

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)**

**ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2020**

**COMPANY NUMBER: 00263162**

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020**

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 2020.

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 2019 to 31st March 2020 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 Chief Executive. 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 the Chief Executive, and Business Manager. The terms of reference for the Finance Committee are reviewed periodically by the Board of Directors. The delegation of authority to the Chief Executive is also reviewed by the Board of Directors.

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020  
(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**

Mr Geoff Bateman retired as a Director and Chairman of the Board with effect from 31<sup>st</sup> March 2019, having served as a Director and Chairman since his appointment at the Annual General Meeting in October 2015. Mr Ronald Middleton was appointed as Chairman of the Board in an interim capacity from 1<sup>st</sup> April 2019 until 31<sup>st</sup> December 2019. Dr Evan Dollar was appointed a Director at the Annual General Meeting in October 2019 and was nominated as incoming Chair by the Board with effect from 1<sup>st</sup> January 2020. Dr Dollar was formerly a Director until his retirement in October 2017. Mr Middleton remains a Director and Honorary Treasurer.

Dr Bill Brierley has indicated his intention of retiring as Chief Executive with effect from 30<sup>th</sup> September 2020. Dr Brierley was appointed as Chief Executive of the Association in February 2015 and has been instrumental in leading the charity through a period of transition in extremely challenging times. His commitment and enthusiasm will be greatly missed by the organisation and the Board thank him for his immense contribution. The Directors will be considering as part of their forward strategy the appropriate recruitment of a replacement for Dr Brierley.

As part of the Board's restructuring of the Association in 2017, the decision was taken to seek to dispose of the River Laboratory site and this remains an ongoing objective, which is proving to be exceedingly time consuming and fraught with difficulties. Whilst parts of the site have been successfully sold the major elements remain the subject of negotiation with various interested parties.

The Board has also decided to dispose of the Pearsall Building. Offers have been received from a number of parties and the charity is in negotiation through its professional advisers to complete its sale as soon as feasible. The charity is presently also in negotiation to lease suitable office, laboratory and ancillary accommodation close to the current office.

The official lockdown due to Covid-19 commenced on the 23<sup>rd</sup> March 2020, accordingly, there has been limited impact for the year ended 31<sup>st</sup> March 2020. The significant impact of the lockdown will be fully reported in detail in the accounts for the period ending 31<sup>st</sup> March 2021. However it is worthy of note at this stage that the financial impact will be significant. The charity has undoubtedly been adversely affected by the loss of income particularly in the form of courses and training and also potential science and research projects. To compensate to a degree for this shortfall, the charity has benefitted through the receipt of grants from Government and being able to furlough the majority of staff during the lockdown period.

The operating deficit for the year was £310,102 as compared with £271,044 for the previous year. These results were before recognition of a profit on disposal of part of the East Stoke site of £246,461 and a net loss on investments of £47,249. The overall resultant movement of funds for the year amounted to a reduction of £110,890 ( 2019: reduction of £287,605 ). The total income for the year amounted to £615,695 (2019: £846,087) and total resources expended were £925,797 ( 2019: £1,117,131 ).

There was a reduction in income of £53,160 primarily due to the impact of lost rental income from tenants at East Stoke. Some tenants moved to new premises during the summer and winter of 2018 and have not been replaced. Due to the impending sale of the site. Additionally, income from each of Scientific research & activity, FBA library/Data & information services, and Training courses and meetings were lower than the previous year by respectively £135,537, £12,907 and £29,732. Several science contracts during the previous year were led by one of our Fellows but these have not been available during 2019/2020.

## **THE FRESHWATER BIOLOGICAL ASSOCIATION DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020**

The shortfall in Scientific research & activity was due to the completion of the Biffa Pearl Mussel project in September 2019, a reduction in the contribution of the ASFA project, and our inability to attract new data and information contracts.

Training income was reduced due to the charity not undertaking any bespoke courses during 2019/2020 due to the covid-19 pandemic. Fewer courses running also saw a reduction in associated costs.

