

Annual Trustee's Report 2019

FOR THE YEAR ENDED 31 DECEMBER 2019
Registered number: 03565643 Charity number: 1072117



THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES



THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

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THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2019

Trustees

Dr B Oudega, President
Dr H Lappin-Scott, Vice President
Dr S Donadio, Secretary General
Dr C R Harwood, Treasurer
Dr J Anné, Grants
Dr P M Bavoil, Research and Publications
Dr A Sibirny, Education & Public Engagement
Dr V Taleski, Events & Internationalization

Company registered number
03565643

Charity registered number
1072117

Registered office
Moneypenny House, Western Gateway, Wrexham, LL13 7ZB

Managing Director
M J Harvey

Independent auditors
Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

Bankers
National Westminster Bank PLC, 13 Market Place, Reading, Berkshire, RG1 2EP, United Kingdom ABN - AMRO, Business Services Sector, Postbus 283, 1000 EA, Amsterdam, The Netherlands

Investment Managers
Brewin Dolphin Limited, 12 Smithfield Street, London, EC1A 9BD, United Kingdom

Central Office
Delftechpark 37a, 2628 XJ Delft, The Netherlands

TRUSTEE'S REPORT

The Trustees of the charity (who are also Directors of the Company for the purposes of the Companies Act), present their annual report including the audited financial statements of The Federation of European Microbiological Societies (the Company) (also referred to in the document as FEMS) for the year ending 31 December 2019. The Trustees confirm that the Annual Trustees' Report, including the financial statements of the Company, comply with the current statutory requirements, the Company's governing document and the provisions of the Statement of Recommended Practice (SORP). - The SORP is 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 2015) as amended by Update Bulletin 1 (effective 1 January 2016).

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.

OBJECTIVES AND ACTIVITIES

THE FEMS MISSION IS TO ADVANCE THE VISIBILITY, REPUTATION AND IMPACT OF MICROBIOLOGY BY HELPING TO CONNECT PEOPLE AND SHARE KNOWLEDGE, WITHOUT BORDERS OR BARRIERS. FEMS was founded in 1974 to encourage scientific collaboration, facilitate international communication and support meetings, training, and research amongst Europe's microbiologists. Since then, our activities have expanded but our core mission remains the same.

In 2014, FEMS formulated its current 5-year strategic framework policy, which has six objectives to meet the FEMS mission:

- Supporting microbiology research
- Supporting microbiology education, training and Continuing Professional Development (CPD)
- Translating microbiology research and knowledge into policy
- Translating microbiology research and knowledge into economic and social impact
- Raising public awareness
- Internationalizing European microbiology

These objectives are grouped and advanced through FEMS's core set of charitable activities:

Publications - publishing five scientific journals which support and promote the best microbiological research carried out by the scientific community.

Events – organizing the Congress of European Microbiologists, FEMS Summer Schools and supporting microbiologists to arrange their own scientific conferences and meetings across Europe.

Business Administration – helping build the capacity and visibility of our Member Societies and their own projects.

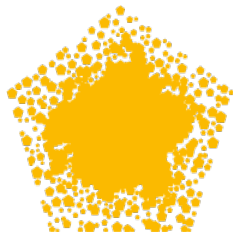
Grants & Awards - aiding early career scientists and meeting organizers to attend, organize and pursue research and training opportunities, as well as promoting academic excellence.

Projects - supporting network building activities such as the European Academy of Microbiology and other specialist networks.

Communications – presenting the best in scientific study to a broader audience.

ACHIEVEMENTS AND PERFORMANCE – Highlights

2019 was a year of growth and expansion across FEMS activities, in terms of readership, meeting attendees, collaborations and the support FEMS offered to the microbiological community.



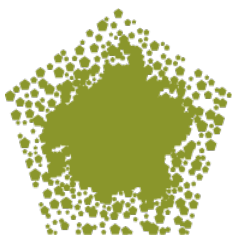
Publications

4.9 million downloads of Journal articles, **a 40% increase** from 2018
EUR 9,596 in awards and prizes given to recognise the best science from posters, presentations and articles



Events

2020 attendees at FEMS events in 2019
2 new FEMS Summer Schools, focusing on supporting microbiology training, education and continuous professional development



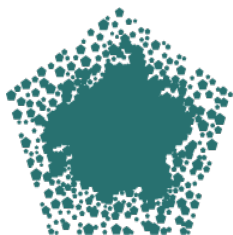
Business Administration

International Microorganism Day - FEMS increased its collaboration and social media support to the Portuguese Society of Microbiology's project. The event **doubled its reach, impressions and social media posts** for the day compared to 2018.



Grants & Awards

EUR 422,360 in grants given to support microbiologists from **52 countries** to attend events, undertake training and research worldwide.
EUR 20,083 in awards given to recognise the best microbiological research, from high profile speakers to early career scientists



Projects

133,243 visits to the FEMS Opportunities Board which provides a series of resources for microbiologists to find their next event, future job, training, grants and funding. **An 11% growth** from 2018, highlighting the increasing value of this network to the community.



