activities

During 2021, the Society concluded a thorough strategy review process, with a revised strategy to be launched in 2022.

Vision

SfAM envisages a future where applied microbiology research and development is strong in the UK and beyond, and the applications of microbiology contribute to addressing significant challenges facing humanity, including: infectious diseases; the changing environment; sustainability of energy, food, water, and land resources; and sustainable economic growth.

Mission

SfAM will achieve this by being the voice of microbiology and advancing, for the benefit of the public, the science of microbiology in its application to the environment, human and animal health, agriculture, and industry.

Values

Our values include diversity, equity and inclusion (DEI), collaboration to amplify impact, scientific integrity, evidence-based decision-making and political neutrality – recognising that microbiology doesn't observe geographical borders. All of these are fundamental values, which will run through all future activity.

The following were identified as strong strategic themes:

Theme 1: Impact

Theme 2: Voice

Theme 3: Sustainability

Under each theme the Society identified clear organisational aims and objectives, and following this, key performance indicators and deadlines for reaching these indicators.



Aims and objectives

SARS-CoV-2 / COVID-19

The global pandemic changed the work of the Society significantly during 2020 and these changes continued through 2021. During this year, the team moved to remote working contracts and we continued to deliver our scientific meetings and Society events online. The COVID-19 pandemic featured heavily in our communications output at the start of the year, with an issue of *Microbiologist* devoted to the work of our members throughout the pandemic. We acknowledge the effect the pandemic continues to have on our members, committees and subcommittees and this is continually under review so that we can establish the most effective way(s) of supporting our members through this challenging time.

We continued to work within the three strategic themes of Impact, Voice and Sustainability:



Theme 1: Impact

In an environment where the impact of applied science has become all the more visible, through the development of diagnostic tests for COVID-19, and vaccines against SARS-CoV-2, we will continue to support our members at every stage of their career. Our current strengths, such as the work we do to support early career researchers, will enable us to negate future threats such as skills gaps, to ensure the Society provides relevant career support to academic and non-academic applied microbiologists. Within this theme of 'Impact', SfAM set three organisational aims:

AIM 1: EARLY CAREER SCIENTIST (ECS) SUPPORT

Early career scientists represent the future of applied microbiology. Building on the Society's strong ECS membership and the exemplar work of our ECS Committee, the Society will develop this support and, using our inherent agility, continually adapt and change to reflect current needs.

AIM 2: COMMUNITY

We will listen to our entire membership wherever they are located and whichever sector they work in, to ensure membership offers them tangible, useful and relevant benefits.

AIM 3: INTERDISCIPLINARITY

We are applied microbiologists, so to aid researchers' interdisciplinary collaborations, the importance of which has been highlighted by the global pandemic, we will provide support for innovation and fostering of interdisciplinary and inter-sector collaborations. Over time this will position the Society as the go-to organisation for applied microbiologists who are looking to find other academic and corporate/industry connections.

Theme 2: Voice

With our increasing participation in policy-relevant work, and our strong communications team, this holds true. We are creating a voice for our membership in government and parliament. We also have strong engagement with people via traditional and social

Aims and objectives

continued

media to illustrate just how relevant applied microbiology is to us all. This strategic theme will build on our strengths in these areas and provide focus for our external communications.

Within this theme of 'Voice', we have three organisational aims:

AIM 1: POLICY

We will place SfAM, and its membership, as a key conduit for policymakers to access high-quality applied microbiology advice and evidence, on topics aligned with our vision.

AIM 2: COLLABORATION

We shall continue to collaborate with partner organisations and societies as part of a broader representation on behalf of the science and engineering sector.

AIM 3: COMMUNICATION

We will promote the application of microbiology in all relevant areas – with a particular focus on our

priority areas – and its impact on all people in everyday life, in an informed, accessible way.

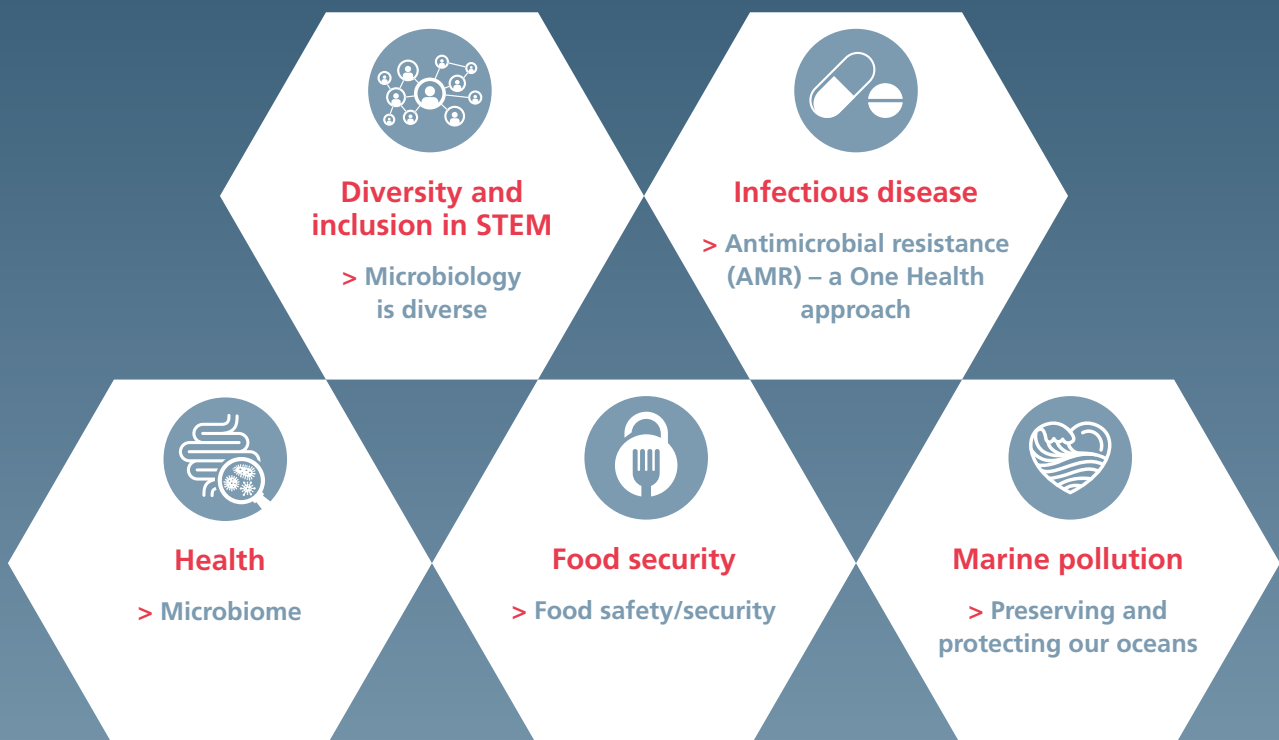
Theme 3: Sustainability

The Society acknowledges the external threat to a large proportion of its revenue that comes from its valuable scholarly publishing activity and has created a series of organisational aims and objectives to mitigate this threat.

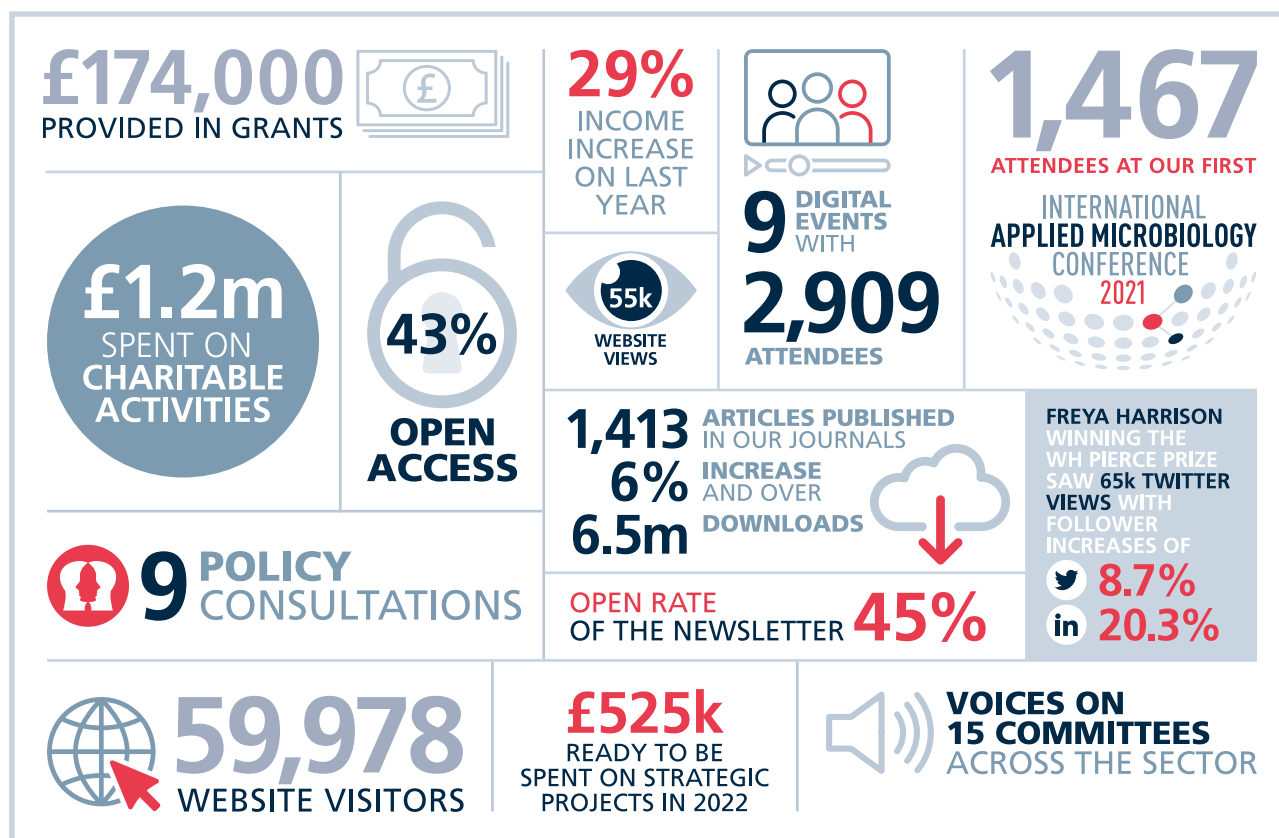
Strategic priority areas

Our focus will be on a number of priority areas over the period of this strategy (2018–2021), to which our themes can be applied. Each one is linked to a significant challenge, as described in the Society's vision.

