

CAMBRIDGE PHILOSOPHICAL SOCIETY

Report of the Council of Management and Financial Statements

For the year ended 31 December 2015

Registered Charity Number 213811

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**CAMBRIDGE PHILOSOPHICAL SOCIETY
REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

REGISTERED CHARITY NUMBER: 213811

COUNCIL MEMBERS

Professor J Woodhouse, President
Professor C L-H Huang, Vice-President
Professor J D Mollon, Vice-President
Professor S Conway Morris, Vice-President
Dr G A Reid, Treasurer
Dr F J Leeper, Physical Secretary
Dr D K Summers, Biological Secretary
Professor A G Thomason, Mathematical Secretary
Dr C Y Barlow
Professor G I Evan
Professor R R Horgan
Professor J M E Hyland
Dr A w Jones
Professor P Midgley
Dr J Secord
Professor A R Venkitaraman
Professor M Warner

REGISTERED OFFICE

17 Mill Lane
Cambridge
CB2 1RX

BANKERS

Barclays Bank PLC
9-11 St Andrews Street
Cambridge, CB2 3PZ

SOLICITORS

Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge, CB5 8EP

INVESTMENT MANAGER

Rathbone Investment Management Limited
159 New Bond Street
London, W1S 2UD

AUDITORS

Chater Allan LLP
Chartered Accountants
Beech House
4A Newmarket Road
Cambridge, CB5 8DT

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

The Council of Management present their annual report together with the audited financial statements of Cambridge Philosophical Society (the charity) for the year ended 31 December 2015. The Council members confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document, Charities Act 2011 and 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 (FRS102) (effective 1 January 2015).

Structure, governance and management

GOVERNING DOCUMENT

The Society was established on 15 November 1819 with the aim, in the words of that time 'of promoting scientific inquiry, and of facilitating the communication of facts connected with the advancement of Philosophy and Natural History'. In modern terminology the aims of the Society are to promote research in all branches of science and to encourage the communication of the results of scientific research. The Society became a Body Corporate by virtue of a Charter granted by his late Majesty King William the Fourth and dated 6 August 1832.

METHOD OF APPOINTMENT OR ELECTION OF COUNCIL MEMBERS

The affairs of the Society are conducted by its Council, consisting of up to nine Officers and up to twelve Ordinary Members who are all senior scientists working within the University of Cambridge. The Council members who served during the year were:-

Professor C L-H Huang, President
Professor J Woodhouse, President-Elect
Dr A F Blackwell, Vice-President
Professor J D Mollon, Vice-President
Professor A G Smith, Vice-President
Dr G A Reid, Treasurer
Dr F J Leeper, Physical Secretary
Dr D K Summers, Biological Secretary
Professor P M H Wilson, Mathematical Secretary
Dr C Y Barlow
Professor M Brown
Professor S Conway Morris
Professor G I Evan
Professor R R Horgan
Professor J M E Hyland
Professor P Midgley
Dr R Simmons
Professor A G Thomason
Professor A R Venkitaraman
Professor M Warner

Council members are elected at the Society's annual general meeting.

The President, President-Elect, Vice-Presidents, Treasurer and Secretaries constitute the Officers of the Society. The Officers and at least four ordinary Members of the Council are elected at each annual general meeting and serve from the first day of January following their election. The President serves for no more than two years successively, the President-Elect for one year, the Vice-Presidents for no more than three years successively, the Treasurer for no more than twelve years successively and the Secretaries for no more than nine years successively. Ordinary Members of Council serve for no more than six years successively.

Council meetings are held six times a year at which scientific activities are decided, formal business is concluded and strategy matters are discussed.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF COUNCIL MEMBERS

New members of Council following formal election after the Annual General Meeting are given a complete set of minutes for the previous Michaelmas Term, a list of the Council Officers and Ordinary Members, a copy of the Society's byelaws, the Society's most recent Financial Accounts and the Charity Commission Leaflet for Charity Trustees (CC3(a)). The Officers and Executive Secretary answer any questions they may have.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Council sets out the general policy of the Society and has sole management of the income and funds of the Society. The day to day affairs of the Society are delegated to the Executive Secretary, Mrs Beverley Larnar and the Treasurer, Dr George Reid.