Expenditure during 2019/2020 for costs related to the preparation of the River lab sale and associated professional fees of £48,488 (2019: £38,600) have been carried forward as Other Debtors to 2020/2021 and the period of sale.

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, and including the revaluation reserve, is represented by tangible assets, net current assets and a liquid investment asset reserve. The remaining unrestricted designated funds are made up entirely of liquid investment assets, currently invested on the UK Stock Exchange. 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**

It remains the objective of the Board to reduce the cost base of the FBA. The actions being taken to dispose of both the River Lab and the Pearsall Building will significantly contribute to meeting this objective. Once these transactions are completed the organisation will move to a more secure financial footing.

The Board has recently developed a draft FBA growth strategy, with the financial objective of breaking even within 12-18 months and thereafter operating at a small profit. The strategy has been broken down into the following prime activities of the organisation -

- membership;
- learning and development;
- publications and advocacy;
- science and projects;
- library and collections;
- people and partnerships; and
- holiday lets.



**THE FRESHWATER BIOLOGICAL ASSOCIATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

	Note	Unrestricted Funds		Total	Total
		<u>General</u>	<u>Other</u>	<u>2020</u>	<u>2019</u>
		£	£	£	£
<b>Income:</b>					
Awards and donations	4	2,209	-	2,209	669
Activities for generating funds	5	267,189	-	267,189	320,349
Investment income & bank interest	6	11,664	-	11,664	12,134
		-----	-----	-----	-----
		281,062	-	281,062	333,152
<b>Income from charitable activities:</b>	7				
Membership services		20,642	-	20,642	17,166
Scientific publications and journals		11,958	-	11,958	15,560
Scientific research & activity		263,556	10,000	273,556	409,093
FBA Library/Data & Information Services		5,492	-	5,492	18,399
Training courses & meetings		22,985	-	22,985	52,717
		-----	-----	-----	-----
		324,633	10,000	334,633	512,935
		-----	-----	-----	-----
<b>Total income</b>		<b>605,695</b>	<b>10,000</b>	<b>615,695</b>	<b>846,087</b>
		-----	-----	-----	-----
<b>Expenditure</b>					
Cost of generating funds	8	388,318	-	388,318	361,885
<u>Costs of charitable activities:</u>	9				
Membership services		30,392	-	30,392	31,796
Scientific publications and journals		38,873	-	38,873	41,928
Scientific research activity and Grants		179,370	696	180,066	405,359
FBA library/Data & Information Services		59,167	-	59,167	55,363
Training courses and meetings		9,418	-	9,418	28,859
		-----	-----	-----	-----
Support costs	10	219,563	-	219,563	191,941
		-----	-----	-----	-----
<b>Total resources expended</b>		<b>925,101</b>	<b>696</b>	<b>925,797</b>	<b>1,117,131</b>
		-----	-----	-----	-----
Net (expenditure) for the year before transfers and other recognised gains/(losses)		<b>(319,406)</b>	<b>9,304</b>	<b>(310,102)</b>	<b>(271,044)</b>
		-----	-----	-----	-----
Net loss on revaluation – property	13b	-	-	-	(28,696)
Profit on disposal – E Stoke Fishery	13a	246,461	-	246,461	-
Net (loss) / gain on investments – quoted	13c	(47,249)	-	(47,249)	12,135
		-----	-----	-----	-----
<b>Net movement of funds in year</b>		<b>(120,194)</b>	<b>9,304</b>	<b>(110,890)</b>	<b>(287,605)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward 2019		3,510,600	5,040	3,515,640	3,803,245
		-----	-----	-----	-----
Total funds carried forward 2020		3,390,406	14,344	3,404,750	3,515,640
		=====	=====	=====	=====

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 2020**  
**COMPANY NUMBER 263162**