These areas were reviewed during 2020, with input from the Policy Task and Finish Groups (TFGs) formed to respond to the global pandemic:



Activities and achievements



Impact

EARLY CAREER SCIENTISTS

The Society continues to support and benefit from the work of our ECS Committee, who put sustainable microbiology in the spotlight in 2021 with a renewed global focus on climate change as the theme of a new event format of daily webinars from our ECS members.

In March, our ECS Welfare team hosted Community Corner sessions at the ECS Research Symposium with Lillian Hunt, Programme Lead at Equality, Diversity, and Inclusion in Science and Health (EDIS), and Chi Onwurah, Shadow Minister for Industrial Strategy, Science and Innovation and Chair of the All-Party Parliamentary Group (APPG) on Diversity and Inclusion in STEM, as our key speakers. The Community Corner sessions focused on 'Awareness to Action' and 'Women and Minorities in STEM'.

COMMUNITY

The Society awarded Professor Jennifer Doudna with our Fellowship award at an online event after the Society's AGM on 15 July 2021.

Subsequent to receiving her Fellowship, Professor Doudna received the Nobel Prize in Chemistry, alongside her colleague Emmanuelle Charpentier, for proposing that CRISPR-Cas9 (enzymes from bacteria that control microbial immunity) could be used for programmable editing of genomes and developing this now widely known molecular microbiology technique.

Activities and achievements

continued

During 2021, the Society provided the following grant support to our members, the applied microbiology community.

The below grant payments are made up of 76 separate grants.

Grant expenditure as shown here is grants paid during the year; the value shown on page 41 of the accounts is the value of grants committed during 2021.



GRANT NAME	£	GRANT NAME	£
Student placement scholarship	£108,460	Small research projects and equipment fund	£8,816
Outreach and engagement grant	£7,292	Care support grant	£280
New lecturer research grant	£27,024	PhD hardship fund	£11,126
Event/scientific meeting support grant	£1,800	Don Whitley ECS travel grant/committee support grant	£333
Registration fees grant	£359	COVID-19 emergency fund	£2,003
Prizes	£6,400	TOTAL	£173,893

INTERDISCIPLINARITY

Having moved SfAM's entire programme of events online during 2020, the team delivered 10 online events, which generated much interest for all our members and the 55,000 people who visited SfAM's website during 2021.

The Society hosted our first live online multi-speaker event on vaccine hesitancy in February. The event, chaired by Ian Feavers, covered all the salient points of the topic and the format was agile, switching between speakers' own pre-recorded videos and live Q&A and panel sessions. The ECS Symposium went digital for the second year in a row and showcased the work of some exceptionally talented early career members of the Society. We also hosted our first International

Activities and achievements

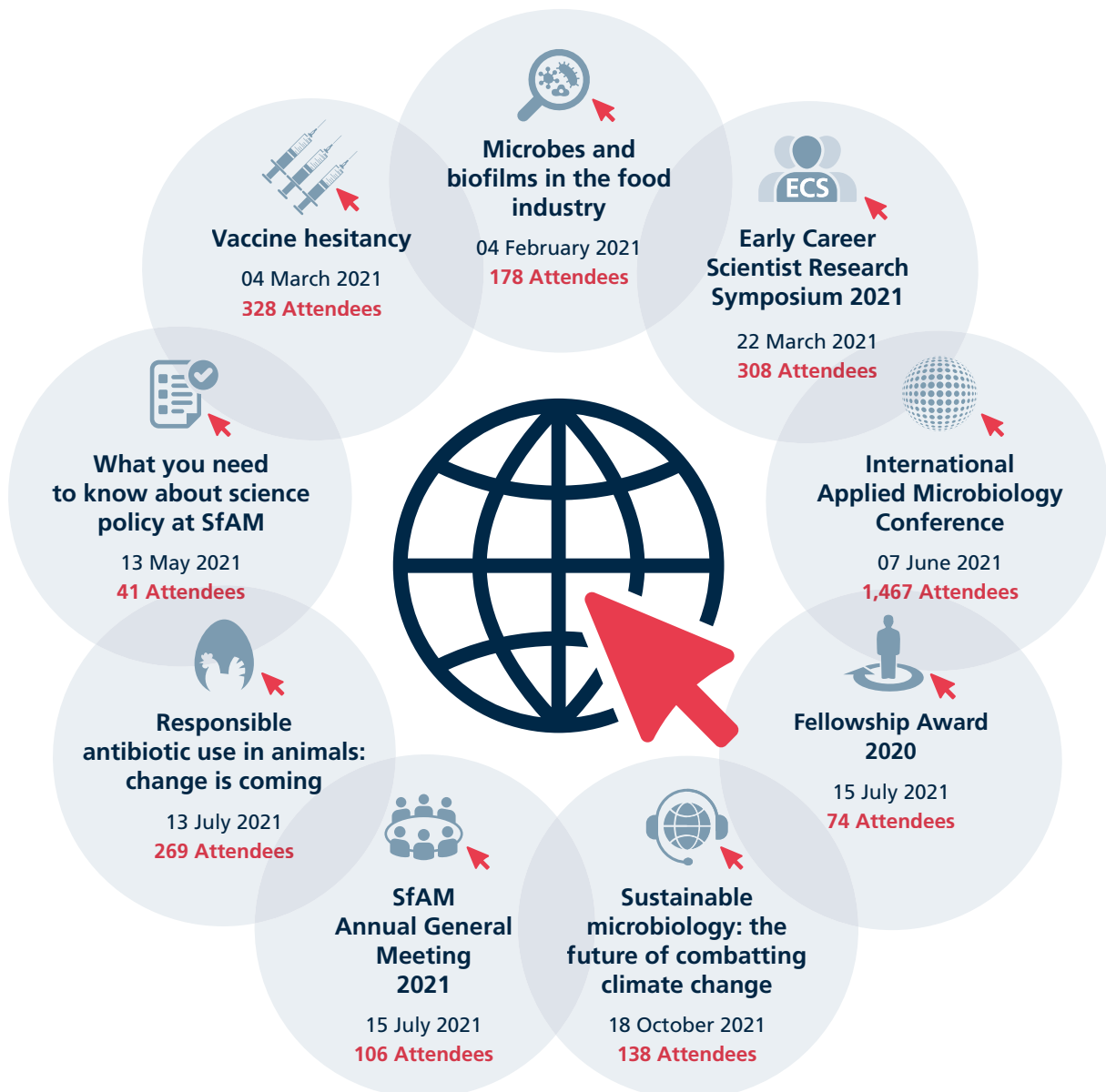
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Applied Microbiology Conference, which brought together scientists from across the world who helped to design the programme of events. These included keynote speakers, award-winning and sponsored lectures, workshops, early career scientist presentations and coffee morning introductions. We had nearly 1,500 registrations and produced over 50 edited videos, which are now available on our new [YouTube channel](#). In July we hosted an event on the responsible use of antibiotics in animals, produced in partnership with

long-standing collaborators, Responsible Use of Medicines in Agriculture Alliance (RUMA).

We also migrated our entire catalogue of all recorded event material onto our brand new YouTube channel, which currently holds over 21.7 hours of content. This enables our content to be accessible to all, which is aligned with our DEI agenda.

A summary of all the Society's online events held during 2021 is shown below:



Activities and achievements

continued

Voice POLICY

Despite a second year of uncertainties around the COVID-19 pandemic, the Society continued to draw upon the expertise of its membership, particularly the Policy Subcommittee, to continue to promote the Society's three strategic goals of Sustainability, Voice and Impact.

The Policy Team undertook various activities to ensure that any issues concerning the membership and future of the professions within applied microbiology were identified and voiced to relevant stakeholders. At the beginning of 2021, we responded to the APPG on Diversity and Inclusion in STEM's 'Equity in the UK STEM Workforce' call for evidence. Our response was cited seven times within the final report, which has since persuaded the House of Commons Science and Technology Committee to open an inquiry into diversity and inclusion in STEM.

Our TFGs for SfAM's response to the global pandemic identified ways COVID-19 was affecting the membership and their research. As a result, the TFG on Social Impacts and Equality produced a Position Statement on *Short-term Research Contracts*, highlighting the risks and increased inequalities short-term researchers faced due to disruptions from COVID-19. Following concerns that our TFG on Ensuring Other Applied Microbiology Areas Continue raised around disruptions to research, such as limited lab access or disruptions to data collection, we produced



a policy brief, *Supporting microbiology to prevent the next global catastrophe*, identifying the long-term risks posed by these disruptions.

In April, we hosted a webinar with Policy Subcommittee (PoS) members as an opportunity to showcase our policy work and enable members to engage with the Committee on the Society's future policy activities.