Employees' remuneration is bench-marked with the University of Cambridge to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

INVESTMENT POWERS

These are governed by the Charter and Bye Laws which permits the funds to be invested in any security listed on the London Stock Exchange and all the main Stock Markets of the World i.e. US, Europe, Japan and the Far East.

RISK MANAGEMENT

The Council of Management has examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The Council of Management have identified the loss of sales of journals and the collapse in the Stock Market resulting in a reduction in investment income as areas of risk.

Objectives and Activities

PUBLIC BENEFIT

The Council of Management, as charity trustees, confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. Cambridge Philosophical Society is a registered charity whose charitable purpose defined within the Charities Act 2011 is the promotion of scientific enquiry and the publication of results of scientific research.

The Society provides public benefit primarily by the publication of its two journals, *Mathematical Proceedings* and *Biological Reviews*. In addition, the Society provides assistance to scientists by the award of travel grants and short-term research studentships and also arranges a series of lecture meetings which are open to the public. From 2010 the Society has been funding two three-year Research Fellowships each year.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Society aims to publish six issues of *Mathematical Proceedings* and four issues of *Biological Reviews* every year, to make every effort to achieve the highest academic standards, to increase the circulation, readership and subscription to the journals to maintain and increase revenue.

Management of the Society's investment portfolio to ensure secure financial protection for the Society's activities and to generate funds for charitable distribution to support and advance science.

In addition the Society aims to maintain its assistance to scientists by awarding Travel Grants and short-term Research Studentships to research student members.

The Society also arranges ten lecture meetings, open to the public, including an Honorary Fellow's award and Lecture, and three named lectures. Two are in memory of *Sir Geoffrey Taylor* and *Sir Joseph Larmor* and in 2013 a new named Lecture was instituted called the *A V Hill* Lecture in the Lent Term. The Society also sponsors a one-day meeting open to all members of the University and members of the public.

The Society aims to maintain and recruit new Fellows by promotion of the Society to graduate students within the University of Cambridge; to make additional donations as agreed by Council in support of natural sciences; and to create Research Fellowships for terms of three years.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

GRANT MAKING POLICIES

For 2015 the Society allocated a budget of £35,000 for travel grants and a budget of £125,000 for short term research studentships. The grant budgets are increased annually in line with inflation. Four travel grant meetings were held after the grant deadlines of 1 February, 1 May, 1 July and 1 November 2015 and two research studentship grant meetings were held after the grant deadlines of 31 March and 30 September 2015. Three members of Council constitute the panel at each of these meetings. The recommendations of the panel are submitted to Council for final approval. The Society also intends awarding at least eight bursaries up to a total of £4,000 to the Isaac Newton Institute for Mathematical Sciences to assist young scientists to attend symposia at the Institute. These grant budget figures are subject to increase at the request and agreement of Council at its meetings and approval by the Treasurer. In addition four members of Council form a panel to award two three-year research fellowships, currently £120,000 for each. These recommendations from the panel are submitted to Council for final approval.

Achievements and performance

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

REVIEW OF ACTIVITIES

During the year the Society published six issues of *Mathematical Proceedings* and four issues of *Biological Reviews*. Two Editorial Boards (consisting up to 30 members for *Biological Reviews* and 12-13 members for *Mathematical Proceedings*, all of whom are selected from senior academics), an Editor, and a Secretary are appointed by and report to Council. *Mathematical Proceedings* produced a surplus greater than forecast and but lower than the 2014 actuals. *Biological Reviews* produced a surplus lower than both the forecast and the 2014 actuals.