Communications

More FEMS content read and engaged with than ever before
77% increase in follower growth across our Social Media platforms compared to growth in 2018
14% increase in website visits to 2018

ACHIEVEMENTS AND PERFORMANCE - continued

PUBLICATIONS

FEMS Journals provide important support to the microbiological research community, through the publication and promotion of peer-reviewed research articles, reviews and commentaries. Together, they provide the revenues that support the FEMS charitable activities, enabling us to continue investing in science and supporting Early Career Scientists.



2019 saw continued improvements in all five Journals usage and readership. This was assisted by activities to increase online discoverability and marketing improvements by both FEMS and its academic publisher, Oxford University Press (OUP).

	Impact Factor	Downloads (% increase since 2018)
FEMS Microbiology Reviews	11.524	37%
FEMS Pathogens and Disease	2.182	36%
FEMS Microbiology Ecology	4.098	26%
FEMS Microbiology Letters	1.994	59%
FEMS Yeast Research	2.458	22%

FEMS welcomed several new Editors-in-Chief who, along with new handling editors and reviewers, will continue to give FEMS Journals a unique range of research expertise and editorial oversight. They will be crucial in the coming years to ensure FEMS Journals remain relevant.

FEMS JOURNALS investing in science

FEMS Journals also increased its support to research by increasing the size of its awards programme. 12 Article awards and 21 Oral/Poster prizes were given to the best presenters and authors in 2019. These were further supported by some FEMS editors, who waived their fees to enable more of the best research to be celebrated.

'FEMS and its societies are crucial for supporting the network of researchers at all stages of their careers by providing platforms, grants, publicity and scientific advocacy.' **Dr. John Morrissey, Editor in Chief, FEMS Yeast Research**

Significant ongoing work continued in the development of FEMS's new open access Journals, due to launch in 2020. *FEMS Microbes* and *microLife* will be Open Access and form part of the long-term response to the move towards Open Access within the publication landscape. In addition, FEMS has renewed its contract with its not-for-profit publisher, OUP, providing ongoing stability going forward in the critical years ahead.

EVENTS

Events ensure that FEMS supports education, training and continued professional development by helping 'put the right people in the same room'. FEMS expanded its events portfolio in 2019 by organizing two new annual Summer Schools, one focused on Educators and one for Postdocs.

FEMS Summer School for PostDocs took place in Split, Croatia. The summer school presents a unique opportunity for early career scientists to receive instruction from prominent academics, collaborate and network with fellow researchers from across the world. Extensive marketing by FEMS resulted in forty interested applicants for this first school. Seventeen talented international PostDocs attended with 86% of attendees surveyed reporting that they would be "very likely" to recommend the Summer School to others.



FEMS Education Summer School took place in Marmari, Greece and sought to expand the skills of those teaching academic microbiology. The event provided a space to discuss and review new approaches which could be successfully used in microbiology education. FEMS helped support 5 attendees with complimentary registration and travel cost support up to EUR 500. Like the PostDoc Summer school, the event was well received, with 95% of attendees surveyed saying that they would recommend the event to their colleagues. 90% of those surveyed would also apply the lessons learned back at their institutions.

FEMS Congress 2019

The Congress in Glasgow attracted 1910 participants and while numbers were slightly lower than FEMS 2017 in Valencia, it represented FEMS's biggest Congress in terms of sponsors and exhibitors. New types of sessions were offered at FEMS2019, for example, the new community corner sessions discussing topical issues affecting the microbiological community, professional development sessions, social media training as well as new social events. As always through its Congress Attendance Grants, FEMS supported 188 microbiologists from across the world attend the event.



FEMS Sponsored Meetings

FEMS continued to support its member society members organise their own events and conferences and support early career scientist to attend them. In 2019, FEMS supported 34 meeting organisers in 20 countries.

BUSINESS ADMINISTRATION

Through the development of projects with members, FEMS intends to improve the support offered to its member societies and support the internationalizing of their work. A key example of this is International Micro-organism Day.

International Micro-organism Day (IMD) 2019 saw continued support by FEMS to its member society and IMD organiser, The Portuguese Society for Microbiology. Support included:

- providing experience, training, and communications capacity for the IMD team to grow their own social media and online presence
- using FEMS social media, website, and communication capacity to spread the word of IMD and echo messages from the IMD team
- running a Microbe Art Competition in tandem with IMD celebrations to showcase IMD to as wide an audience as possible:
- FEMS also supported the IMD team with social media support, provided training via two Skype sessions for the social media manager in the IMD team and support thereafter and advice for content creation.



This work contributed to IMD2019 being a truly international event on social media. There was over 4000 social media posts with the #InternationalMicroorganismDay hashtag in 2019, vs nearly 1400 in 2018 (a 189% increase).

The procurement exercise for the new Content Record Management (CRM), community platform and website systems for FEMS was completed in 2019. These systems will be vital in future proofing FEMS's activities and its ability to deliver more resources to its member societies. Developments in 2020 will see societies offered support to host their own websites, provided with collaborative online spaces for their work and tools to manage their membership administration.

GRANTS & AWARDS

In 2019, FEMS provided the following grant support to its members societies and their members to attend training and events (including FEMS Congress) and to help organizers develop their own meetings:

	Applications	Rejected	Withdrawn	Accepted	Amounts	
					Actual	Budget
Meeting Organizer	41	7	0	34	€174,000	€200,000
Meeting Attendance	70	38	1	31	€11,100	€25,000
Research & Training	60	9	1	50	€138,725	€160,000
FEMS Congress Attendance	389	193	1	195	€96,796	€100,000
Totals	560	247	3	310	€420,621	€485,000

FEMS provided EUR 20,083 in awards to help recognise both new talent and established researchers. FEMS also increased the promotion of the people behind the awards, via its communication channels and interview series.