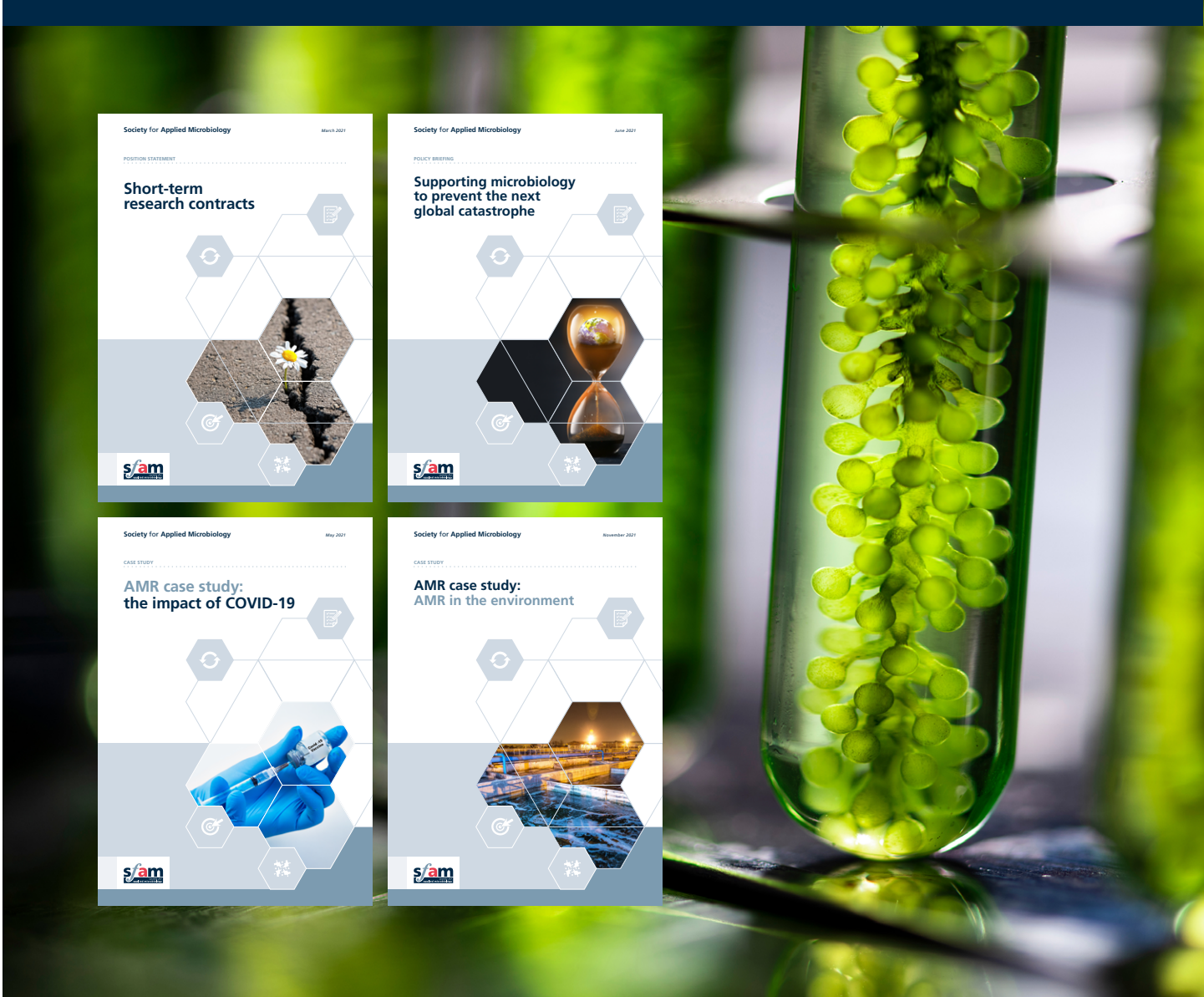
We sought different ways to amplify our members' voices and their concerns throughout the year. We initiated our first Andrew Miller Policy Competition, inviting members to produce a two-page policy brief on any microbiology topic of their choice. The panel of judges included Dame Sally Davies, UK Special Envoy on Antimicrobial Resistance, Grant Hill-Cawthorne, Head of the Parliamentary Office of Science and Technology, and Sarah Main, Executive Director of Campaign for Science and Engineering, who awarded Harriet Gooch for her submission on *GM bacteria: potential uses and concerns*.





Activities and achievements

continued



The Society joined the recently created Professional Food Science, Engineering and Technology Group (ProFSET), which is a group of professional bodies with an interest in food and drink. This group is currently developing its strategy for engaging policymakers and providing collaboration opportunities for food and drink professionals.

2021 saw the launch of our AMR Campaign, which consists of a series of case studies highlighting how our members are using their expertise to address different areas of AMR. We produced and then presented our first case study, *The Impact of COVID-19 on AMR*, at

both the Learned Society Partnership on Antimicrobial Resistance (LeSPAR) meeting in April and SfAM's International Conference in June.

We promoted our second case study of the series, *AMR in the Environment*, by creating a 3-minute briefing video for stakeholders and hosting a pod in Westminster during Evidence Week. While at our stand in Westminster, we discussed the case study with seven MPs/Lords and what they can do to help reduce AMR's development and spread in the environment and potential activities to take forward our recommendations in 2022.

Activities and achievements

continued

CONSULTATIONS

During 2021, the Society responded to the following consultations:

DATE	CONSULTATION	OUTCOME
29 January 2021	APPG on Diversity and Inclusion in STEM: Equity in the UK STEM workforce call for evidence	<p>The APPG on Diversity and Inclusion in STEM published the 'Equity in the STEM workforce' report following an 8-month inquiry.</p> <p>The report includes five key findings and three recommendations for the government including: The UK government and STEM organisations must quickly look to address and reverse worsening inequity within the STEM workforce as a result of the pandemic, as recommended.</p> <p>SfAM were cited on seven occasions within the report on topics including: COVID-19, research funding, race inequalities and data declaration issues.</p>
10 February 2021	PHE UK Standards for Microbiology Investigations Q 7: good practice when ordering and undertaking diagnostic tests for infectious disease serology	<p>Some of SfAM's recommendations have been accepted, including Comment 16 on rewording to clarify that 'significant results should be reviewed by clinical infection team as soon as possible'.</p> <p>(Public Health England now UK Health and Security Agency)</p>
17 March 2021	Department for Environment, Food & Rural Affairs (Defra): Genetic technologies regulation	<p>Royal Society of Biology (RSB) led our response, which recommended not regulating gene editing the same as Genetically Modified Organisms (GMOs) and implementing pragmatic regulation. We also advocated for transparency behind food production to garner consumer buy-in.</p> <p>Defra confirmed they are looking to ease regulations for genome-edited plants to make it easier for research and development. In terms of labelling, they will be exploring options for gene-edited foodstuffs in consultation with the Food Standards Agency and National Food Strategy.</p>
2 June 2021	Department for Environment, Food & Rural Affairs (Defra): Draft Policy Statement on Environmental Principles	<p>RSB led our response.</p> <p>Consultation outcome is still pending.</p>

Activities and achievements

continued

CONSULTATIONS continued

DATE	CONSULTATION	OUTCOME
2 June 2021	PHE UK Standards for Microbiology Investigations ID 4: identification of <i>Streptococcus</i> species, <i>Enterococcus</i> species and morphologically similar organisms	Both of our recommendations around clarifications for abbreviated tests were accepted and the document was updated to reflect these changes. (Public Health England now UK Health and Security Agency)
12 August 2021	Comprehensive Spending Review: Issues for the Royal Society of Biology to highlight to HM Treasury	RSB sent the letter to HM Treasury in September 2021. The Spending Review announced that Official Development Assistance (ODA) funding will remain at the reduced rate of 0.5% of gross national income as opposed to the previous 0.7% until government borrowing eases.
10 September 2021	House of Lords Science and Technology Committee inquiry into Nature-based Solutions for Climate Change	Consultation outcome is still pending.
15 November 2021	APPG on Diversity and Inclusion in STEM: Call for Ideas 2021	The APPG has decided its next project for 2022 will be on Regional STEM Skills Inequity.
30 November 2021	Department for Environment, Food & Rural Affairs (Defra): A Plant Biosecurity Strategy for Great Britain	RSB led our response. Consultation outcome is still pending.

Throughout 2021 we extended our engagement with key policy stakeholders to increase the strength of our voice for the applied microbiology community. Key achievements include Clare Taylor, Chair of the Policy Subcommittee, representing SfAM at a

roundtable on 'How does UK Government advance and inhibit equity and inclusive cultures within the STEM workforce?' hosted by the APPG on Diversity and Inclusion in STEM and chaired by Baroness Morgan of Huyton.

