



# **FRESHWATER BIOLOGICAL ASSOCIATION**

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## **ANNUAL REPORT OF THE**

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

**ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2022**

**COMPANY NUMBER: 00263162**

Registered Charity No. 214440

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

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
(A COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

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 2022.

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 2021 to 31st March 2022 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.

It is with great sadness to report that Richard Chadd died on 5<sup>th</sup> November 2021 after a very short illness. Richard joined the Board in October 2017 and during his time as Director he contributed significantly to the charity particularly with his knowledge and wise counsel. The newly refurbished training facilities at the office location by Lake Windermere have been named "The Richard Chadd Teaching Laboratory".

#### **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;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **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 2022**  
**(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**

As referred to in last year's accounts, the Board was delighted to announce the appointment of Simon Johnson as Executive Director on 2<sup>nd</sup> August 2021, following the retirement of former Chief Executive Dr Bill Brierley in September 2020.

During the period under review, the final sale transactions of the River Laboratory site in Dorset have been ascertained and the small additional resulting loss has been reported in the Statement of Financial Activities.

The year ended 31<sup>st</sup> March 2021 had been impacted significantly due to Covid-19, however 2022 has also been affected but with instances of less disruption to the organisation and significantly smaller amounts of Government financial assistance received by the charity. These amounts respectively are £74,669 and £5,856 for rental income support and Job Retention Scheme and are separately included in the Statement of Financial Activities.

The overall operating deficit for the year was £106,282 compared with a deficit of £172,205 for the previous year. Whilst these results have benefitted from the inclusion of receipts under the Government's various Covid-19 support schemes, which in aggregate amounted to £80,525, these were significantly less than such similar categories of support received in 2020/2021 of £204,205. The operating deficit was before recognition of a gain on the revaluation of the investment properties, comprising the holiday lets, amounting to £97,020, also the final loss on the sale of the River Lab of £17,584, and finally a net unrealised gain on the valuation of the investments of £3,271. The overall movement of funds for the year amounted to a reduction of £23,575 (2021: reduction of £70,995). There has been an increase in our income and minor increase in our expenditure. The total income for the year amounted to £732,302 (2021: £631,321) and total resources expended were £838,584 (2021: £803,526).

The uplift in total income comprised mainly a significant increase in monies from the holiday lets, due to the relaxation of Covid-19 restriction, of £80,314 and also increase under Research Contracts of £20,918 and an increase of £155,484 under Scientific research and activity in the form of direct funding and grants.

As stated above the total resources for this year and last year were comparable. However the costs of maintaining our operating properties were significantly reduced due to the sale of the Pearsall building and the River Lab, generating a reduction of £177,489 on comparison of the two years. There was an increase of in aggregate under support costs of £228,940, with a significant uplift in costs associated with staff costs of £29,548 and an increase of £128,214 in IT support and other office costs.

**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 £3,295,836 (2021: £3,319,411), is represented by tangible assets, net current assets and a liquid investment asset reserve. The remaining unrestricted designated funds of £14,344 (2021: £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.

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

**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**

Simon Johnson has completed the updating and refinement of the FBA growth strategy, which has been formally signed off by the Board of Directors. Indeed there have been positive developments in respect of the strategy's objectives of forging strategic partnerships with other likeminded businesses who can help the FBA meet its charitable objectives whilst maintaining financial stability. The financial objective remains to move into operating at a small operating profit in the forthcoming year.

As part of the development and implementation of this strategy, the staff in conjunction with the Board, continue 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 2022  
(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

Honorary Treasurer

Mr R. A. W. Middleton

Representative Members

Royal Society

Prof. K J Beven FRS

Elected Members

Mr R Chadd – Passed away November 2021

Prof G Woodward

Dr E Dollar

Prof Dr N Bonada – Appointed 21<sup>st</sup> October 2021

Dr M Jackson – Appointed 21<sup>st</sup> October 2021

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        October 2022  
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 2022**