FEMS Awards	Who	Value awarded (€)
Lwoff	Prof. P. Cossart	€5,000
Jensen	Dr Sarah Zecchin	€10,000
FEMS-ASM Mäkela-Cassell Award	Dr Valerie De Anda	€4,083
FEMS-ESCMID Award	Eveline Snelders	€1,000



PROJECTS

A key service that FEMS provides is in supporting opportunities for the microbiology community to network and work better together. FEMS looks to create opportunities where the producers, curators and users of microbiological knowledge can better do their collective work.

The European Academy of Microbiology (EAM) is a group of leading microbiologists focused on promoting excellence in science. 2019 began a significant increase in collaboration between the EAM and FEMS, with FEMS developing a new EAM website to promote the Academy. The EAM hosted a series of meetings, such as the Tribute to Stanley Falkow at Institute Pasteur, Paris, and a symposium at FEMS Congress in Glasgow.



The FEMS Opportunities Board was expanded to include more jobs, events, training and resource postings. This was assisted by FEMS increasing the collaborators and improving navigation and filterability on the site. 2019 marked a key point for the board, where posts from the community made it largely self-sufficient in terms of content. 2019 ended with 133,000 visits to the board, a 11% increase compared to 2018.

Policy development. As a priority for FEMS, future work in this area was strengthened by the appointment of Dr Paul Cos as Director for Business & Policy (starting from January 2020) and by FEMS joining the Science Business network, a network allowing FEMS to stay up-to-date with EU Policy developments and attend key meetings and events in Brussels. These measures will provide the platform for FEMS to have sustained impact in this area in the years to come.

COMMUNICATIONS

Communications underpins and is seen in all FEMS' activities, helping to promote the best microbiological research from within the Community to the world.

The use of video content on social media was increased significantly and several new projects were introduced such as the *52 microorganisms* on Twitter, expansion of our video interview series and the development of an Instagram account linked to TU Delft Archives. FEMS strengthened its online presence by successfully claiming Google verification for Knowledge panels of the Federation and all 5 journals. This ensured that FEMS has more visibility following Google searches, and more control on how the organisation appears online.

This, along with many other Communication activities, has seen significant growth across all FEMS communication channels.

FEMS Branding

New FEMS branding and twitter handles were rolled out across all media platforms in 2019, ensuring that FEMS has modern branding fit for the social media age.

	Increase in follower growth v 2018
Twitter	59%
Facebook	133%
LinkedIn	10%
Youtube	294%

PLANS FOR FUTURE PERIODS

FEMS Strategy 2020-2024

With the ending of the FEMS Strategic Framework (2014-2019) the Board of Trustees will lead discussions, with Member Societies and the microbiological community, to formulate an overarching 5 year Strategy in 2020. It will seek to define the FEMS organizational priorities for the next 5 years. Against these, FEMS will consider and evaluate individual initiatives, investments and decisions and will plan and track its progress to ensure they are achieved.

Closely linked to what FEMS wants to achieve over the next 5 years, is how it will respond to the challenges and priorities in academic publishing and of scholarly societies. Accumulated resources and a conservative investment policy will enable FEMS to make the significant investments in activities, infrastructure and technology needed to ensure FEMS can continue to support the advancement of scientific knowledge, research and education excellence. To this end, a business development review was commissioned in 2019 to explore future development opportunities to help inform FEMS's investment plan from 2020 onwards which will see:

- *The introduction of a new CRM system* – this significant investment will allow FEMS to both future proof its activities and provide more resources to its members. For completion by the end of 2020.
- *Open Access Journals* – two new Journals to meet the challenges of PlanS and the changing face the publication environment poses. Launched in early 2020.
- *Expansion of FEMS Events* – with the continuation of Summer Schools, 2020 will also see the introduction of a new event, the *Conference on Microbiology*.
- *Expansion of FEMS Communications capacity* – equipment, expertise and volunteers which will ensure production levels can be maintained.
- *Policy expansion* – recruitment of a new Policy & Business Director will see FEMS expand in this area to begin to have impact upon policy makers at a European level.
- *Global pandemic* – the Covid-19 pandemic has demonstrated the need to be responsive to global events, at both the financial and operational levels. FEMS has an Emergency Task Group whose remit is to ensure the continued operation of the FEMS business while ensuring the safety of its staff, board members and volunteers. FEMS has cancelled all face-to-face meetings and events organized in 2020 under the FEMS umbrella, including the FEMS Conference, Summer Schools, and has arranged for the Council and Board meetings to take place via video conferencing. Its longer-term policy will be incorporated into the FEMS Risk Register.

FINANCIAL REVIEW

The organisation's full results for the year are set out in detail in the statement of financial activities. The journal income increased in 2019 to €2,709,170 (2018 €2,618,337) due to an improved performance and a more favourable exchange rate. The total value of funds held at the end of the year was €14,326,978 (2018 €11,074,527). A proportion of funds is secured as:

Restricted funds - €100,266

FEMS-Jensen Fund, established through the generosity of J R Norris in honour of Dr Hans Laurits Jensen (1898-1977), to enable the Federation to support an outstanding early career researcher to spend at least 6 months in a research laboratory of the awardees choosing. The fund balance is invested as part of FEMS' investment portfolio and a transfer to the fund is made annually representing a proportionate share of the total return on the investment portfolio from 2012 to 2019.