Activities and achievements

continued

During 2021, the Society was represented on the following external committees and groups:

COMMITTEE	SfAM REPRESENTATIVE
FEDERATION OF MICROBIOLOGICAL SOCIETIES	Clare Taylor/Suzy Moody
PARLIAMENTARY AND SCIENTIFIC COMMITTEE	Lisa Rivera/Lucy Harper
ROYAL SOCIETY OF BIOLOGY: Parliamentary Steering Group	Lisa Rivera/Lucy Harper
ROYAL SOCIETY OF BIOLOGY: Strategic Partnership Group	Lucy Harper
ROYAL SOCIETY OF BIOLOGY: Diversity & Inclusion Working Group	Lucky Cullen
DEFRA ACCESS AND BENEFIT SHARING STAKEHOLDER GROUP	Lisa Rivera
KNOWLEDGE TRANSFER NETWORK MICROBIOME ADVISORY BOARD	Lisa Rivera
UK SMI COMMITTEES: – Steering committee – Virology working group – Bacteriology working group	Mark Fielder Laura Ryall Andrew Sails
BRITISH STANDARDS INSTITUTE TECHNICAL COMMITTEES: – AW/9 Microbiology – Microbiological methods – CH212 Chemical disinfectants and antiseptics panel	Sue Passmore Sue Passmore John Rigarlford

The Society holds strategic partnerships with the following organisations and groups:

- Royal Society of Biology
- Federation of Microbiological Societies
- Campaign for Science and Engineering
- Sense About Science
- Science Media Centre
- Foundation for Science and Technology
- American Society of Microbiology
- Council for At-Risk Academics
- Science Policy Advisors Network
- Learned Society Partnership on Antimicrobial Resistance (LeSPAR)
- British Science Association – APPG on Diversity and Inclusion in STEM
- Parliamentary and Scientific Committee
- Society Publishers' Coalition
- Equality, Diversity, and Inclusion in Science and Health (EDIS)
- Charity Finance Group (CFG)

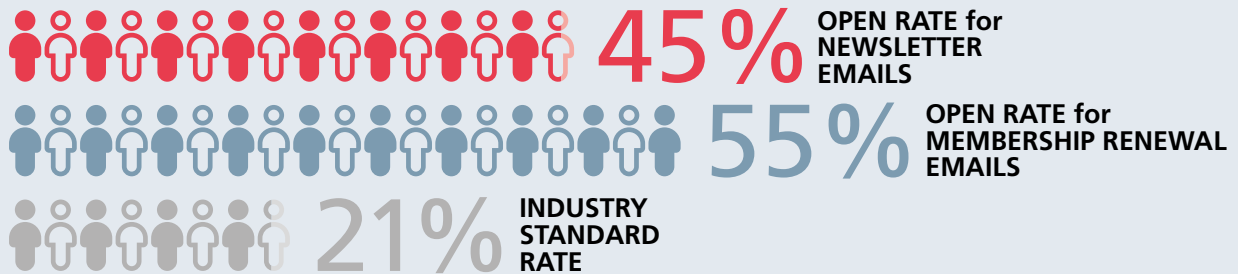


Activities and achievements

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COMMUNICATION

Microbiologist magazine continues to be the most popular piece of continuous content on our website. In terms of engagement with our own members, the 45% open rate for newsletter emails and 55% open rate for the membership renewal emails are all well above the industry standard rate of 21%.



We were delighted to announce that Freya Harrison from the University of Warwick was the winner of the 2021 WH Pierce Prize, an award sponsored by our long-term partnerships with Thermo Fisher Scientific and the family of Bill Pierce. The announcement reached 65,500 people through SfAM’s Twitter account alone and helped boost our Twitter following to 26,962, an 8.7% increase on the previous year. Our LinkedIn following also significantly increased this year by 20.3% to 6,411. Fellowship of the Society was presented to Professor Dame Anne Glover, a scientist with a remarkable history in helping young adults, promoting women in science and putting science on the agenda using political influence. The WH Pierce lecture and interviews with Freya and Anne were conducted virtually and distributed online via our [YouTube channel](#).

Sustainability

Through regular review of the risk register, the Trustees recognise that falling income from increased open access journal publishing is a potential risk for the Society. During 2020 the decision was taken to employ additional resource and expertise in this area and Kathryn Spiller was appointed to the role of Head of Publishing, commencing in January 2021, with the



Activities and achievements

continued

remit of developing the Society's publishing strategy to ensure the portfolio delivers growth of quality content and sustainable future revenues.

JOURNALS CONTRACTS

Carrying out a competitive tender process for the contract for the Society's owned titles, *Journal of Applied Microbiology* and *Letters in Applied Microbiology*, was identified as a key priority for 2021. SfAM had never carried out such a process, which is widely considered to be good governance, and it was felt that, with the growth of transitional 'Read & Publish' agreements affecting journal revenues, and it becoming more difficult to attract proposals for journal contracts, the process should be carried out within the year.

The tender was completed with a positive outcome by the end of the year and a new contract signed. The successful publisher, Oxford University Press, offered significantly improved financial terms, including SfAM's first income guarantee. Their data-driven approach inspired confidence in their ability to help SfAM grow our publishing sustainably and it was clear that they share SfAM's values. The transition will take place throughout 2022, with the journals published on a new SfAM/OUP website from January 2023.

Published output in SfAM's journals 2018–2021

JOURNAL	2018	2019	2020	2021
Journal of Applied Microbiology (JAM)	305	433	413	431
Letters in Applied Microbiology (LAM)	156	159	173	181
Environmental Microbiology (EMI)	337	409	440	467
Environmental Microbiology Reports (EMIR)	78	103	88	98
Microbial Biotechnology (MBT)	113	181	220	236
Total	989	1,285	1,334	1,413
% change		+30%	+4%	+6%

THE PUBLISHING LANDSCAPE

The COVID-19 pandemic has shown the necessity for making scientific research open access, helping to accelerate the open science agenda and leading to the first international framework on open science being adopted by 193 countries attending UNESCO's General Conference in November.

SfAM continues to be an active member of the Society Publisher's Coalition, which has grown to over 100 members in the last year. Particularly during a period with no face-to-face meetings and conferences, the group has been an invaluable forum for sharing information and ideas and now has a seat at the table alongside Association of Learned and Professional Society Publishers (ALPSP) and Open Access Scholarly Publishers Association (OASPA) when it comes to industry and funder negotiations on key issues affecting publishers. Kathryn was a key contributor to the first position paper published by the group in November entitled [Sustainable routes to making research content open access](#).

GROWTH

2021 saw an increase in SfAM's published output of 6%, continuing the upward trend of the last few years.

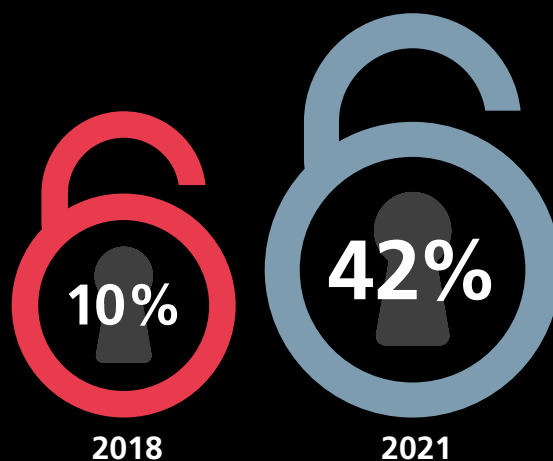


Activities and achievements

continued

OPEN ACCESS

The move towards open access and open science continues to progress. The conversion of SfAM's content to open access continues to be slow and steady. The growth of transitional agreements that allow for authors at participating institutions to publish open access without paying fees is starting to have a significant effect on output in certain regions, most notably Europe. The proportion of articles published open access in SfAM's journals under these agreements has risen from 10% in 2018 to 42% in 2021.



2018 2021
THE PROPORTION OF ARTICLES PUBLISHED OPEN ACCESS IN SFAM'S JOURNALS

Open access content on SfAM's journals 2019–2021

JOURNAL	2019 (n)	2019 (%)	2020 (n)	2020 (%)	2021 (n)	2021 (%)
JAM	19	5	30	8	52	12
LAM	7	4	11	6	14	8
EMI	70	19	108	25	144	31
EMIR	15	22	15	18	22	22
MBT	146	100	190	100	234	100
Total	257	20	354	27	466	33