	Note	Unrestricted Funds <u>General</u> £	Other £	Total <u>2022</u> £	Total <u>2021</u> £
<b>Income:</b>					
Awards and donations	4	6,520	-	6,520	3,327
Activities for generating funds	5	185,704	-	185,704	172,560
Investment income & bank interest	6	21,980	-	21,980	6,979
		-----	-----	-----	-----
		214,204	-	214,204	182,866
		-----	-----	-----	-----
<b>Income from charitable activities</b>	7	425,211	-	425,211	244,250
		-----	-----	-----	-----
<b>Other income:</b>					
Government Grant re Rental Income		74,669	-	74,669	137,683
Government Job Retention Scheme		5,856	-	5,856	66,522
Kick Start Income		12,362	-	12,362	-
		-----	-----	-----	-----
		92,887	-	92,887	204,205
		-----	-----	-----	-----
<b>Total income</b>		<b>732,302</b>	<b>-</b>	<b>732,302</b>	<b>631,321</b>
		-----	-----	-----	-----
<b>Expenditure</b>					
Cost of generating funds	8	113,259	-	113,259	290,748
Costs of charitable activities	9	287,902	-	287,902	304,295
Support costs	10	437,423	-	437,423	208,483
		-----	-----	-----	-----
<b>Total resources expended</b>		<b>838,584</b>	<b>-</b>	<b>838,584</b>	<b>803,526</b>
		-----	-----	-----	-----
Net (expenditure) for the year before transfers and other recognised gains/(losses)		<b>(106,282)</b>	<b>-</b>	<b>(106,282)</b>	<b>(172,205)</b>
		-----	-----	-----	-----
Gain on revaluation – property	13b	97,020	-	97,020	231,000
Profit on disposal of Pearsall Building	13a	-	-	-	236,042
Loss on disposal – E Stoke River Lab	13a	(17,584)	-	(17,584)	-
Net gain on investments – quoted	13c	3,271	-	3,271	37,605
Impairment adjustment of River Lab	13a	-	-	-	(403,437)
		-----	-----	-----	-----
<b>Net movement of funds in year</b>		<b>(23,575)</b>	<b>-</b>	<b>(23,575)</b>	<b>(70,995)</b>
		-----	-----	-----	-----
<b>Reconciliation of funds</b>					
Total funds brought forward 2021		3,319,411	14,344	3,333,755	3,404,750
		-----	-----	-----	-----
Total funds carried forward 2022		3,295,836	14,344	3,310,180	3,333,755
		=====	=====	=====	=====

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 2022**  
**COMPANY NUMBER 263162**

	Note	2022		2021
		£	£	£
<b>Fixed Assets</b>				
Tangible	13a		234,998	763,714
Investments – Property	13b		1,483,020	1,386,000
Investments – Quoted	13c		1,429,149	291,495
			-----	-----
			3,147,167	2,441,209
<b>Current Assets</b>				
Debtors and Prepayments	14	140,942		146,495
Investments – Cash held as part of portfolio	13c	25,749		660,132
Cash at Bank and in Hand		222,777		450,078
			-----	-----
		389,468		1,256,705
<b>Less Current Liabilities</b>				
Creditors (due within 1 year)	15	(142,580)		(329,339)
			-----	-----
<b>Net Current Assets</b>			246,888	927,366
			-----	-----
<b>Total Assets Less Current Liabilities</b>			3,394,055	3,368,575
<b>Provision for Liabilities</b>				
Pension Provision	22		(83,875)	(34,820)
			-----	-----
			£ 3,310,180	£ 3,333,755
			=====	=====
<b>Representing Members' Funds</b>				
<b>Unrestricted</b>				
General Fund	16		3,295,836	3,319,411
Designated Funds	17		14,344	14,344
			-----	-----
			£ 3,310,180	£ 3,333,755
			=====	=====

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

October 2022

**THE FRESHWATER BIOLOGICAL ASSOCIATION  
CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2022**

	<b>2022</b>	<b>2021</b>
	£	£
Net cash used in operating activities (See below)	(300,306)	65,425
Cash flow from investing activities:		
Investment income	21,980	6,979
Proceeds from sale/(purchase) of fixed assets	551,025	981,789
Amounts (deposited)/withdrawn from investments	(500,000)	(650,000)
Change in cash and cash equivalent in the year	(227,301)	404,193
Cash and cash equivalent brought forward	450,078	45,885
Cash and cash equivalent carried forward	£ 222,777	£ 450,078

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

	<b>2022</b>	<b>2021</b>
	£	£
Net movement in funds	(23,575)	(70,995)
Add back depreciation charge	9,162	15,825
Deduct Investment Income	(21,980)	(6,979)
Deduct (gains)/add back losses on disposals & revaluations	(82,707)	(101,210)
Decrease/ (Increase) in debtors	5,553	(19,879)
(Decrease)/Increase in creditors	(186,759)	248,663
Net cash used in operating activities	£ (300,306)	£ 65,425