Reserves policy

The Board of Trustees consider it judicious to maintain a relatively high level of unrestricted general reserves. The announcement of Plan S and the move towards Open Access Journal publishing presents an ongoing risk to FEMS revenue. In the event of any potential loss of income from scholarly publishing, which comprised 89% of FEMS revenue in 2019, holding a high reserve level will allow FEMS to take a managed approach to any decreasing income and provide time to invest in future income-generating activities. The current reserves policy also ensures that the budget for implementation in 2020, outlined above, can be ensured.

With reserves of €14,218,143, FEMS is well placed to weather the impact of the coronavirus.

Principal funding

FEMS does not actively fundraise or seek donations from the public. The charitable activities of FEMS are primarily funded by:

1. Royalties from publishing five scientific journals. The royalties make up 89% of the company's income which, in turn, is used in the pursuit of its charitable activities (*vide supra*).
2. Capital gains from the company's investment portfolio. This income depends on the overall performance of the portfolio. To date it has been in line with major indices.
3. Membership fees paid by its member societies. The annual fee is kept at a rather modest level enabling all relevant European Microbiology societies to become members of FEMS or to maintain their membership regardless of the exchange rate of national currencies to the Euro.

Material investment policy

Article 25.5 in the Federation's Articles of Association states that the Company's powers of investment, for the purpose of achieving its charitable objectives, shall not be limited by the Trustee Investments Act 1961. This statute has been approved by the Charity Commissioners.

Performance of investments

At the end of 2019 the investment portfolio value stood at €13,776,932 (2018, €9,524,956). FEMS' investment portfolio is held in London using the services of a Stockbroker. The portfolio's Investment Objectives are to generate an Income and Growth return with a Diversified Risk.

The investment policy of the portfolio is a conservative one, consisting of a mixture of UK and overseas equities, UK government stocks, unit trusts, property, commodities and cash, carefully blended to generate both income and long-term capital growth. The portfolio is managed on a discretionary basis with its content and performance monitored by the Treasurer. The investments are held in Pound Sterling and therefore the valuation is dependent on the current exchange rate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statutes

The Company is a charity and a company limited by guarantee, governed by its Articles of Association. In accordance with the Federation's Articles (Article 34), each of its Members has undertaken to contribute to it a sum not exceeding £1 in the event of its being wound up while they are members, or within one year after they cease to be members.

Method of appointment or election of Trustees

The governance of the Company is the responsibility of the Board of Trustees whose members are elected by the membership and co-opted under the terms of the Articles of Association.

Organisation structure and decision making

The Federation's Members are scholarly societies and other associations with a predominant interest in microbiology, based across Europe. Each has the right to nominate one Delegate to the Council of the Federation. The Council, meeting annually, elects the Board of Trustees. The day-to-day operations of the Federation are delegated to the Managing Director, who is appointed by the Board of Trustees. The current Managing Director was appointed in an interim capacity in November 2018 and this appointment was made permanent in May 2019.

Pay Policy for senior staff

The Trustees are tasked with leading, governing and overseeing the activities of the charity. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the accounts.

The senior management of the charity are tasked with managing FEMS on a day-to-day basis. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings, with an adjusted weighting of up to 30% for any additional responsibilities. Where recruitment has proven difficult, a market addition may also be paid in accordance with an agreed pay maximum that is in line with benchmarked salaries for comparable roles.

Principal risk and uncertainties

The Trustees have assessed the major risks to which the company is exposed, those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Trustees consider the major risks to the Federation to be a fall in the value of investments and a substantial decline in the income from publication activity. Regarding a fall in the value of investments, the current level of reserves are considered to be sufficient to be able to maintain its activities until either the value of its investments recovers or new income streams are established.

Regarding a decline in the income from publication activity, changes in the publishing landscape due to Open Access publishing would have serious impact on the Federations financial position. To help address this, work is continuing for the launching of two new open access Journals. FEMS remains alert and ready to change existing Journals into the appropriate formats.

TRUSTEES RESPONSIBILITIES STATEMENT

The Trustees, who are also the Directors of The Federation of European Microbiological Societies (FEMS) 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 judgments 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.

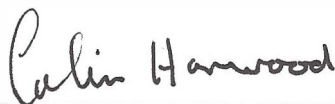
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as a Board of Trustees 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 and signed on their behalf by:



Dr C R Harwood, Treasurer

Date 7th May 2020

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES**

Opinion

We have audited the financial statements of The Federation of European Microbiological Societies (the 'charitable company') for the year ended 31 December 2019 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 2019 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 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 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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
MICROBIOLOGICAL SOCIETIES**

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.

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.
- 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FEDERATION OF EUROPEAN
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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.

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.

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.

