



FRESHWATER BIOLOGICAL ASSOCIATION

EIGHTY- NINTH
ANNUAL REPORT
OF THE

THE FRESHWATER BIOLOGICAL ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2021

COMPANY NUMBER: 00263162

Registered Charity No. 214440

Registered Office;
The Ferry Landing, Far Sawrey, Ambleside, Cumbria LA22 0LP, UK

11.10.2021

**THE FRESHWATER BIOLOGICAL ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021**

The members of the Board of the Freshwater Biological Association (the Association), acting as Directors of the Association submit their Annual Report and audited Accounts for the year ended 31st March 2021.

The financial statements have been prepared in accordance with the current Financial Reporting Standards in use and The Statement of Recommended Practice for Charities (the SORP). The Accounting Standards Board recognises the SORP as being in line with its Code of Practice and the Freshwater Biological Association agrees to follow these principles.

Directors

The Directors of the Freshwater Biological Association during the period 1st April 2020 to 31st March 2021 are listed on page 4 under the section Directors' Report. The majority of the members of the Board of Directors are nominated by either the Board or the general membership are proposed for election at the AGM. These appointments are for four years but can be reappointed to serve a consecutive term after which they must cease to be a Director for at least 12 months before they are eligible for reappointment. A further Director is nominated by The Royal Society. A review of Directors' skills is periodically undertaken and this is used to inform the nomination process for prospective Directors.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing Financial Statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Association will continue its activities.

The Directors are responsible for the management of the Association's activities in accordance with its Memorandum and Articles of Association and for the keeping of proper accounting records which disclose with reasonable accuracy the financial position of the Association and which enables the Directors to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the Directors of the Association, we confirm that:

- so far as we are aware, there is no relevant audit information of which the Association's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Status

The Association is a Company Limited by Guarantee (registered number 263162) and a registered Charity (registered number 214440). The Board of Directors has no interests in the Association as defined by the Companies Act 2006 and receive no remuneration for their services to the Association. The Association's Directors do receive reimbursement of travel and subsistence costs necessarily incurred in the performance of their duties. The liability of the Members is laid out in clause 9 of the Articles of Association and limits the liability of the members to £10 each.

The Directors of the Association meet twice yearly (more frequently when necessary) to discuss and review the strategic direction of the Association; the operational activities of the Association are fully delegated to the Executive Director. A sub-committee of the Board, the Finance Committee, has delegated strategic responsibilities and meets on a regular basis to receive reports on activities from Simon Johnson the Executive Director, and Lesley Hadwin the Business Manager. The terms of reference for the Finance Committee are reviewed periodically by the Board of Directors. The delegation of authority to the Executive Director is also reviewed by the Board of Directors.

THE FRESHWATER BIOLOGICAL ASSOCIATION
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021
(Continued)

Objectives of the Charity

The objects of the Association, as defined by its Memorandum, are to promote the understanding and the investigation of the biology (in the widest interpretation of the word) of the animals and plants and other organisms found in fresh (including brackish) waters, and to promote the sound and sustainable management of freshwater ecosystems and resources. The current strategic objectives are:

- to widen active membership;
- to provide evidence and information;
- to influence and broaden advocacy; and
- to facilitate the setting of the research agenda.

Review of Activities

Dr Evan Dollar was appointed on the 1st January, 2020 as Chair. Mr Middleton remains a Director and Honorary Treasurer.

During the early part of 2021 a recruitment process was commenced by the Board to appoint a replacement for the former Chief Executive, Dr Bill Brierley, who retired on 30th September 2020. The Board is delighted to report that this recruitment exercise has resulted in the appointment of Mr Simon Johnson as Executive Director. Simon commenced his employment on 2nd August 2021. He was formerly in private practice developing and delivering an ambitious portfolio of riverscape restoration and natural flood management partnership projects in Cumbria.

During the period under review, the decisions of the Board to dispose of the River Laboratory site in Dorset and the main Pearsall Building at Lake Windermere have been completed and the resultant financial consequences of these sales have been reported in the Statement of Financial Activities.

As a consequence of the successful disposal of these two sites, the charity has entered into an agreement with the YMCA to lease suitable office, laboratory and ancillary accommodation close to the former office at the Pearsall Building. In addition the charity has agreed to rent from the new owners of the River Laboratory some accommodation for its future use by Fellows and some staff.