**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 £106,282 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  
Leasehold Improvements over the length of the lease  
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 Trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

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

**3. Net (outgoing) resources for the year**

This is stated after charging:

	<u>2022</u>	<u>2021</u>
	£	£
Depreciation	9,162	15,825
(Loss) / Profit on disposal of fixed assets	(17,584)	236,042
Auditors' remuneration	7,000	6,000
	<u>=====</u>	<u>=====</u>

<u>Incoming Resources</u>	Unrestricted Funds		<u>2022</u>	<u>2021</u>
	<u>General</u>	<u>Other</u>		
	£	£	£	£
<b>4. Awards and Donations</b>				
Membership donations	6,520	-	6,520	1,200
Legacies and other donations	-	-	-	2,127
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	6,520	-	6,520	3,327
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
<b>5. Activities for generating funds</b>				
Land and building income:				
Windermere (inc. annexe)	167,414	-	167,414	87,100
East Stoke	10,599	-	10,599	84,976
Miscellaneous income	7,691	-	7,691	484
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	185,704	-	185,704	172,560
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
<b>6. Investment income</b>				
Investment Income	21,980	-	21,980	6,979
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	21,980	-	21,980	6,979
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
<b>7. Charitable activities</b>				
Membership services	19,946	-	19,946	19,762
Scientific and special publications	16,531	-	16,531	11,498
Research contracts	39,151	-	39,151	18,233
Scientific research & activity, direct funding and grants	344,228	-	344,228	188,744
FBA Library/Data & Information Services	-	-	-	7,451
Training courses and meetings	5,355	-	5,355	(1,438)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	425,211	-	425,211	244,250
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

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

<u>Resources Expended</u>	Unrestricted Funds		<u>2022</u> £	<u>2021</u> £
	<u>General</u> £	<u>Other</u> £		
<b>8. Cost of generating funds</b>				
Land and buildings:				
Windermere	113,259	-	113,259	225,607
East Stoke	-	-	-	65,141
	-----	-----	-----	-----
	113,259	-	113,259	290,748
	-----	-----	-----	-----
<b>9. Cost of charitable activities</b>				
Membership services	1,074	-	1,074	32,157
Scientific and special publications	48,579	-	48,579	28,145
Research Contracts	-	-	-	-
Scientific research activity, direct funding and grants	233,981	-	233,981	241,270
FBA Library/Data & Information Services	-	-	-	2,301
Training courses and meetings	4,268	-	4,268	422
	-----	-----	-----	-----
	287,902	-	287,902	304,295
	-----	-----	-----	-----
<b>10. Support Costs</b>				
Council meetings and reimbursements to Trustees	5,568	-	5,568	598
Other costs – direct and indirect:				
Audit fees	7,000	-	7,000	6,000
Other professional fees	40,782	-	40,782	24,324
Staff costs	137,325	-	137,325	107,777
USS pension provision	49,055	-	49,055	305
IT support & other office costs	197,693	-	197,693	69,479
	-----	-----	-----	-----
	437,423	-	437,423	208,483
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**11. Staff**

Average number of employees was 11 (8 FTE) paid employees (2021: 12 (9 FTE))

Total Staff Costs in the year were:	<u>2022</u> £	<u>2021</u> £
Salaries	324,143	316,351
Employer's National Insurance Contributions	24,778	25,421
Employer's Pension contributions (Note 22)	28,847	22,331
Employer's Pension Provision (Note 22)	49,055	305
	-----	-----
Total (including redundancy costs of £16,825 in 2022)	426,823	364,408
	=====	=====

There were no employees in the remuneration band £60,000 to £69,999 or above (2021: 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 £59,105 (2021: £40,810 including ENI & PC).

**12. Trustee Remuneration**

No members of the Board received any remuneration during the year. Travel costs and Board expenses amounting to £5,568 (2021: £598) were paid for or reimbursed to 2 (2021: 1) 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>Leasehold Improvements</u>	<u>Computer and other Equipment</u>	<u>Scientific Equipment</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1st April 2021	774,347	5,591	52,145	-	832,083
Additions	-	26,278	-	13,083	39,361
Disposals	(558,915)	-	-	-	(558,915)
	-----	-----	-----	-----	-----
At 31st March 2022	215,432	31,869	52,145	13,083	312,529
	-----	-----	-----	-----	-----
<u>Accumulated Depreciation</u>					
As at 1st April 2021	16,224	-	52,145	-	68,369
Charge for the year	2,789	6,373	-	-	9,162
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
At 31st March 2022	19,013	6,373	52,145	-	77,531
	-----	-----	-----	-----	-----
Net book value					
At 31st March 2022	196,419	25,496	-	13,083	234,998
	=====	=====	=====	=====	=====
At 31st March 2021	758,123	5,591	-	-	763,714
	=====	=====	=====	=====	=====

The historical cost of Freehold Land & Buildings is £151,980 (2021: £502,915).