Judith Coplowe

Judith Coplowe (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 13 May 2020

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
INCOME FROM:					
Donations	2	40,112	-	40,112	40,797
Investments	3	267,709	-	267,709	285,400
Charitable activities	4	2,711,432	-	2,711,432	2,618,337
TOTAL INCOME		3,019,253	-	3,019,253	2,944,534
EXPENDITURE ON:					
Raising funds: Investment management fees		89,018	-	89,018	38,828
Charitable activities	5	1,492,394	-	1,492,394	1,377,599
TOTAL EXPENDITURE		1,581,412	-	1,581,412	1,416,427
NET INCOME BEFORE INVESTMENT GAINS/(LOSSES)		1,437,841	-	1,437,841	1,528,107
Net gains/(losses) on investments	11	1,800,293	-	1,800,293	(958,215)
NET INCOME BEFORE TRANSFERS		3,238,134	-	3,238,134	569,892
Transfers between Funds	15	(13,079)	13,079	-	-
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		3,225,055	13,079	3,238,134	569,892
Gains on investment cash		14,317	-	14,317	1,563
NET MOVEMENT IN FUNDS		3,239,372	13,079	3,252,451	571,455
RECONCILIATION OF FUNDS:					
Total funds brought forward		10,987,340	87,187	11,074,527	10,503,072
TOTAL FUNDS CARRIED FORWARD		14,226,712	100,266	14,326,978	11,074,527

The Statement of Financial Activities includes all gains and losses recognised in the year

.The notes on pages 19 to 36 form part of these financial statements.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03565643

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	€	2019 €	€	2018 €
FIXED ASSETS					
Tangible assets	10		8,569		7,453
Investments	11		13,776,931		9,524,956
			13,785,500		9,532,409
CURRENT ASSETS					
Debtors	12	717,186		707,827	
Cash at bank and in hand		3,384,982		3,411,441	
		4,102,168		4,119,268	
CREDITORS: amounts falling due within one year	13	(2,731,586)		(2,577,150)	
NET CURRENT ASSETS			1,370,582		1,542,118
TOTAL ASSETS LESS CURRENT LIABILITIES			15,156,082		11,074,527
CREDITORS: amounts falling due after more than one year	14		(829,104)		-
NET ASSETS			14,326,978		11,074,527
CHARITY FUNDS					
Restricted funds	15		100,266		87,187
Unrestricted funds	15		14,226,712		10,987,340
TOTAL FUNDS			14,326,978		11,074,527

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 on **7 May 2020** and signed on their behalf, by:



.....
Dr C R Harwood, Treasurer

The notes on pages 19 to 36 form part of these financial statements.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>2,148,444</u>	<u>929,812</u>
Cash flows from investing activities:			
Dividends and interest from investments		267,709	285,400
Purchase of tangible fixed assets		(5,247)	(7,256)
Net cash transferred to investment portfolio		<u>(2,451,684)</u>	<u>(240,281)</u>
Net cash (used in)/provided by investing activities		<u>(2,189,222)</u>	<u>37,863</u>
Cash flows from financing activities:			
Gains on invested cash due to exchange rates		14,319	1,563
Net cash provided by financing activities		<u>14,319</u>	<u>1,563</u>
Change in cash and cash equivalents in the year		<u>(26,459)</u>	969,238
Cash and cash equivalents brought forward		<u>3,411,441</u>	2,442,203
Cash and cash equivalents carried forward	18	<u><u>3,384,982</u></u>	<u><u>3,411,441</u></u>

The notes on pages 19 to 36 form part of these financial statements.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

The Federation of European Microbiological Societies 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.

There were no significant estimates or judgments made by management in preparing these financial statements.

1.2 COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the Members Societies. 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.

1.3 FUND ACCOUNTING

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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 GOING CONCERN

The Trustees have considered budgets and forecasts in light of the COVID-19 pandemic (see note 23) and as a result have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

Donations are recognised where the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. This is normally upon notification by our investment managers or our bankers.

Income from journals comprises royalties from the Federation's publisher receivable in the year under review. Subscription income from members is accounted for on a receipts basis in the year in which the income is received.

Income from the Congress is accounted for in the year in which the income is receivable. Income results from any surplus made on the event, managed and provided by an external company.

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

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 which contribute to more than one activity and support costs which 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 at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

The charity has a policy of not capitalising portable computer equipment or items where the original cost is less than €1,500 and they are fully written off in the year of purchase.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	25% straight line
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1.8 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.

1.9 OPERATING LEASES

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

1.10 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.

1.11 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.

1.12 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.

1.13 FINANCIAL INSTRUMENTS

The company 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.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

1.15 FOREIGN CURRENCIES

The functional currency is Euros. Transactions in overseas currencies during the year under review and balances denominated in such currencies at the balance sheet date have been translated into euros. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. INCOME FROM DONATIONS

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Membership subscriptions	40,112	-	40,112	40,797
Total 2018	40,797	-	40,797	

3. INVESTMENT INCOME

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Income from equities	261,907	-	261,907	284,392
Bank interest receivable	5,802	-	5,802	1,008
	267,709	-	267,709	285,400
Total 2018	285,400	-	285,400	

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €	Total funds 2018 €
Income from journals	2,709,170	-	2,709,170	2,618,337
Congress income	2,262	-	2,262	-
	<u>2,711,432</u>	<u>-</u>	<u>2,711,432</u>	<u>2,618,337</u>
Total 2018	<u>2,618,337</u>	<u>-</u>	<u>2,618,337</u>	

5. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES

	Direct costs €	Grant costs €	Support costs €	2019 €	2018 €
Publications	222,800	-	112,451	335,251	370,163
Events	124,170	-	48,538	172,708	87,282
Grants and awards	47,245	448,030	45,479	540,754	540,670
Projects	58,806	-	51,760	110,566	93,300
Business Administration	126,723	-	86,066	212,789	197,264
Communications	77,707	-	42,619	120,326	88,920
Total	<u>657,451</u>	<u>448,030</u>	<u>386,913</u>	<u>1,492,394</u>	<u>1,377,599</u>
Total 2018	<u>490,272</u>	<u>320,394</u>	<u>566,933</u>	<u>1,377,599</u>	

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. ANALYSIS OF GRANTS AND AWARDS

	Grants to Institutions 2019 €	Grants to Individuals 2019 €	Total 2019 €	Total 2018 €
Grants	174,000	274,030	448,030	320,394
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018 (analysis restated)	157,714	162,680	320,394	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

During 2019, 34 meeting organizer grants were dispersed ranging from €500 to €10,000 and 31 meeting attendance grants were dispersed ranging from €250 to €600. 50 research and training grants were dispersed to institutions ranging from €1,600 to €4,000, 1 joint fellowship was dispersed for €1,000 in total.

During 2018, 37 meeting organizer grants were dispersed ranging from €1,000 to €10,000 and 30 meeting attendance grants were dispersed ranging from €250 to €600. 49 research and training grants were dispersed to institutions ranging from €1,000 to €4,000, 3 joint fellowships were dispersed for €3,000 in total and other Awards (Poster, Letter and MiniReview) for €2,250.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

ANALYSIS OF GRANTS AND AWARDS

	2019 €	2018 €
Grants Payable		
Grants to institutions		
Meeting organizer grants	174,000	157,714
Total grants to institutions	<u>174,000</u>	<u>157,714</u>
Grants to individuals		
Meeting grants credited to expenditure in respect of grants made in earlier years	-	(2,000)
Meeting Attendance Grants	11,100	21,550
Research and Training Grants	143,250	138,380
FEMS/ASM (Makela Cassel) Award	4,083	3,000
FEMS/ESCMID Award	1,000	-
Congress grants	96,796	-
Grant Committee travel and development	1,738	-
Article awards	5,000	-
Jenson award	10,000	-
Lwoff Award	5,000	-
Other grants and awards	588	2,250
	<u>278,555</u>	<u>163,180</u>
Less refunds relating to Research & Training Grants	(4,525)	-
Less refunds relating to Congress grants	-	(500)
Total grants to individuals	<u>274,030</u>	<u>162,680</u>
Total	<u><u>448,030</u></u>	<u><u>320,394</u></u>

**THE FEDERATION OF EUROPEAN MICROBIOLOGICAL
SOCIETIES**

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. SUPPORT COSTS

	Office €	Governance €	Finance €	Personnel €	System €	2019 €	2018 €
Publications	14,339	10,395	1,120	75,944	10,653	112,451	162,934
Events	14,340	10,395	1,120	12,030	10,653	48,538	37,705
Grants and Awards	14,339	10,395	1,120	8,972	10,653	45,479	161,156
Projects	14,339	10,395	1,120	15,253	10,653	51,760	42,424
Business Administration	14,339	10,395	1,120	49,559	10,653	86,066	134,635
Communications	14,339	10,395	1,120	6,112	10,653	42,619	28,079
Total	<u>86,035</u>	<u>62,370</u>	<u>6,720</u>	<u>167,870</u>	<u>63,918</u>	<u>386,913</u>	<u>566,933</u>

Included in governance costs is €9,774 (2018 - €9,035) relating to auditors' remuneration.

2018 support costs were: Office €68,613, Governance €78,246, Finance €81,310, Personnel €263,131 and Systems €75,633.

In 2018, support costs allocated to grants were €161,156.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019	2018
	€	€
Depreciation of tangible fixed assets:		
- owned by the charity	4,131	4,063
Foreign exchange (gain) / loss	(81,095)	1,347
Auditors' remuneration - audit	8,440	7,800
Auditors' remuneration - other services	2,110	1,950
	<u><u> </u></u>	<u><u> </u></u>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2019	2018
	€	€
Dutch staff remuneration	402,662	470,486
Dutch staff social security costs	62,527	67,154
Dutch staff pension costs	33,542	42,005
	<hr/> 498,731 <hr/>	<hr/> 579,645 <hr/>

2018 includes a settlement payment of €50,000 which was accrued in the year for the Chief Executive Officer who resigned on 31 December 2018.

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

	2019	2018
	No.	No.
Publications and administration	9	9

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band €160,001 - €170,000	0	1

The key management personnel of the charity comprise the Trustees and the Managing Director (2018 title - Chief Executive Officer (2018 also included the interim Managing Director from 1 November 2018)). No Trustees are entitled to any emoluments in respect of their services and they did not receive any remuneration or benefits in kind in this or the prior year. The total employee benefits of the key management personnel of the charity were €83,703 (2018 - €186,778). This represents salaries, employers pension contribution and employers social security costs.