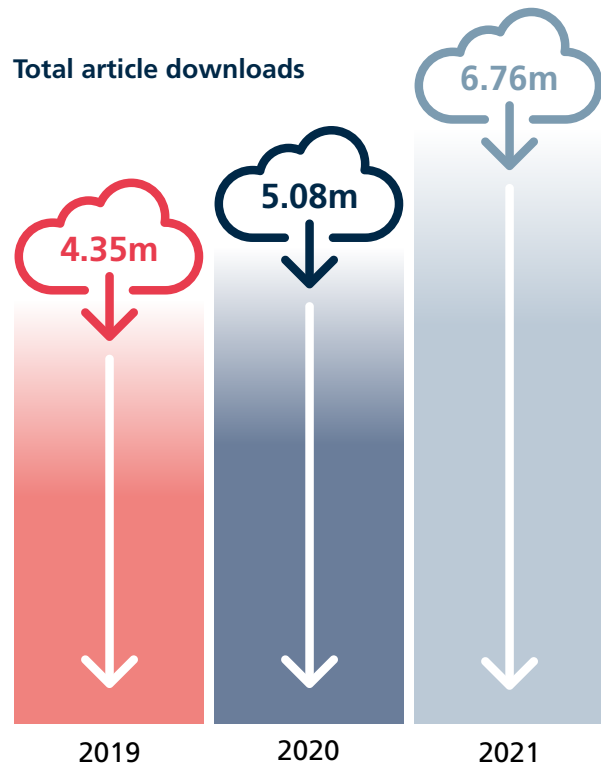
Activities and achievements

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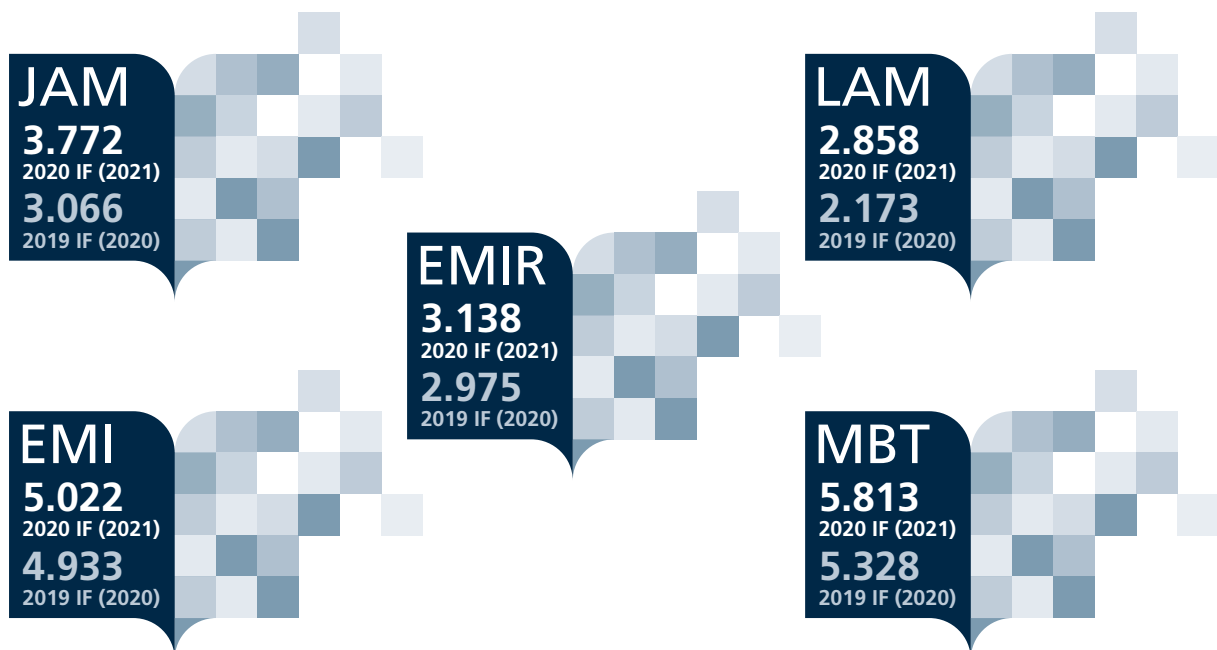
REACH AND IMPACT

According to usage and citation metrics the reach and impact of our journals is growing. 2021 saw significant increases in total article downloads, continuing the upward trend.

2021 saw the long overdue initial move to change the calculation of impact factors to be based on the date of first electronic publication rather than print/issue publication. The change will help reduce ambiguity in the citation record and will also make it easier and more transparent to calculate citation metrics. The 2021 release (using 2020 data) was a transition year, in which citations from first electronic publication records were added to the numerator of the Journal Impact Factor (JIF) calculation but excluded from publication counts in the denominator. This had an inflationary effect on many impact factors, including our own, but this effect could turn negative in the coming year. As signatories to the Declaration on Research Assessment (DORA), we always ensure that impact factors are promoted as part of a suite of metrics that give a broader view of journal performance.



Journal Impact Factors





Activities and achievements

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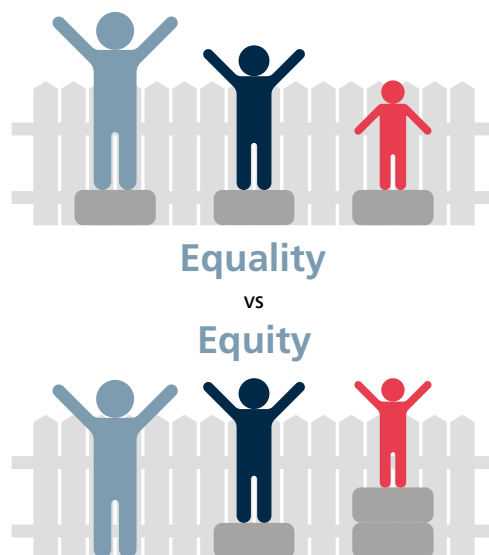
Diversity, equity and inclusion

The Society lives by our core values of diversity, equity and inclusion (DEI), and to this end delivered the following results during 2021 in compliance with the charity governance code:

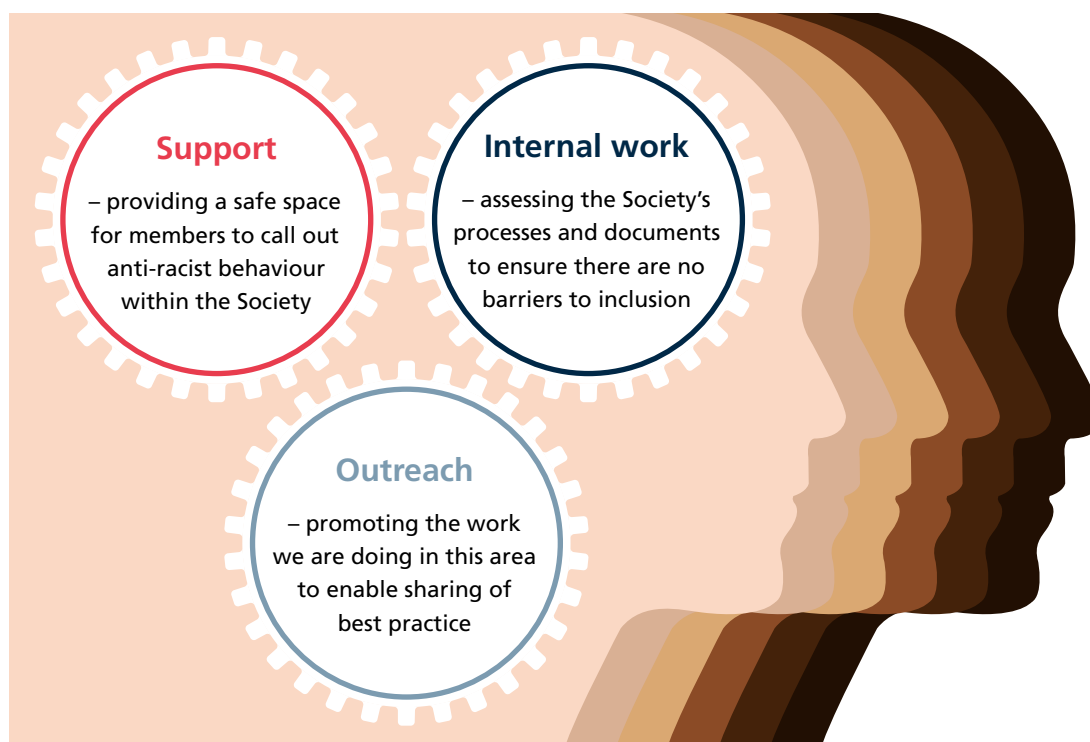
In order to create true equality, equity is required to ensure all SfAM members have the opportunities they need to reach an equal outcome. Therefore, the difference between equality and equity must be emphasised. To achieve this we added a resource to the diversity and inclusion page on the [SfAM website here](#).

ANTI-RACISM WORKING GROUP (ARWG)

Our Anti-Racism Working Group (ARWG) was created to identify any forms of systemic racism that touch the lives of our team, committees, and members, with the goal of ensuring SfAM is an anti-racist organisation. This group held its first meeting in February 2021, where it took the decision to tackle these challenges via three workstreams:



In addition to organising their workstreams' activities, ARWG members participated in Equality, Diversity and Inclusion in Science and Health (EDIS) meetings on Wellcome's Anti-racism Principles and Toolkit, as well as Race Reflections: Beyond Bias Training.



Activities and achievements

continued

DAPHNE JACKSON TRUST

In July 2021, SfAM agreed to support a 3-year fully funded Daphne Jackson Trust Fellowship. This supports a scientist who is returning to work after a break in their career. In September, SfAM selected a potential sponsor and attended their interview with the Daphne Jackson Trust. The application went to the Daphne Jackson Trust awards assessment panel in January 2022 and the fellowship began in Spring 2022.

ADDRESSING THE LEGACY OF COVID-19

The COVID-19 TFG on Social Impacts and Equality was instrumental in delivering SfAM's [Position statement in support of researchers on short-term research contracts](#), which has since been shared with relevant stakeholders and MPs including Amanda Solloway and Chi Onwurah. In addition, we have implemented a new hardship grant for postdoctoral members as a result of the concerns raised by our members on short-term research contracts.