The Association revalued its Freehold Land and Buildings in line with the then 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 that time at the Windermere site and by Powis Hughes for the site at East Stoke in Dorset. The majority of the land and buildings at both sites were sold in 2020 and 2021. The Board of Directors consider that there has not been any material change to this valuation on the remaining land and buildings since the 31st March 2015 on an 'existing use' or 'fair value' basis.

(b) Investments – Property

	£
At 1 <sup>st</sup> April 2021	1,386,000
Unrealised gain on revaluation	97,020
	-----
Market value at 31 <sup>st</sup> March 2022	1,483,020
	-----

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 2022 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 2021	951,627
Additions/(Disposals)	500,000
Net Investment gains to General Fund Account (Note 16)	3,271
	-----
Market Value at 31st March 2022	1,454,898

During the year, £500,000 of capital has been deposited from the disposal proceeds of the East Stoker River Laboratory. Investment Management fees of £9,636 (2021: £2,325) were charged during the year. A fall in the value of the investments in the financial period 2022/23 up to October 2022 of £163,444 is a non-adjusting post balance sheet event that requires disclosure only.

	£
Represented by:	
Investments held on UK Stock Exchange	1,429,149
Cash held as part of Portfolio	25,749
	-----
	1,454,898

**14. Debtors**

	<u>2022</u>	<u>2021</u>
	£	£
Trade Debtors	130,539	89,074
Other Debtors & Prepayments	10,403	57,421
	-----	-----
	140,942	146,495

**15. Creditors**

PAYE, NIC and pension	11,836	11,287
Trade Creditors	64,537	81,953
Other Creditors and Accruals	9,258	38,304
Deferred income	37,747	-
VAT creditor	19,202	197,795
	-----	-----
	142,580	329,339

**16. General Fund Account**

	<u>2022</u>	<u>2021</u>
<u>General Fund Account</u>	£	£
Balance brought forward	3,319,411	3,050,161
Net movement in funds before transfers and other recognised gains	(106,282)	(172,205)
	-----	-----
	3,213,129	2,877,956
Transfer net movement to Other Funds (Notes 4 to 10)		-
Unrealised gain on revaluation of property (Note 13b)	97,020	231,000
Unrealised gain / (loss) arising from revaluation of Investments (Note 13c)	3,271	37,605
Realised (Loss) / gain on sale of property	(17,584)	236,042
Transfer from Revaluation Reserve re Pearsall	-	163,525
Transfer from Revaluation Reserve re River Lab	-	176,720
Impairment adjustment (Note 13a)	-	(403,437)
	-----	-----
	3,295,836	3,319,411

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

**17. Other Funds**

	<u>31.3.2021</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31.3.2022</u>
	£	£	£	£	£
<u>Unrestricted Designated</u>					
Fritsch Fund	9,344	-	-	-	9,344
R I Webb Fund	5,000	-	-	-	5,000
	-----	-----	-----	-----	-----
<u>Total</u>	14,344	-	-	-	14,344
	=====	=====	=====	=====	=====

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. Capital Commitments and Contingent Liabilities**

There were no capital commitments (2021: Nil), and no contingent liabilities at 31st March 2022.

**19. Taxation Status**

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

**20. Related Party Transactions**

There are no related party transactions.

**21. 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 ended 31<sup>st</sup> March 2021.

**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 £77,902 (2021: £22,636) 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 2020 (the valuation date), which was carried out using the projected unit method.

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 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles. ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/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: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor Of 0%)	CPI assumption plus 0.05%
Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00%

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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2020 Valuation</b>
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	<b>2022</b>	<b>2021</b>
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

Discount Rate	3.33%
Pensionable salary growth	5.00%



## **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 2022 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).

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 2022 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.

2 Tolherst Court  
Turkey Mill Business Park  
Ashford Road, Maidstone  
Kent ME14 5SF

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

October 2022