8 Trustees received reimbursement of expenses amounting to €24,280 (2018 - 8 Trustees - €16,058). The reimbursed expenses primarily represent travel and subsistence expenses incurred in connection with attendance at FEMS meetings and postage and stationery costs.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TANGIBLE FIXED ASSETS

	Office equipment €
COST	
At 1 January 2019	32,096
Additions	5,247
At 31 December 2019	<u>37,343</u>
DEPRECIATION	
At 1 January 2019	24,643
Charge for the year	4,131
At 31 December 2019	<u>28,774</u>
NET BOOK VALUE	
At 31 December 2019	<u>8,569</u>
At 31 December 2018	<u>7,453</u>

11. FIXED ASSET INVESTMENTS

	Listed securities €	Cash €	Total €
MARKET VALUE			
At 1 January 2019	9,411,005	113,951	9,524,956
Additions	5,128,244	-	5,128,244
Disposals (proceeds £2,720,877)	(2,727,909)	-	(2,727,909)
Movements in cash	-	44,315	44,315
Revaluations	1,807,325	-	1,807,325
At 31 December 2019	<u>13,618,665</u>	<u>158,266</u>	<u>13,776,931</u>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. FIXED ASSET INVESTMENTS (continued)

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. 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' Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. 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 the ability to buy and sell quoted equities and stock is anticipated to continue. The Company's investments are mainly traded in markets with good liquidity and high trading volumes.

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 5 year period will normally be corrected.

12. DEBTORS

	2019	2018
	€	€
Trade debtors	675,778	667,556
Other debtors	41,408	40,271
	<hr/> 717,186 <hr/>	<hr/> 707,827 <hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	€	€
Trade creditors	16,937	22,216
Other taxation and social security	380,964	372,057
Grants payable	118,150	76,481
Deferred income	2,080,472	1,990,553
Other creditors	41,372	-
Accruals	93,691	115,843
	<hr/> 2,731,586 <hr/>	<hr/> 2,577,150 <hr/>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Monies were received in advance for the journal production contract which commenced with Oxford University Press from 1 January 2020. This income has been deferred and is being released over the period to which the services relate.

	€
DEFERRED INCOME	
Deferred income at 1 January 2019	1,990,553
Deferred income arising in the year	2,909,576
Amounts released from previous years	(1,990,553)
	<hr/>
Deferred income at 31 December 2019	2,909,576
	<hr/> <hr/>

RECONCILIATION OF GRANT MOVEMENTS

	2019 €	2018 €
Creditors brought forward	76,481	244,066
Commitments made in year	448,030	320,394
Grants paid	(406,361)	(487,979)
	<hr/>	<hr/>
Grants carried forward	118,150	76,481
	<hr/> <hr/>	<hr/> <hr/>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 €	2018 €
Deferred income	829,104	-
	<hr/> <hr/>	<hr/> <hr/>

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2019 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2019 €
DESIGNATED FUNDS						
Emergency congress support fund	70,000	-	-	(70,000)	-	-
Congress attendance support fund	61,710	-	-	(61,710)	-	-
EAM reserve	41,900	-	-	(41,900)	-	-
IT upgrade	50,000	-	-	(50,000)	-	-
Publications strategic development	24,184	-	-	(24,184)	-	-
Strategic development	151,894	-	-	(151,894)	-	-
	<u>399,688</u>	<u>-</u>	<u>-</u>	<u>(399,688)</u>	<u>-</u>	<u>-</u>
GENERAL FUNDS						
General Fund	10,587,652	3,019,253	(1,581,412)	386,609	1,814,610	14,226,712
Total unrestricted funds	<u>10,987,340</u>	<u>3,019,253</u>	<u>(1,581,412)</u>	<u>(13,079)</u>	<u>1,814,610</u>	<u>14,226,712</u>
RESTRICTED FUNDS						
Restricted fund - Jensen award	87,187	-	-	13,079	-	100,266
Total of funds	<u>11,074,527</u>	<u>3,019,253</u>	<u>(1,581,412)</u>	<u>-</u>	<u>1,814,610</u>	<u>14,326,978</u>

The Designated Funds were transferred to the General Fund at 31 December 2019 with the agreement of the full Board of Directors. It was agreed that each of the cost elements within the 2018 designated funds would be incorporated into the detailed annual budget from 2019.

THE FEDERATION OF EUROPEAN MICROBIOLOGICAL SOCIETIES
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2018 €	Income €	Expenditure €	Transfers in/out €	Gains/ (Losses) €	Balance at 31 December 2018 €
DESIGNATED FUNDS						
Emergency congress support fund	70,000	-	-	-	-	70,000
Congress attendance support fund	61,710	-	-	-	-	61,710
EAM reserve	41,900	-	-	-	-	41,900
IT upgrade	50,000	-	-	-	-	50,000
Publications strategic development	24,184	-	-	-	-	24,184
Strategic development	156,173	-	-	(4,279)	-	151,894
	<u>403,967</u>	<u>-</u>	<u>-</u>	<u>(4,279)</u>	<u>-</u>	<u>399,688</u>
GENERAL FUNDS						
General Fund	10,006,794	2,944,534	(1,416,427)	9,403	(956,652)	10,587,652
Total Unrestricted funds	<u>10,410,761</u>	<u>2,944,534</u>	<u>(1,416,427)</u>	<u>5,124</u>	<u>(956,652)</u>	<u>10,987,340</u>
RESTRICTED FUNDS						
Restricted fund - Jensen award	92,311	-	-	(5,124)	-	87,187
Total of funds	<u>10,503,072</u>	<u>2,944,534</u>	<u>(1,416,427)</u>	<u>-</u>	<u>(956,652)</u>	<u>11,074,527</u>

Designated Funds

Emergency Congress Support Fund

FEMS Congresses of European Microbiologists are an extension of its activities in support of microbiology in Europe. They are financially self-sufficient. The Emergency Congress Support Fund has been set up to ensure that unexpected costs can be met.