Reference was made in last year's accounts to the impact of the official lockdown due to Covid-19 and as stated the major effect that this has had on the charity during this year ending 31st March 2021. Whilst the charity has been affected by the loss of income particularly in the form of course and training and also potential science and research projects, it has benefited significantly through the receipts of grants from Government in the form of rental income support and monies received under the Government's Job Retention Scheme. These amounts respectively of £137,683 and £66,522 are separately included in the Statement of Financial Activities.

The overall operating deficit for the year was £172,205 as compared with a deficit of £310,102 for the previous year. As noted above these results have benefitted from the inclusion of receipts under the Government's Grant towards Rental Income and Job Retention Scheme, which in aggregate amounted to £204,205. The operating deficit result was before recognition of a gain on revaluation of the investment property being the holiday lets of £231,000, profit on disposal of £236,042 from the Pearsall Building and an impairment adjustment of £403,437 for the River Laboratory and finally a net gain on investments of £37,605. The overall resultant movement of funds for the year amounted to a reduction of £70,995 (2020: reduction of £110,890). There has been an increase in our income and reduced our expenditure. The total income for the year amounted to £631,321 (2020: £615,695) and total resources expended were £803,526 (2020: £925,797).

Whilst the total income for the two years was comparable, naturally the inclusion of the special monies received from Government as referred to above have compensated for a reduction of £72,859 in rental income from the holiday lets; a reduction of £32,081 in income from Research contracts; and a reduction of £34,498 in monies received under Scientific research and activity in the form of direct funding and grants. All of these reductions have mainly been due to the impact of Covid-19.

As stated above Total Resources expended during 2020/2021 were £803,526 as compared with £925,797 in the previous year, with savings of £97,570 in costs of running the two sites of Windermere and East Stoke; an uplift of £76,838 in the costs associated with Scientific research activity; and a reduction of £54,897 in costs incurred

THE FRESHWATER BIOLOGICAL ASSOCIATION DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021

under the FBA library and Data and Information services: and finally a saving overall in support costs detailed in note 10 of £11,080.

The scientific and data and information activities and funding of grants for projects is considered by the Directors to be a contribution towards the FBA's compliance with the Public Benefit Test as laid out in The Charities Act 2011. The various public activities including educational outreach, speaking at conferences and meetings and running subsidised training courses, also add to this compliance, as does support for students and early career scientists to attend meetings and training courses, student placements and providing funds to support collaborative scientific projects. Covid-19 has limited these activities.

Financial Reserves Policy

The purpose of the Association's reserves is to provide sufficient protection against changing financial circumstances and to maintain its long-term viability in order to promote its principal charitable objectives. The level of reserves, as reflected in the Unrestricted General Fund Account of £3,319,411 (2020: £3,390,406 including the revaluation reserve), is represented by tangible assets, net current assets and a liquid investment asset reserve. The remaining unrestricted designated funds of £14,344 (2020: £14,344) are made up entirely of Cash at Bank and in Hand. These reserves are considered sufficient for the Association to meet its short to medium term expenditure obligations.

Investment Policy

The Association's investments are detailed in Note 13(c) to the Financial Statements. The Directors approved an Investment Policy in December 2005, which provides the framework for the complete investment portfolio of the Association. The policy states that the portfolio should be structured to provide a balanced return between income and capital growth, whilst being sufficiently diversified to spread risk. The Directors ensure that any investments held reflect the ethical considerations of the Association and that no investment shall be held that is contrary to its objectives.

The Investment Policy was reviewed by the Directors in March 2009 and no changes were made.

Plans for Future Periods

Since Simon Johnson's appointment he has been refining the FBA growth strategy. This strategy will build a future by renewing and forging strategic partnerships with other likeminded businesses who can help the FBA meet its charitable objects whilst maintaining financial stability. The financial objective remains to break even within 12 months and thereafter operate at a small profit.

As part of the development of this strategy the staff, in conjunction, with the Board are in the process of:

- agreeing and prioritising actions with accountability, budget and targets;
- setting performance indicators and a mechanism to track and measure these;
- considering the FBA's response to climate change and social value.

Risk Management

The Directors reviewed the risks to which the Association is exposed. Changes were updated in the Association's Corporate Risk Register. This document, approved by the Board of Directors, is reviewed annually by the Board of Directors as part of its governance arrangements.

The FBA does not carry out significant fundraising activities in accordance with the Fund-Raising Standards of the Charities Act 2011.