	Note	2020		2019
		£	£	£
<b>Fixed Assets</b>				
Tangible	13a		1,928,418	2,032,464
Investments – Property	13b		1,155,000	1,155,000
Investments – Quoted	13c		251,230	263,615
			-----	-----
			3,334,648	3,451,079
<b>Current Assets</b>				
Debtors and Prepayments	14	126,616		175,431
Investments – Cash held as part of portfolio	13c	12,792		32,656
Cash at Bank and in Hand		45,885		24,050
			-----	-----
			185,293	232,137
<b>Less Current Liabilities</b>				
Creditors (due within 1 year)	15	(80,676)		(133,883)
			-----	-----
<b>Net Current Assets</b>			104,617	98,254
			-----	-----
<b>Total Assets Less Current Liabilities</b>			3,439,265	3,549,333
<b>Provision for Liabilities</b>				
Pension Provision	22		(34,515)	(33,693)
			-----	-----
			£ 3,404,750	£ 3,515,640
			=====	=====
<b>Representing Members' Funds</b>				
<b>Unrestricted</b>				
General Fund	16		3,050,161	3,164,619
Designated Funds	17		14,344	5,040
Revaluation Reserve	18		340,245	345,981
			-----	-----
			£ 3,404,750	£ 3,515,640
			=====	=====

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      22<sup>nd</sup> October 2020

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2020**

	<b>2020</b>	<b>2019</b>
	£	£
Net cash used in operating activities (See below)	(270,896)	(234,491)
Cash flow from investing activities:		
Investment income	11,664	12,134
Proceeds from sale/(purchase) of fixed assets	296,067	(8,585)
Amounts (deposited)/withdrawn from investments	(15,000)	65,000
Change in cash and cash equivalent in the year	21,835	(165,942)
Cash and cash equivalent brought forward	24,050	189,992
Cash and cash equivalent carried forward	£ 45,885	£ 24,050

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

	<b>2020</b>	<b>2019</b>
	£	£
Net movement in funds	(110,890)	(287,605)
Add back depreciation charge	54,439	60,289
Deduct Investment Income	(11,664)	(12,134)
Deduct (gains)/add back losses on disposals & revaluations	(199,212)	16,561
Decrease/(increase) in debtors	48,815	(104,009)
(Decrease)/increase in creditors	(52,384)	92,407
Net cash used in operating activities	£ (270,896)	£ (234,491)

**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 £310,102 for the current year. The Board has been continually taking action to reduce the cost base of the FBA, whilst attempting to increase income generation. Future reductions in operating costs are planned, including the disposal of surplus and high maintenance properties, and these actions together with the current level of surplus Charity Funds enables 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. The Freshwater Biological Association has adopted FRS15 and will formally revalue its property class of tangible assets every five years. Depreciation will be charged in future years 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 1<sup>st</sup> 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>2020</u>	<u>2019</u>
	£	£
Depreciation	54,439	60,289
Auditors' remuneration	5,500	6,350
	<u>=====</u>	<u>=====</u>

<u>Incoming Resources</u>	Unrestricted Funds		<u>2020</u>	<u>2019</u>
	<u>General</u>	<u>Other</u>		
	£	£	£	£
<b>4. Awards and Donations</b>				
Membership donations	567	-	567	50
Legacies and other donations	1,642	-	1,642	3,119
Gift Aid	-	-	-	(2,500)
	-----	-----	-----	-----
	2,209	-	2,209	669
	-----	-----	-----	-----
<b>5. Activities for generating funds</b>				
Land and building income:				
Windermere (inc. annexe)	159,959	-	159,959	159,242
East Stoke	99,168	-	99,168	154,552
Miscellaneous income	8,062	-	8,062	6,555
	-----	-----	-----	-----
	267,189	-	267,189	320,349
	-----	-----	-----	-----
<b>6. Investment income</b>				
Investment Income	11,664	-	11,664	12,134
	-----	-----	-----	-----
	11,664	-	11,664	12,134
	-----	-----	-----	-----
<b>7. Charitable activities</b>				
Membership services	20,642	-	20,642	17,166
Scientific and special publications	11,958	-	11,958	15,560
Research contracts	40,314	10,000	50,314	28,236
Scientific research & activity, direct funding and grants	223,242	-	223,242	380,856
Data & Information Services	4,446	-	4,446	15,200
FBA Library	1,046	-	1,046	3,200
Training courses and meetings	22,985	-	22,985	52,717
	-----	-----	-----	-----
	324,633	10,000	334,633	512,935
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**THE FRESHWATER BIOLOGICAL ASSOCIATION**  
**NOTES TO THE ACCOUNTS (Continued)**