Congress Attendance Support Fund

FEMS is committed to supporting young scientists to the extent that financial resources permit. The Congress Attendance Support Fund has been set up to provide grants to young scientists in order to enable them to attend the biennial "FEMS Congress of European Scientists".

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15. STATEMENT OF FUNDS (continued)

EAM Reserve Fund

One of the goals of FEMS has been to amplify the impact of microbiology and microbiologists in Europe. For this purpose, it was important to establish a group of leading European microbiologists that is able to work in close association with FEMS. The European Academy of Microbiology was established to promote excellence in microbiology in Europe through targeted programmes and activities. The EAM fund currently supports this group.

IT Upgrade Fund

This fund has been established to fund upgrades and development to the FEMS IT infrastructure.

Publications Strategic Development Fund

This fund has been set up in support of FEMS' future publishing activities.

Strategic Development Fund

This fund has been set up to support the development and expansion of FEMS future activities and initiatives, as defined in its statutes.

Restricted Funds

Jensen Fund

FEMS-Jensen Fund, established through the generosity of J R Norris in honour of Dr Hans Laurits Jensen (1898-1977), to enable the Federation to support an outstanding early career researcher to spend at least 6 months in a research laboratory of the awardees choosing. The fund balance is invested as part of FEMS' investment portfolio and a transfer to the fund is made annually representing a proportionate share of the total return on the investment portfolio from 2012 to 2019.

The transfer from designated to unrestricted funds represents expenditure during the year which meets the purpose of the designated fund, but has been allocated to general funds.

The transfer to restricted fund is the allocation of the investment gains in the year to this fund.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 €	Restricted funds 2019 €	Total funds 2019 €
Tangible fixed assets	8,569	-	8,569
Fixed asset investments	13,676,665	100,266	13,776,931
Current assets	4,102,168	-	4,102,168
Creditors due within one year	(2,731,586)	-	(2,731,586)
Creditors due in more than one year	(829,104)	-	(829,104)
	<u>14,226,712</u>	<u>100,266</u>	<u>14,326,978</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 €	Restricted funds 2018 €	Total funds 2018 €
Tangible fixed assets	7,453	-	7,453
Fixed asset investments	9,437,769	87,187	9,524,956
Current assets	4,119,268	-	4,119,268
Creditors due within one year	(2,577,150)	-	(2,577,150)
	<u>10,987,340</u>	<u>87,187</u>	<u>11,074,527</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 €	2018 €
Net income for the year (as per Statement of Financial Activities)	3,238,134	569,892
Adjustment for:		
Depreciation charges	4,131	4,063
Net (gains)/losses on investments	(1,800,293)	958,215
Dividends and interest from investments	(267,709)	(285,400)
Increase in debtors	(9,359)	(52,614)
Increase/(decrease) in creditors	983,540	(264,344)
Net cash provided by operating activities	<u>2,148,444</u>	<u>929,812</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 €	2018 €
Cash in bank and in hand	3,384,982	3,411,441
Total	<u>3,384,982</u>	<u>3,411,441</u>

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19. ANALYSIS OF NET DEBT

	At 1 January 2019 €	Cash flows €	Changes in market value and exchange rate movements €	At 31 December 2019 €
Cash at bank and in hand	<u>3,411,441</u>	<u>(40,776)</u>	<u>14,317</u>	<u>3,384,982</u>

20. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension cost charge represents contributions payable by the charity to the fund and amounted to €33,542 (2018 - €42,005).

Contributions totaling €1,312 (2018 - €1,240) were payable to the fund at the balance sheet date and are included in creditors.

21. OTHER FINANCIAL COMMITMENTS

The charity has given guarantees in the normal course of business amounting to €32,478 (2018 - €32,462).

22. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year (2018: none).

23. POST BALANCE SHEET EVENTS

Covid-19 has had a major impact on the FEMS business and activities. All face-to-face meetings and events organized in 2020 under the FEMS umbrella have been cancelled and the statutory Council meeting and Board meetings will take place via video conferencing. The pandemic is likely to reduce its charitable expenditure on grants for meetings and early career scientists, but the Board of Directors has agreed to add any underspend to the 2021 budget. While the impact on income is likely to be relatively minor in the short-term, the Board is aware of the longer-term impacts on both Journal and dividend income. The FEMS reserves policy recognises these potential impacts and consequently its current level of reserves are sufficient to ensure that the organization is able to continue to deliver its charitable activities. Since the year end the investment portfolio valuation has fallen due to the COVID-19 pandemic. As at 31 March 2020 this amounted to a reduction of 17.9% on the year end valuation.

24. CONTROLLING PARTY

The charitable company is under the control of the Trustees. No one trustee has individual control.