Public Benefit Test

Under the terms of The Charities Act 2011, the Directors have a statutory duty to report on the Association's compliance with the Public Benefit Test. The Directors consider that the aims and objectives of the Association are able to deliver a public benefit and have given due regard to that fact.

**THE FRESHWATER BIOLOGICAL ASSOCIATION
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021
(Continued)**

Trustees

The following were members of the Board during the year, appointed in accordance with the Articles of Association.

President

Prof. Ann-Louise Heathwaite CBE

Chairman of Council

Dr E Dollar (January 2020)

Honorary Treasurer

Mr R. A. W. Middleton

Representative Members

Royal Society

Prof. K J Beven FRS

Elected Members

Dr A Crowden

Mr R Chadd

Prof G Woodward

Dr E Dollar

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Ferry Landing
Far Sawrey, Ambleside
Cumbria, LA22 0LP

Dated this 21st October 2021
By Order of the Board

Dr E Dollar
Chair of the Board

THE FRESHWATER BIOLOGICAL ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2021

	Note	Unrestricted Funds General £	Other £	Total 2021 £	Total 2020 £
Income:					
Awards and donations	4	3,327	-	3,327	2,209
Activities for generating funds	5	172,560	-	172,560	267,189
Investment income & bank interest	6	6,979	-	6,979	11,664
		-----	-----	-----	-----
		182,866	-	182,866	281,062
		-----	-----	-----	-----
Income from charitable activities	7	244,250	-	244,250	334,633
		-----	-----	-----	-----
Other income:					
Government Grant re Rental Income		137,683	-	137,683	-
Government Job Retention Scheme		66,522	-	66,522	-
		-----	-----	-----	-----
		204,205	-	204,205	-
		-----	-----	-----	-----
Total income		631,321	-	631,321	615,695
		-----	-----	-----	-----
Expenditure					
Cost of generating funds	8	290,748	-	290,748	388,318
Costs of charitable activities	9	304,295	-	304,295	317,916
Support costs	10	208,483	-	208,483	219,563
		-----	-----	-----	-----
Total resources expended		803,526	-	803,526	925,797
		-----	-----	-----	-----
Net (expenditure) for the year before transfers and other recognised gains/(losses)		(172,205)	-	(172,205)	(310,102)
		-----	-----	-----	-----
Gain on revaluation – property	13b	231,000	-	231,000	-
Profit on disposal of Pearsall Building	13a	236,042	-	236,042	-
Profit on disposal – E Stoke Fishery		-	-	-	246,461
Net gain / (loss) on investments – quoted	13c	37,605	-	37,605	(47,249)
Impairment adjustment of River Lab	13a	(403,437)	-	(403,437)	-
		-----	-----	-----	-----
Net movement of funds in year		(70,995)	-	(70,995)	(110,890)
		-----	-----	-----	-----
Reconciliation of funds					
Total funds brought forward 2020		3,390,406	14,344	3,404,750	3,515,640
		-----	-----	-----	-----
Total funds carried forward 2021		3,319,411	14,344	3,333,755	3,340,750
		=====	=====	=====	=====

All incoming resources and resources expended derive from continuing activities and the Statement of Financial Activities includes all gains and losses recognised in the year.

THE FRESHWATER BIOLOGICAL ASSOCIATION
BALANCE SHEET AS AT 31ST MARCH 2021
COMPANY NUMBER 263162

	Note	2021		2020
		£	£	£
Fixed Assets				
Tangible	13a		763,714	1,928,418
Investments – Property	13b		1,386,000	1,155,000
Investments – Quoted	13c		291,495	251,230
			-----	-----
			2,441,209	3,334,648
Current Assets				
Debtors and Prepayments	14	146,495		126,616
Investments – Cash held as part of portfolio	13c	660,132		12,792
Cash at Bank and in Hand		450,078		45,885
			-----	-----
		1,256,705		185,293
Less Current Liabilities				
Creditors (due within 1 year)	15	(329,339)		(80,676)
			-----	-----
Net Current Assets			927,366	104,617
			-----	-----
Total Assets Less Current Liabilities			3,368,575	3,439,265
Provision for Liabilities				
Pension Provision	22		(34,820)	(34,515)
			-----	-----
			£3,333,755	£ 3,404,750
			=====	=====
Representing Members' Funds				
Unrestricted				
General Fund	16		3,319,411	3,050,161
Designated Funds	17		14,344	14,344
Revaluation Reserve	18		-	340,245
			-----	-----
			£ 3,333,755	£ 3,404,750
			=====	=====