<u>Resources Expended</u>	Unrestricted Funds		<u>2020</u> £	<u>2019</u> £
	<u>General</u> £	<u>Other</u> £		
<b>8. Cost of generating funds</b>				
Land and buildings:				
Windermere	251,176	-	251,176	220,992
East Stoke	137,142	-	137,142	140,893
	-----	-----	-----	-----
	388,318	-	388,318	361,885
	-----	-----	-----	-----
<b>9. Cost of charitable activities</b>				
Membership services	30,392	-	30,392	31,796
Scientific and special publications	38,873	-	38,873	41,928
Research Contracts	15,634	-	15,634	22,816
Scientific research activity, direct funding and grants	163,736	696	164,432	382,543
FBA Library/Data & Information Services	57,198	-	57,198	55,363
Training courses and meetings	9,418	-	9,418	28,859
Redundancy Costs and fees	1,969	-	1,969	-
	-----	-----	-----	-----
	317,220	696	317,916	563,305
	-----	-----	-----	-----
<b>10. Support Costs</b>				
Council meetings and reimbursements to Trustees	2,597	-	2,597	4,489
Other costs – direct and indirect:				
Audit fees	5,500	-	5,500	6,350
Other professional fees	24,112	-	24,112	16,126
Staff costs	134,189	-	134,189	142,929
Redundancy Costs and fees	5,906	-	5,906	-
Irrecoverable VAT	(2,652)	-	(2,652)	3,393
IT support & other office costs	49,911	-	49,911	18,654
	-----	-----	-----	-----
	219,563	-	219,563	191,941
	-----	-----	-----	-----
<b>11. Staff</b>				

Average number of employees was 15 (12 FTE) paid employees (2019: 16 (13 FTE))

Total Staff Costs in the year were:	<u>2020</u> £	<u>2019</u> £
Salaries	370,078	335,931
Employer's National Insurance Contributions	30,606	26,881
Employer's Pension contributions (Note 22)	22,246	12,970
Employer's Pension Provision (Note 22)	822	33,693
	-----	-----
Total (including redundancy costs of £7,875)	423,752	409,475
	=====	=====

There were no employees in the remuneration band £60,000 to £69,999 or above (2019: None).

**12. Trustee Remuneration**

No members of the Board received any remuneration during the year. Travel costs and Board expenses amounting to £2,597 (2019: £4,489) were paid for or reimbursed to 6 (2019: 8) members of the Board.

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

**13. Fixed Assets**

(a) Tangible

	<u>Freehold Land &amp; Buildings</u>	<u>Plant &amp; Machinery</u>	<u>Computer and other Equipment</u>	<u>Scientific Equipment</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1st April 2019	1,792,112	348,156	199,506	26,034	2,365,808
Additions	-	-	-	-	-
Disposals	(52,108)	-	-	-	(52,108)
	-----	-----	-----	-----	-----
At 31st March 2020	1,740,004	348,156	199,506	26,034	2,313,700
	-----	-----	-----	-----	-----
<u>Accumulated Depreciation</u>					
As at 1st April 2019	86,402	52,116	168,792	26,034	333,344
Charge for the year	19,354	17,408	17,677	-	54,439
Disposals	(2,501)	-	-	-	(2,501)
	-----	-----	-----	-----	-----
At 31st March 2020	103,255	69,524	186,469	26,034	385,282
	-----	-----	-----	-----	-----
Net book value					
At 31st March 2020	1,636,749	278,632	13,037	-	1,928,418
	=====	=====	=====	=====	=====
At 31st March 2019	1,705,710	296,040	30,714	-	2,032,464
	=====	=====	=====	=====	=====

The historical cost of Freehold Land & Buildings is £1,114,152 (2019: £1,166,260).