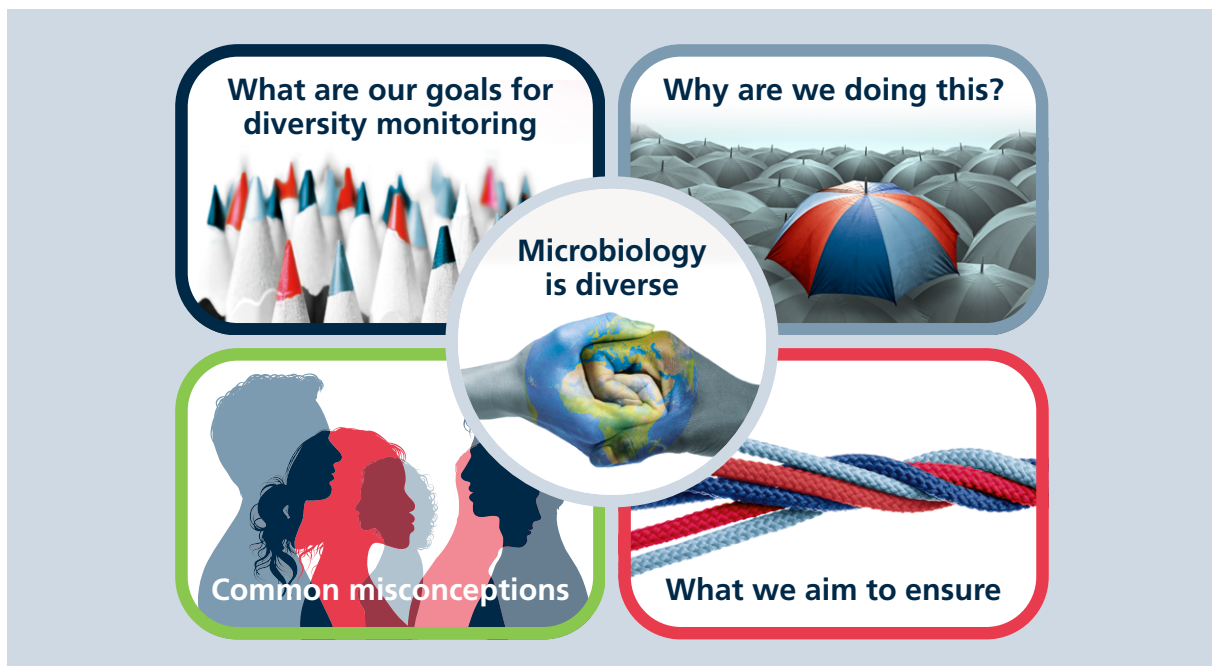


3 YEARS OF FULLY FUNDED SUPPORT FOR DAPHNE JACKSON TRUST FELLOWSHIP



Activities and achievements

continued



DIVERSITY MONITORING

The last diversity data collected on SfAM committees was on the gender composition of the Executive Committee in 2019. Taking into consideration discussions at several external DEI meetings (EDIS, Diversity and Inclusion Working Group (DIWG) and memcom EDI workstream) focused on issuing diversity monitoring and collecting data, we developed a diversity monitoring questionnaire utilising Wellcome's Diversity and Inclusion Survey (DAISY) question guidance and the diversity data collection guide from EDIS. In September, we issued our Diversity Monitoring Survey to all SfAM committees and staff, along with a [diversity monitoring infographic](#), which we designed to explain our rationale for asking specific questions and issuing a survey. The results of the survey will influence our diversity, equity and inclusion action plan for 2022.

EVENTS

Our events and communications teams are reviewing the Society's practices against the National Association of Disabled Staff Networks' (NADSN) recommendations

and EDIS' recommendations for inclusive and accessible events. In 2021, we produced dyslexia-friendly guidelines for speakers at all SfAM events and ensured that all SfAM materials can be made readily available in dyslexia-friendly versions. We have updated our EDI action plan with the addition of accessibility and inclusion of online events including captioning and have produced a safe space policy in line with EDIS guidelines.

We have amended the [SfAM Code of Conduct for Events](#) to include recommendations on the provision of alcohol at future in-person events.

SfAM have adopted Equality Impact Assessments as best practice for considering the impact of a policy/event/funding scheme on groups with protected characteristics as a transparent way of demonstrating consideration of equity and inclusion.

OTHER ACTIVITY

In June, we issued a Pride month survey, offering free membership to members who completed it. We received 49 responses, upon which we are basing our 2022 LGBTQI action plan.

Financial review

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The majority of the Society's revenue is received through the publication of its five journals. The Society will be in close liaison with Oxford University Press and Wiley, our publishing partners, to monitor the potential longer-term impact of the SARS-CoV-2 pandemic on the Society's revenue. It is known that the effects will be minimal in the short term and for this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Surplus/loss

Income for the year was £2.1m (2020: £1.6m), an increase of £465k (29%) compared with the previous year. This was mainly driven by the inclusion of a £500k signing bonus from the new publisher, who will publish the two Society-owned journals, *Journal of Applied Microbiology* and *Letters in Applied Microbiology* from 2023. During the year, £6k of restricted income was received to fund the WH Pierce Prize, all of which was spent during the year. The Society's expenditure on charitable activities was £1.2m (2020: £1.1m) including £631k (2020: £718k) on support costs. Support costs have decreased, largely due to staff costs being allocated directly to charitable activities in 2021, rather than being included in support costs.

The Society made a surplus in 2021 of £2.0m (2020: £987k), which included investment gains of £1.2m (2020: £521k), and net assets remained strong at £13.1m at 31 December 2021 (2020: £11.1m). This strength of financial position ensures that we will be able to continue providing relevant benefits to our members in the future, whilst further building the reputation of SfAM worldwide.

Investment policy and performance

The Trustees' main objective for the Society's investments has been to seek a combination of income and capital growth over the long term (>10 years). In addition, the level of income generated should be sufficient to support the essential services of the Society for at least 6 months in the event of a catastrophic fall in the main source of income, the Society's scholarly publications. The Trustees have delegated the day-to-day management of the investment portfolio to investment management companies, Cazenove Capital and Brewin Dolphin. The portfolio is managed by appropriate staff.

The service type provided by Brewin Dolphin is discretionary, so if the manager sees opportunities in the market they can be actioned without first seeking Trustee approval. However, all transactions are communicated in a timely manner to the Society. The investment mandate from the Trustees is for diversified risk, which should produce income and growth of capital over an investment time period of 10 years. Staff from Brewin Dolphin provide quarterly valuation updates of the investment portfolio, including market commentaries. Several members of the Society's Finance Audit and Risk Subcommittee and the Treasurer and Chief Executive have access to the portfolio's online platform.

The Society's portfolio performance is in line with the chosen investment strategy and has shown year-on-year gains with investments, ending 2021 with a £1.2m gain. The Trustees have a medium risk tolerance for the investment portfolio, where the focus is on risk but also on reward and importantly stability in times of market volatility.

Financial review

continued

Environmental, Social and Governance investment

The proceeds of the sale of a 7.2% share of Charles Darwin House Ltd received in 2019 was invested in 2020, in an Environmental, Social and Governance (ESG) fund that is managed by Cazenove Capital. This fund began to show growth in the latter part of 2020 and continued to grow throughout 2021, returning 14.1% in the 12 months to December 2021. ESG funds invest in companies who are making positive impacts in these three non-financial areas of their operations. The principles behind this type of investment acknowledge that an organisation values 'doing good': that they are keen to demonstrate that their environmental impact is being monitored, that they treat their teams well and contribute to their local communities. The Trustees agreed that this form of investment aligns well with the values of the Society.

Reserves policy

The Society holds unrestricted funds of £13.1m, of which £11.3m is held in investments for the purpose of income generation and £525k is designated for future activities, leaving a reserves provision of £1.3m. The Society's Trustees have calculated that a level of £1.3m would allow the Society to operate and deliver its charitable activities for 12 months. The current level of reserves would provide the Society with several years of its current charitable activity in the form of scholarly publishing, grant provision, events, policy work and public engagement. There are no restricted fund balances at the year end.

Designated reserves of £525k have been ringfenced by the Trustees in order to fund a number of strategic projects. It is expected that these funds will be spent during 2022.

The potential impact of Open Access and Plan S on the Society's revenue from scholarly publishing is continually under review. In the event of loss of income from scholarly publishing, which comprises over 80% of the Society's revenue, holding this level of reserves would allow the Society to undertake a managed approach to decreasing expenditure, as well as providing sufficient time to invest in future income-generating activity. This policy is intended to provide a sufficient buffer without accumulating unnecessary levels of reserves.

Structure, governance and management

Constitution

The Society for Applied Microbiology is a charity and a company limited by guarantee, first incorporated in 2008. The governing documents are the Articles of Association and the registered charity number is 1123044. The object of the Society is to advance, for the benefit of the public, the science of microbiology, in its application to the environment, human and animal health, agriculture and industry.

Organisational structure and decision-making

The management of the charity and company is the responsibility of the Trustees who are also Directors of the company and are elected and co-opted under the terms of the Articles of Association.

The Society is governed by the Executive Committee (EC) consisting of 13 members. Of these, from July 2021 four members are Officer positions (President, General Secretary, Treasurer and Scientific Programme Secretary); these are appointed by the EC. The other members are nominated and elected by the membership. The Executive Committee meets three times a year. In addition, a variety of subcommittees report to and advise the EC. These subcommittees include Scientific Programme, Finance audit and risk, *Microbiologist* editorial group, Policy, Selection, and Remuneration.

The Chief Executive (CE) leads the day-to-day operations of the Society and facilitates decision-making on items that require strategic discussion, decision and celebration at each of three committee meetings per year. In addition the CE maintains further frequent contact with the Trustees, in particular the Officers.

Periodically, the Society holds a Strategy Review during which the Trustees and team consider and decide upon the future direction of the Society. In 2021, the Society held a series of strategy review workshops, which resulted in a new strategic vision for the Society described on page 27.

In 2021 there were several changes to the membership of the EC. Clare Taylor stepped down as General Secretary, and Suzy Moody was appointed into the role as her successor. An election of the EC in 2021 to fill three vacancies left by Claire Hill (resigned), Michael Dempsey (came to the end of his term of office) and Suzy Moody (appointed as General Secretary), saw the election of Samantha Law, James Williamson and John Threlfall as new Trustees.

Operations

During 2021 the welfare, health and safety of everyone who contributes to the work of the Society remained paramount and the Society has maintained the health and safety of our staff team and volunteers during the course of the SARS-CoV-2 pandemic. All team members are equipped to work from home and provided equipment and furniture to ensure they are as secure and comfortable as possible. Flexible and home-working is something that, prior to lockdown, many of the team were used to doing a few times a week. However, for others, working from home was a significant change and, in some cases, a real challenge. To support the team, we provide regular catch-ups, the provision of welfare information and resources. During 2021, the team were surveyed regarding their preferences for a future working model for the Society and as a result of the wants and needs of the team, the Society took the decision to move the team to remote working contracts. It was the intention to enable regular team meet-ups in various locations across the UK, to reflect the diversity of regions the team now occupy. Whilst the team met face to face for the first time in October 2021 for the strategy review workshops, no additional meet-ups were possible due to the spread of the Omicron variant of SARS-CoV-2.

There were staff changes during 2021: Kathryn Spiller began in her role as Head of Publishing and Emma Prissick was appointed as Finance Manager in the latter part of the year to begin in post in early 2022. In addition, SfAM PhD graduand Matthew Koch worked for the Society as an intern during 2021.