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved on behalf of Council by Dr E Dollar - Chair 21st October 2021

**THE FRESHWATER BIOLOGICAL ASSOCIATION
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021**

	2021	2020
	£	£
Net cash used in operating activities (See below)	65,425	(270,896)
Cash flow from investing activities:		
Investment income	6,979	11,664
Proceeds from sale/(purchase) of fixed assets	981,789	296,067
Amounts (deposited)/withdrawn from investments	(650,000)	(15,000)
Change in cash and cash equivalent in the year	404,193	21,835
Cash and cash equivalent brought forward	45,885	24,050
Cash and cash equivalent carried forward	£ 450,078	£ 45,885

Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	(70,995)	(110,890)
Add back depreciation charge	15,825	54,439
Deduct Investment Income	(6,979)	(11,664)
Deduct (gains)/add back losses on disposals & revaluations	(101,210)	(199,212)
(Increase)/decrease in debtors	(19,879)	48,815
Increase/(decrease) in creditors	248,663	(52,384)
Net cash used in operating activities	£ 65,425	£ (270,896)

THE FRESHWATER BIOLOGICAL ASSOCIATION
(Limited by Guarantee)
NOTES TO THE ACCOUNTS

1. Status

The Association is a Company incorporated in England within the UK Limited by Guarantee and not having a Share Capital. The liability of the Members who constitute the Association is limited to £10 per Member. An elected Board of Directors who constitute honorary directors of the Association for Companies Act purposes manages the affairs of the Association. Details of the Board Members are given in the Directors' Report. The address of the registered office is The Ferry Landing, Far Sawrey, Ambleside, Cumbria, LA22 0LP.

2. Accounting Policies

(a) Basis of Preparation

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 issued in October 2019 – (Charities SORP 2019 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Freshwater Biological Association 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 notes.

The company's functional and presentation currency is sterling rounded to the nearest pound.

(b) Preparation of the accounts on a going concern basis

The Association has an operating deficit of £172,205 for the current year. As a consequence of disposing of two properties that were high maintenance, the charity has significant liquid funds and additionally will have reduced its operating costs associated with these properties. These actions enable the Board to consider that the Freshwater Biological Association is a going concern.

(c) Fund Accounting

The General Fund is made up of unrestricted funds, which are available for use at the discretion of the Directors of the Association in the furtherance of the general objectives of the Association.

Designated funds represent unrestricted funds that have been bequeathed, donated or set aside by the Directors of the Association for the furtherance of its activities by means of specific sponsorship.

(d) Incoming Resources and Resources Expended

Membership, Life Membership, donations, and other voluntary income is included only when received, whilst all other income, such as rent, publications, ferry commission, and confirmed grant income is accounted for on a receivable basis. Grant income is deferred when it relates to activities in future periods. All expenditure is accounted for on an accruals basis, net of VAT. Irrecoverable VAT is expensed in the statement of Financial Activities under the heading of Governance costs. Directly attributable costs are charged in full to the relevant activity; indirect costs are apportioned across all activities based on the relative proportion of space occupied and staffing costs.

(e) Tangible Assets and Depreciation

Freehold property at Windermere and East Stoke was revalued during the year ended 31st March 2015 using an 'existing use' basis, in line with FRS15. There has not recently been a formal revaluation of the freehold properties due to the disposal of the Pearsall building at Windermere in the year ended 31st March 2021 and the disposal of the East Stoke site in the year ended 31st March 2022.

Depreciation is charged on the buildings element only, which represents approximately 60% of the total value of this class of tangible assets. Scientific apparatus and other equipment below the value of £1,000 are not capitalised.

**THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)**

Depreciation is charged on a straight line basis, in order to write off the assets over their useful economic lives as follows:

Buildings over 50 years

Plant and Machinery over 5 – 20 years

Computer and Other Equipment (including Annexe furnishings) over 4 years

Scientific Equipment over 5-10 years

(f) Library and Stocks

No value is attributable in these accounts to the library or to stocks of publications as their net value is not considered material.

(g) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measure at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Association does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Association is that of volatility in equity markets and investments markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(h) 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.