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.

(b) Investments – Property

	£
At 1 <sup>st</sup> April 2019	1,155,000
Unrealised loss on revaluation	-
	-----
Market value at 31 <sup>st</sup> March 2020	1,155,000
	-----

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 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 Investments</u>
	£
Market Value at 1st April 2019	296,271
Additions/(Disposals)	15,000
Net Investment (losses):	
Attributed to General Fund Account (Note 16)	(47,249)
	-----
Market Value at 31st March 2020	264,022

During the year, £280,000 of capital has been deposited and £265,000 withdrawn from the Investec Funds to assist with working capital requirements. Investment Management fees of £3,772 (2019: £2,546) were charged during the year.

	£
Represented by:	
Investments held on UK Stock Exchange	251,230
Cash held as part of Portfolio	12,792
	-----
	264,022

**14. Debtors**

	<u>2020</u>	<u>2019</u>
	£	£
Trade Debtors	74,284	96,510
Other Debtors	52,332	38,600
Prepayments	-	40,321
	-----	-----
	126,616	175,431

**15. Creditors**

PAYE, NIC and pension	8,821	8,997
Trade Creditors	25,238	89,470
Other Creditors and Accruals	15,352	19,723
Deferred income	17,806	3,594
VAT creditor	13,459	12,099
	-----	-----
	80,676	133,883

**16. General Fund Account**

	<u>2020</u>	<u>2019</u>
<u>General Fund Account</u>	£	£
Balance brought forward	3,164,619	3,444,714
Net movement in funds before transfers and other recognised gains	(310,102)	(271,044)
	-----	-----
	2,854,517	3,173,670
Transfer net movement to Other Funds (Notes 4 to 10)	(9,304)	-
Unrealised loss on revaluation of property (Note 13b)	-	(28,696)
Unrealised (loss) / gain arising from revaluation of Investments (Note 13c)	(47,249)	12,135
Realised gain on sale of property	246,461	-
Transfer from Revaluation Reserve (Note 18)	5,736	7,510
Transfer between Funds (Note 17)	-	-
	-----	-----
	3,050,161	3,164,619

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

**17. Other Funds**

	<u>31.3.2019</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31.3.2020</u>
	£	£	£	£	£
<u>Unrestricted Designated</u>					
Fritsch Fund	40	10,000	(696)	-	9,344
R I Webb Fund	5,000	-	-	-	5,000
	-----	-----	-----	-----	-----
<u>Total</u>	<u>5,040</u>	<u>10,000</u>	<u>(696)</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.

<b>18. Revaluation Reserve</b>	£
Balance brought forward at 01.04.2019	345,981
Surplus on revaluation	-
Transfer to general fund – difference on historical cost depreciation charge and actual depreciation charge on the revalued amount	(5,736)
	-----
Balance carried forward at 31.03.2020	<u>340,245</u>
	=====

**19. Capital Commitments and Contingent Liabilities**

There were no capital commitments (2019: Nil), and no contingent liabilities at 31st March 2020.

**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.

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

## 22. 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 £23,068 (2019: £46,663) as shown in note 11.

The latest available complete actuarial valuation of the USS Retirement Income Builder Section of the Scheme is at 31<sup>st</sup> March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31<sup>st</sup> 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:

	<b>2018 Valuation</b>	
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:

	<b>2018 Valuation</b>	<b>2017 Valuation</b>
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 2020 deficit recovery liability provision of £34,515 reflects this plan and has been produced using the following assumptions:

	<b>2020</b>	<b>2019</b>
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%

## **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 2020 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 2020 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.

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](http://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 2020

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