Structure, governance and management

continued

Policies adopted for the induction and training of Trustees

All newly appointed or elected members of the EC receive an induction pack. This comprises the Society's Articles of Association, minutes of recent committee meetings, organisational charts and papers describing the duties and responsibilities of Officers and other committee members. All members of the EC are required to complete declarations of other interests, including potential competing interests, and declare that they are not disqualified from serving as company directors or charity Trustees. Each year, all Trustees take part in governance training by Wellspring Consulting, who tailor training to provide a refresher for existing Trustees and an introduction for new Trustees.

Pay policy for senior staff

The Trustees consider the EC and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no remuneration, linked to their position as a Trustee, was paid in the year. One Trustee received a small honorarium payment for editorial work and the Trustees are satisfied that this payment was made in line with Charity Commission Guidance on Payment of Trustees and that sufficient governance is in place to enable these payments to take place without being in contravention of the Articles of Association.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Society's policy, withdraw from decisions in which conflict of interest arises.

The pay of the Chief Executive is reviewed annually by the Remuneration Committee, which comprises the Officers and the HR manager, using internal and external benchmarks as well as key performance indicators for the previous year.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Trustees consider the major risks to the Society to be a decrease in revenue and poor investment performance. The potential decrease in revenue from journal publishing due to changes in the publishing landscape, specifically concerning open access publishing, could threaten the Society's ability to carry out its charitable objectives. The Society has been working to mitigate this risk through a competitive contract tender of the two SfAM-owned journals, *Journal of Applied Microbiology* and *Letters in Applied Microbiology*. This significant piece of work was led by the newly appointed Head of Publishing, who is focusing on the publishing landscape and its implications for the success and sustainability of SfAM's journals, as well as the maintenance of the Society's relationship with its current publishing partner, Wiley.

The Society is mitigating the risk of poor performance of the investment portfolio, through continuous monitoring of its performance and management, as well as holding our investments in a dedicated ESG-focused fund, which runs in parallel with the investment portfolio managed by Brewin Dolphin.

The Society does not participate in any fundraising.

Plans for the future

Strategy

During the latter part of 2020, and throughout 2021, the Society undertook a thorough strategic review and we now have a new and transformational strategic vision, which will harness the many facets of applied microbiology to contribute solutions to real global challenges.



Plans for the future

continued

This strategic vision is transformational for the Society: it has a global focus, with topic areas that focus on **applied** microbiology and are aligned with the UN Sustainable Development Goals (SDGs), and we will use these goals as the basis for everything we do:

- > **Food security**
Aligned with UN SDG 2: Zero hunger
- > **Net zero**
Aligned with UN SDG 13: Climate action
- > **Clean water and sanitation**
SDG 6
- > **Good health and wellbeing**
SDG 3
- > **Healthy oceans**
Aligned with UN SDG 14 – Life below water
- > **Healthy land**
Aligned with UN SDG 15 – Life on land
- > **Wealth creation**
Aligned with UN SDG 1 – No poverty

The strategic priorities that cut across these topic areas are:

Collaboration – we will collaborate and bring like-minded organisations and people along with us to solve global challenges, increasing our reach and impact

Diversity – we will seek input from a diverse group of applied microbiologists, reflecting SfAM's core values of diversity, equity and inclusion

Sustainability – we will aim to operate sustainably, mitigate risks to ensure the Society remains sustainable, and remain cognisant of the important role that microbes play in global sustainability.

We have explored the role of the learned society in the context of these challenges, as well as those presented by the global SARS-CoV-2/COVID-19 pandemic to establish how we can most effectively support our members and deliver our charitable objectives sustainably.

Operations

As lockdown restrictions have eased in 2022, we will create opportunities for our members to meet face to face for the first time since the emergence of the SARS-CoV-2 pandemic, keeping in mind the increased accessibility of online events during 2020 and 2021. We will also continue to survey the team regularly to gauge the most appropriate way in which we can work flexibly, supporting their many and varied needs, whilst providing opportunities for the team to meet face to face, and benefit from the creativity and tacit knowledge sharing that just isn't possible online.

We will be developing an ownership-thinking culture throughout our operations to build upon the team's involvement in the development of the Society's new strategic vision. This novel way of working will ensure that all voices are heard and will prevent siloed working within a team who are now working almost exclusively online. It will ensure our team feel genuine ownership of their work and that of the Society beyond their specific roles, to motivate, stimulate and continuously improve the Society's outputs, whilst keeping the health, safety and welfare of the team as the top priority.

Trustees' responsibilities statement

The Trustees (who are also Directors of Society for Applied Microbiology for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgement(s) and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on and signed on their behalf by:



Prof. Brendan Gilmore
President

11th July 2022

Date

Independent auditors' report

to the members of Society for Applied Microbiology

Opinion

We have audited the financial statements of Society for Applied Microbiology (the 'charitable company') for the year ended 31 December 2021, which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2021 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other 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 opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to 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 12 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 Auditors' 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.

Independent auditors' report

to the members of Society for Applied Microbiology continued

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed on page 31.

Independent auditors' report

to the members of Society for Applied Microbiology continued

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, is as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the entity; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- we reviewed minutes of meetings of those charged with governance; and
- reviewing correspondence with relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

www.frc.org.uk/auditorsresponsibilities.

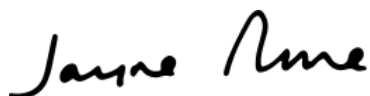
This description forms part of our Auditors' report.

Independent auditors' report

to the members of Society for Applied Microbiology continued

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



24th August 2022

.....
Jayne Rowe

Senior statutory auditor

.....
Date

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Statement of financial activities

(incorporating income and expenditure account)

Society for Applied Microbiology (a company limited by guarantee), Registered number: 06462427

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds £000	Restricted funds £000	Total funds 2021 £000	Total funds 2020 £000
INCOME					
Charitable activities	2	1,892	6	1,898	1,439
Investment income	3	154	–	154	148
TOTAL INCOME		2,046	6	2,052	1,587
EXPENDITURE					
Investment management fees	4	38	–	38	34
Charitable activities	5	1,154	6	1,160	1,087
TOTAL EXPENDITURE		1,192	6	1,198	1,121
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		854	–	854	466
Gains/(losses) on investments	13	1,164	–	1,164	521
NET MOVEMENT IN FUNDS		2,018	–	2,018	987
RECONCILIATION OF FUNDS					
Total funds brought forward		11,059	–	11,059	10,072
TOTAL FUNDS CARRIED FORWARD	16	13,077	–	13,077	11,059

There were no other recognised gains or losses other than those listed above. All income and expenditure derives from continuing activities. All income and expenditure for 2020 related to unrestricted funds.

The notes on pages 36 to 50 form part of these financial statements.

Balance sheet

Society for Applied Microbiology (a company limited by guarantee), Registered number: 06462427

AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
FIXED ASSETS			
Fixed assets	12	–	–
Investments	13	11,300	9,532
		11,300	9,532
CURRENT ASSETS			
Debtors	14	1,360	823
Bank		677	1,007
		2,037	1,830
CURRENT LIABILITIES			
Creditors: amounts falling due within one year after creditors	15	(260)	(303)
		1,777	1,527
NET CURRENT ASSETS			
		13,077	11,059
TOTAL ASSETS			
Restricted funds	16	–	–
Unrestricted funds	16	13,077	11,059
		13,077	11,059
TOTAL FUNDS			

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf, by:



11th July 2022

Prof. Brendan Gilmore
President

Date

The notes on pages 36 to 50 form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	17	120	453
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		154	148
Proceeds from the disposal of fixed assets		157	1,431
Net cash moved (to)/from portfolio		517	(468)
Purchase of investments		(1,278)	(2,567)
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		(450)	(1,456)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(330)	(1,003)
Cash and cash equivalents brought forward		1,007	2,010
CASH AND CASH EQUIVALENTS CARRIED FORWARD	18	677	1,007

The notes on pages 36 to 50 form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Society for Applied Microbiology meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 GOING CONCERN

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

1.3 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Trustees named on page 02. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 FUND ACCOUNTING

Restricted funds are funds that can be spent, at the discretion of the Trustees, on particular restricted purposes within the objects of the Society for Applied Microbiology. Restrictions arise when specified by the donor, as modified by any Charity Commission scheme, or when funds are raised for particular purposes.

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

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

More details of the charity's funds are disclosed in Note 16.

1.5 INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Membership income is recognised over the period to which the subscription relates. Memberships received in advance are included in deferred income.

Publishing income is recognised in the period that the journal was issued.

Income for meetings and conferences is recognised in the period that the meeting takes place. Income received in advance is included in deferred income.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs that contribute to more than one activity and support costs that are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out by the SfAM team. Support costs (including governance costs) are allocated to the costs of raising funds and charitable activities on the basis of the amount of time staff spend engaged in each of these elements. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All expenditure is inclusive of irrecoverable VAT.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives of five years on a straight-line basis. The current capitalisation policy is £2,000. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly. Impairment losses are recognised in the Statement of Financial Activities.

1.8 FINANCIAL INSTRUMENTS

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies continued

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably, in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.10 REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.11 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.12 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

1.16 PENSIONS

The Society operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.17 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are investment valuations.

2. Income from charitable activities

	2021 £000	2020 £000
Journals and other publications	1,833	1,388
Membership	33	46
Meetings and conferences	2	–
Other	30	5
	1,898	1,439

Journal income includes a signing bonus of £500,000 from Oxford University Press (2020: £Nil).

Other income includes restricted donations of £6,000 to fund the WH Pierce Prize (2020: £Nil).