(i) Pensions

The Association participates in Universities Superannuation Scheme. With effect from 1st October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Association is therefore exposed to actuarial risks associated with the other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 'Employee benefits', the Association therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the Association has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Association recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense was recognised in 2019.

THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)

3. Net (outgoing) resources for the year

This is stated after charging:

	<u>2021</u>	<u>2020</u>
	£	£
Depreciation	15,825	54,439
Profit / (loss) on disposal of fixed assets	236,042	246,461
Auditors' remuneration	6,000	5,500
	<u>=====</u>	<u>=====</u>

<u>Incoming Resources</u>	Unrestricted Funds		<u>2021</u>	<u>2020</u>
	<u>General</u>	<u>Other</u>		
	£	£	£	£
4. Awards and Donations				
Membership donations	1,200	-	1,200	567
Legacies and other donations	2,127	-	2,127	1,642
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	3,327	-	3,327	2,209
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
5. Activities for generating funds				
Land and building income:				
Windermere (inc. annexe)	87,100	-	87,100	159,959
East Stoke	84,976	-	84,976	99,168
Miscellaneous income	484	-	484	8,062
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	172,560	-	172,560	267,189
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
6. Investment income				
Investment Income	6,979	-	6,979	11,664
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	6,979	-	6,979	11,664
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
7. Charitable activities				
Membership services	19,762	-	19,762	20,642
Scientific and special publications	11,498	-	11,498	11,958
Research contracts	18,233	-	18,233	50,314
Scientific research & activity, direct funding and grants	188,744	-	188,744	223,242
FBA Library/Data & Information Services	7,451	-	7,451	5,492
Training courses and meetings	(1,438)	-	(1,438)	22,985
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	244,250	-	244,250	334,633
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)

<u>Resources Expended</u>	Unrestricted Funds		<u>2021</u> £	<u>2020</u> £
	<u>General</u> £	<u>Other</u> £		
8. Cost of generating funds				
Land and buildings:				
Windermere	225,607	-	225,607	251,176
East Stoke	65,141	-	65,141	134,142
	-----	-----	-----	-----
	290,748	-	290,748	388,318
	-----	-----	-----	-----
9. Cost of charitable activities				
Membership services	32,157	-	32,157	30,392
Scientific and special publications	28,145	-	28,145	38,873
Research Contracts	-	-	-	15,634
Scientific research activity, direct funding and grants	241,270	-	241,270	164,432
FBA Library/Data & Information Services	2,301	-	2,301	57,198
Training courses and meetings	422	-	422	9,418
Redundancy Costs and fees	-	-	-	1,969
	-----	-----	-----	-----
	304,295	-	304,295	317,916
	-----	-----	-----	-----
10. Support Costs				
Council meetings and reimbursements to Trustees	598	-	598	2,597
Other costs – direct and indirect:				
Audit fees	6,000	-	6,000	5,500
Other professional fees	24,324	-	24,324	24,112
Staff costs	108,082	-	108,082	134,189
Redundancy Costs and fees	-	-	-	5,906
Irrecoverable VAT	-	-	-	(2,652)
IT support & other office costs	69,479	-	69,479	49,911
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	208,483	-	208,483	219,563
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11. Staff

Average number of employees was 12 (9 FTE) paid employees (2020: 15 (12 FTE))

Total Staff Costs in the year were:	<u>2021</u> £	<u>2020</u> £
Salaries	316,351	370,078
Employer's National Insurance Contributions	25,421	30,606
Employer's Pension contributions (Note 23)	22,331	22,246
Employer's Pension Provision (Note 23)	305	822
	-----	-----
Total (including redundancy costs of £7,875 in 2020)	364,408	423,752
	=====	=====

There were no employees in the remuneration band £60,000 to £69,999 or above (2020: None) and excluding Employer's National Insurance (ENI) and Pension Contributions (PC). The Key Management Personnel of the charity comprise the Board and the Executive Director with the Board remuneration detailed in Note 12 below. The total employee benefits of the Key Management Personnel were £40,810 (2020: £75,543 including ENI & PC).

12. Trustee Remuneration

No members of the Board received any remuneration during the year. Travel costs and Board expenses amounting to £598 (2020: £2,597) were paid for or reimbursed to 1 (2020: 6) member of the Board.

THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)

13. Fixed Assets

(a) Tangible

	<u>Freehold Land & Buildings</u>	<u>Plant & Machinery</u>	<u>Computer and other Equipment</u>	<u>Scientific Equipment</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1st April 2020	1,740,004	348,156	199,506	26,034	2,313,700
Additions	-	-	5,590	-	5,590
Disposals	(500,000)	(348,156)	(147,360)	(26,034)	(1,021,550)
Impairment adjustment	(465,657)	-	-	-	(465,657)
At 31st March 2021	774,347	-	57,736	-	832,083
<u>Accumulated Depreciation</u>					
As at 1st April 2020	103,255	69,524	186,469	26,034	385,282
Charge for the year	2,789	-	13,036	-	15,825
Disposals	(27,600)	(69,524)	(147,360)	(26,034)	(270,518)
Impairment adjustment	(62,220)	-	-	-	(62,220)
At 31st March 2021	16,224	-	52,145	-	68,369
Net book value					
At 31st March 2021	758,123	-	5,591	-	763,714
At 31st March 2020	1,636,749	278,632	13,037	-	1,928,418

The historical cost of Freehold Land & Buildings is £502,915 (2020: £1,114,152).

The Association revalued its Freehold Land and Buildings in line with FRS15 and adopted the revaluation of this class of assets at March 31st 2015. The valuations were carried out by external Independent Chartered Surveyors on a 'fair value' basis and undertaken by Peill and Co. for the land and buildings at the Windermere site and by Powis Hughes for the site at East Stoke in Dorset. The Board of Directors consider that there has not been any material change to this valuation since the 31st March 2015 on an 'existing use' or 'fair value' basis.

The River Laboratory site was disposed of shortly after the year end and the above impairment adjustment has been made to agree to the realised loss.

(b) Investments – Property

	£
At 1 st April 2020	1,155,000
Unrealised gain on revaluation	231,000
Market value at 31 st March 2021	1,386,000

The Annexe development completed in May 2018 and was valued by external Independent Chartered Surveyors in February 2019 by Carigiet Cowen at its market value of £1,155,000. The Board of Directors have subsequently made the 2021 valuation on an open market basis by reference to market evidence of transaction prices for similar properties and generally available capital value indices. The historical cost of the Annexe is £1,210,963.

THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)

(c) Investments - Quoted

Quoted investments are valued in accordance with their UK Stock Exchange listings at the balance sheet dates.

	<u>Quoted</u>
	<u>Investments</u>
	£
Market Value at 1st April 2020	264,022
Additions/(Disposals)	650,000
Net Investment gains to General Fund Account (Note 16)	37,605

Market Value at 31st March 2021	951,627

During the year, £750,000 of capital has been deposited and £100,000 withdrawn from the Investec Funds to assist with working capital requirements. Investment Management fees of £2,325 (2020: £3,772) were charged during the year.

	£
Represented by:	
Investments held on UK Stock Exchange	291,495
Cash held as part of Portfolio	660,132

	951,627

	<u>2021</u>	<u>2020</u>
	£	£
14. Debtors		
Trade Debtors	89,074	74,284
Other Debtors	57,421	52,332
	-----	-----
	146,495	126,616

15. Creditors		
PAYE, NIC and pension	11,287	8,821
Trade Creditors	81,953	25,238
Other Creditors and Accruals	38,304	15,352
Deferred income	-	17,806
VAT creditor	197,795	13,459
	-----	-----
	329,339	80,676

	<u>2021</u>	<u>2020</u>
	£	£
16. General Fund Account		
<u>General Fund Account</u>		
Balance brought forward	3,050,161	3,164,619
Net movement in funds before transfers and other recognised gains	(172,205)	(310,102)
	-----	-----
	2,877,956	3,854,517
Transfer net movement to Other Funds (Notes 4 to 10)	-	(9,304)
Unrealised gain on revaluation of property (Note 13b)	231,000	-
Unrealised gain / (loss) arising from revaluation of Investments (Note 13c)	37,605	(47,249)
Realised gain on sale of property	236,042	246,461
Transfer from Revaluation Reserve re Pearsall (Note 18)	163,525	5,736
Transfer from Revaluation Reserve re River Lab (Note 18)	176,720	-
Impairment adjustment (Note 13a)	(403,437)	-
Transfer between Funds (Note 17)	-	-
	-----	-----
	3,319,411	3,050,161

**THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)**

17. Other Funds

	<u>31.3.2020</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31.3.2021</u>
	£	£	£	£	£
<u>Unrestricted Designated</u>					
Fritsch Fund	9,344	-	-	-	9,344
R I Webb Fund	5,000	-	-	-	5,000
	-----	-----	-----	-----	-----
<u>Total</u>	<u>14,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,344</u>

Unrestricted Designated Funds represents sums bequeathed, donated, or established by the Board to the Association for the furtherance of its charitable activities by means of specific sponsorship, but expendable at the discretion of the Board. At the October 2017 Board Meeting it was noted that the Freshwater Science Fund and the Frost Bequest Funds have effectively been utilised for General Funds and have now been transferred. An appropriate memorial to Winifred Frost and the Frost Bequest will be organised when circumstances allow. The remaining Funds are described briefly as:

Fritsch Fund – fund established to support the scientific collection of algal illustrations together with taxonomic references.

R I Webb – this fund was established in 2018 following a bequest of £5,000 received from Mr R I Webb, a Life member of 42 years. This fund to be used for research projects and for the provision of equipment and support for training.

The balances of these funds are included within the Balance Sheet Net Assets as Cash at Bank and in Hand.

18. Revaluation Reserve	£
Balance brought forward at 01.04.2020	340,245
Adjustment on sale of River Laboratory in 2021/22	(176,720)
Transfer to general fund – remove revaluation reserve on the disposal of the Pearsall building	(163,525)

Balance carried forward at 31.03.2021	<u>-</u>

19. Capital Commitments and Contingent Liabilities

There were no capital commitments (2020: Nil), and no contingent liabilities at 31st March 2021.

20. Taxation Status

As a Registered Charity (No 214440), the Association is not liable to Income and Corporation Taxes.

21. Related Party Transactions

There are no related party transactions.

22. Commitments Under Operating Leases

Annual commitments of £12,000 for a five year lease at the Hedley Building, Newby Bridge and £10,643 for a six year licence to occupy various rooms at the River laboratory were entered into shortly after the year end.

THE FRESHWATER BIOLOGICAL ASSOCIATION
NOTES TO THE ACCOUNTS (Continued)

23. Pension Costs

The Association participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). There are current members of the USS pension scheme and in addition an alternative defined contribution stakeholder pension scheme is offered with Scottish Widows to those staff not eligible for the USS scheme.

The total cost charged to the profit and loss account is £22,636 (2020: £23,068) as shown in note 11.

The latest available complete actuarial valuation of the USS Retirement Income Builder Section of the Scheme is at 31st March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31st March 2020 is underway but not yet complete.

Since the Association cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount Rate (forward rates)	Years 1-10: CPI – 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 Valuation	
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	<u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% for females.	

The current life expectancies on retirement at age 65 are:

	2018 Valuation	2017 Valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability provision of £34,820 reflects this plan.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FRESHWATER BIOLOGICAL ASSOCIATION

Opinion

We have audited the financial statements of The Freshwater Biological Association for the year ended 31st March 2021 which comprise the primary statements such as the Income and Expenditure Account, the Balance Sheet, the Statement of Financial Activities, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Associations 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 Associations Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 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 applicable to smaller entities;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE FRESHWATER BIOLOGICAL ASSOCIATION
(Continued)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 directors' 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 1 the Trustees (who are also the directors of the charitable company for the purposes of the 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.

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE FRESHWATER BIOLOGICAL ASSOCIATION
(Continued)**

We have;

- Obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- Identified the laws and regulations that have significance in the context of the entity;
- Obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- Assessed and evaluated the susceptibility of the entity's financial statements to material misstatement, through error and fraud;
- Implemented procedures to enable the identification and testing of unusual or unexpected journal entries;
- Evaluated the assumptions and judgements used by management within significant accounting estimates and assessed if these indicate evidence of management bias;
- Tested significant transactions, in particular the evaluation of the business rationale for any which appear unusual or outside the company's normal course of business;
- Reviewed the financial statements and tested the disclosures against supporting documentation;
- Communicated relevant matters (including those above) to all members of the audit team to ensure they understood the risks specific to the entity and the audit procedures planned to mitigate these.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

First Floor, Shropshire House
179 Tottenham Court Road
London W1T 7NZ
October 2021

Dean Cates BA, FCA (Senior Statutory Auditor)
for and on behalf of Couch Bright King & Co
Chartered Accountants &
Statutory Auditors