3. Investment income

	2021 £000	2020 £000
Investment income	154	145
Bank interest	–	3
	154	148

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

4. Investment management costs

	2021 £000	2020 £000
Investment manager's costs	38	34

5. Analysis of expenditure by activities

	Direct 2021 £000	Grants 2021 £000	Support and Governance 2021 £000	Total 2021 £000	Restated 2020 £000
Journals and other publications	148	–	90	238	158
Policy	107	–	50	157	59
Membership	2	–	194	196	254
Microbiologist	38	–	90	128	143
Meetings and conferences	74	–	108	182	141
Grants	–	160	99	259	332
Total 2021	369	160	631	1,160	1,087
Total 2020	181	188	718	1,087	

In 2021 direct costs include the cost of staff who work directly on that activity; previously all staff costs had been included in support costs.

Grant expenditure includes £6,000 of restricted expenditure relating to the WH Pierce Prize (2020: £Nil).

Comparative figures for 2020 have been restated to better reflect the activities of the charitable company.

6. Analysis of grants

	Grants to institutions £000	Grants to individuals £000	Total 2021 £000	Total 2020 £000
Grants and studentships	128	32	160	188
Total 2020	167	21	188	

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

6. Analysis of grants continued

In 2021, 47 grants were made to various institutions (2020: 46) and 20 grants to individuals (2020: 8).

Grants paid to institutions are as follows:

	2021 £000	2020 £000
Anchor University, Lagos	10	–
Bowen University, Nigeria	4	–
Cardiff Metropolitan University	24	5
Catalan Institute for Water Research	–	10
Cranfield University	–	4
Great Ormond Street Hospital	–	3
Heriot-Watt University	3	–
Instituto de Investigaciones Biológicas Clemente Estable	–	3
Jagannath University, Bangladesh	3	–
Kingston University	3	–
Mindfarm Development Initiative	–	3
Northumbria University	10	–
Nottingham Trent University	9	–
Queen's University Belfast	6	10
RIBB – Nepal	–	4
Tribhuvan University, Nepal	3	–
University of Essex	–	10
University of Leeds	–	24
University of Nigeria	5	4
University of Plymouth	5	12
University of Salford, Manchester	–	4
University of South Wales	3	–
Other grants under £3,000	40	71
Total	128	167

The total grant expenditure here includes those grants that were deferred to 2022.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

7. Direct costs

	Journals and other publications £000	Policy £000	Membership £000	Microbiologist £000	Meetings and conferences £000	Total £000	2020 £000
Staff costs	46	91	–	–	52	189	–
Editors' costs	46	–	–	–	–	46	2
Publisher's costs	56	–	–	–	–	56	53
Speaker costs	–	–	–	–	11	11	–
Professional fees	–	16	–	38	–	54	43
Other direct	–	–	2	–	11	13	52
Total 2021	148	107	2	38	74	369	150
Total 2020	55	3	34	40	18	150	

In 2021 direct costs include the cost of staff who work directly on that activity; previously all staff costs had been included in support costs.

8. Support costs

	Journals and other publications £000	Policy £000	Membership £000	Microbiologist £000	Meetings and conferences £000	Grants £000	Total £000	2020 £000
Staff costs	52	28	111	52	62	57	362	489
Operational	14	8	30	14	17	14	97	95
Professional	8	5	18	8	10	9	58	41
Website costs	5	3	11	5	6	6	36	39
Governance	8	4	17	8	9	9	55	42
Training	3	2	7	3	4	4	23	12
Total 2021	90	50	194	90	108	99	631	718
Total 2020	103	56	221	103	122	113	718	

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

9. Governance costs

	2021 £000	2020 £000
Meeting costs	15	5
Training	5	–
Professional fees	11	5
Accountancy fees	12	20
Audit fees	12	11
	55	42

10. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to auditor		
Audit of accounts	12	10
Taxation advice	2	4
Other services	13	17
	27	31

11. Staff costs

	2021 £000	2020 £000
Wages and salaries	437	395
Social security costs	44	42
Other pension costs	70	52
	551	489

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

11. Staff costs continued

The average number of persons employed by the company during the year was as follows:

	2021 No.	2020 No.
Policy	2	2
Publishing	1	–
Management and administration of the charity	8	7
Total	11	9

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £60,001 – £70,000	0	1
In the band £70,001 – £80,000	1	0
In the band £110,001 – £120,001	1	1

The Charitable company considers its key management personnel comprise the Trustees and the Chief Executive. During the year, Trustees received remuneration totalling £3,000 (2020: £Nil).

The Trustees unanimously approved Marcela Hernandez Garcia's appointment as the Senior Editor of *Journal of Applied Microbiology*, for which £3,000 was received during 2021.

The total employment benefits including employer national insurance and employer pension contributions of the key management personnel were £131,000 (2020: £124,000).

7 (2020: 8) Trustees received reimbursement of expenses amounting to £1,000 (2020: £3,000). All Trustees' expenses are reimbursement of travel and subsistence costs for Trustees attending meetings on behalf of the Charity.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Total £000
COST			
As at 1 January 2021 & 31 December 2021	8	8	16
DEPRECIATION			
As at 1 January 2021 & 31 December 2021	8	8	16
NET BOOK VALUE			
At 31 December 2021	–	–	–
At 31 December 2020	–	–	–

13. Fixed asset investments

	Listed securities £000	Investment cash £000	Total £000
MARKET VALUE			
At 1 January 2021	8,803	729	9,532
Additions	1,276	–	1,276
Disposal proceeds	(155)	–	(155)
Revaluations	1,164	–	1,164
Movement in cash	–	(517)	(517)
As at 31 December 2021	11,088	212	11,300

INVESTMENT RISK MANAGEMENT

All the fixed asset investments are held in the UK.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price or the NAV of the fund. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is, their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report. The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments continued

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular five-year period will normally be corrected.

INVESTMENT IN UNLISTED ENTITIES

During 2020, the Society owned a 7.2% investment in Charles Darwin House Ltd, a private company formed to manage the Charles Darwin House properties, in which the Society holds a proprietary share. The shareholding represented a value of £62 and was accounted for as a fixed asset investment at cost less impairment. The Company went into dissolution during 2020.

14. Debtors

	2021 £000	2020 £000
Prepayments	24	17
Accrued income	1,336	806
	1,360	823

Included in 2021 accrued income is a £500,000 signing bonus as a result of entering into a journal publishing agreement with Oxford University Press. No such amount was owing in the prior year.

Notes to the financial statements

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FOR THE YEAR ENDED 31 DECEMBER 2021

15. Creditors: amount falling due within one year

	2021	2020
	£000	£000
Other taxation and social security	54	63
Grants payable	156	170
Accruals and deferred income	50	70
	260	303

DEFERRED INCOME	£000
As at 1 January 2021	10
Resources deferred during the year	4
Amounts released from previous years	(10)
Deferred income at 31 December 2021	4

Deferred income consists of subscription income received in advance of £4,000 (2020: £10,000), of which £Nil (2020: £Nil) is shown in amounts falling due after more than one year.

	2021	2020
	£000	£000
RECONCILIATION OF GRANT MOVEMENTS		
Grants brought forward	170	88
Commitments made in the year	160	188
Grants paid	(174)	(106)
Grants carried forward	156	170

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

16. Funds

	Balance at 1 January 2021 £000	Income £000	Expenditure £000	Gains £000	Transfers £000	Balance at 31 December 2021 £000
DESIGNATED FUNDS						
Microbiology platform	–	–	–	–	128	128
Strategy and branding fund	–	–	–	–	397	397
	–	–	–	–	525	525
GENERAL RESERVES	11,059	2,046	(1,192)	1,164	(525)	12,552
Total unrestricted funds	11,059	2,046	(1,192)	1,164	–	13,077
RESTRICTED FUNDS						
WH Pierce Prize	–	6	(6)	–	–	–
Total funds	11,059	2,052	1,198	1,164	–	13,077

All transfers relate to General reserves being designated for the below purposes.

DESIGNATED FUNDS

Strategy and branding fund: during 2022 the Society is undergoing a review of the Strategy and brand and has therefore set aside £397,000 for the costs that are due to be incurred during the year.

Microbiologist platform: during 2022 the Society is planning to launch a digital magazine platform. A designated fund of £128,000 has been set aside to fund this activity.

RESTRICTED FUND

The WH Pierce Prize is awarded each year to an academic at an early stage in their career who has made a substantial contribution to the science of applied microbiology.

FOR THE YEAR ENDED 31 DECEMBER 2021

17. Reconciliation of net movements in funds to net cash flow from operating activities

	2021 £000	2020 £000
Net income for the year (as per Statement of Financial Activities)	2,018	987
Adjustment for:		
Gains on investments	(1,164)	(521)
Dividends and interest	(154)	(148)
Decrease/(increase) in debtors	(537)	27
Increase/(decrease) in creditors	(43)	108
Net cash provided by operating activities	120	453

18. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	677	1,007

19. Analysis of net debt

	At 1 January 2021 £000	Cash flows £000	At 31 December 2021 £000
Cash in hand	1,007	(330)	677

Notes to the financial statements

continued

FOR THE YEAR ENDED 31 DECEMBER 2021

20. Pension commitments

The Charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charitable company in an independently administered fund. The pension cost charge represents contributions payable by the Charitable company to the fund and amounted to £71,000 (2020: £52,000). Contributions of £6,000 were outstanding at the Balance sheet date.

21. Net assets and liabilities

	Unrestricted funds £000	Restricted funds £000	Total 2021 £000
Fixed assets	–	–	–
Investments	11,300	–	11,300
Debtors	1,360	–	1,360
Bank	677	–	677
Creditors	(260)	–	(260)
	13,077	–	13,077

All funds in 2020 were unrestricted.

22. Related party transactions

During the year, one Trustee was paid an honorarium totalling £3,000 (2020: £Nil). The Trustees unanimously approved their appointment as the Senior Editor of *Journal of Applied Microbiology*, for which £3,000 was received during 2021. No such payments were made in 2020.



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