Wiley-Blackwell (formerly Blackwell Publishing Limited) is the publisher of *Biological Reviews* and Cambridge University Press remains the publisher of *Mathematical Proceedings*.

In addition the Society has maintained its assistance to scientists by awarding travel grants and short-term Research Studentships. During 2015 141 Travel Grants were awarded to a total value of £28,579. 77 short-term Research Studentships were awarded to a total value of £98,650. The Society awarded eight bursaries to the total value of £4,000 to the Isaac Newton Institute for Mathematical Sciences to assist young scientists to attend symposia at the Institute. Two additional Research Fellowships for three-year terms were also awarded to commence in the Michaelmas Term 2015 in addition to those currently ongoing and awarded in 2012, 2013 and 2014.

During the year the Society arranged ten lecture meetings, open to the public, including two named lectures in memory of *Sir Geoffrey Taylor* and *Sir Joseph Larmor* and the new *A V Hill* named lecture. Details of these bequests appear in note 16 to these financial statements. The Society's Honorary Fellows Lecture took place in the Michaelmas Term in 2015. The annual Society sponsored one-day meeting open to all members of the University and members of the public took place at the start of the Lent Term 2015.

There have been no material changes to policy during the year.

Financial review

RESERVES POLICY

Council has stated the policy to establish a financial base from which its activities at the present level would be secure in the event of future financial problems, such as might arise from loss of subscriptions to its publications as a result of electronic publishing. The Council has agreed to hold at the year-end, a sum equal to the budgeted expenditure of the Society for the forthcoming year as set out in the approved Estimates of the Society, plus a sum equal to the estimated financial commitments of the Society beyond that year. For 2015 this equates to the sum of £497,311. As at 31 December 2015 the Society's free reserves amounted to £257,356. Restricted reserves at the year end were £52,761.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

FUNDING AND RESULTS

The results for the year are set out in the attached financial statements.

Sales of current volumes during the year to 31 December 2015 totalled £431,863 compared with £492,961 in the previous year. Total incoming resources amounted to £734,953 (2014: £793,292) which, after resources expended of £522,331 (2014: £495,548), resulted in net incoming resources of £212,622 (2014: £297,744) before investment gains and losses.

Council has established an Investment Committee which makes investment decisions in the light of advice from external bodies. The agreed investment policy is to maximise overall long term return without undue risk by sustained investment in equities with significant exposure to all the main stock markets of the World. This involves purchases of units, chiefly in index-tracking funds that track stock market indices of the US, UK, Europe and to a lesser extent Japan and the Far East.

The function of the Society's assets is to provide security for its continuing activities, to provide for the development of future charitable activities and to provide in perpetuity for the achievement of the Society's charitable aims – the advancement and promotion of science.

The value of the Society's investments has risen from £8,791,811 to £9,188,964, an increase of 4.52%, due to a net investment of £164,905, coupled with unrealised gains of £232,248 on revaluation.

At the end of the year the Society had net assets of £10,394,387 compared with £9,942,159 at the end of the previous year.

Plans for the future

FUTURE DEVELOPMENTS

The Council plans to continue all the activities outlined above in the forthcoming years i.e. the maintenance of its awards for Travel Grants four times a year and in addition the award of grants for Research Studentships twice a year; the fund allocated for these awards is reviewed annually and increased in line with current inflation. The current level of bursaries awarded to the Isaac Newton Institute is reviewed annually and in 2012 the amount for each individual award was increased from £250 to £500. Two additional Research Fellowship grants for three-year terms were approved by Council to commence in 2016 and 2017, and a further two are planned for both 2018 and 2019.

Ten public lectures are also confirmed for 2016 and ten are currently being planned for 2017 including a one-Day Meeting planned for early March 2016 and also in 2017.

The Council is also planning to continue the publication of its journal *Mathematical Proceedings* six times a year and the publication of its journal *Biological Reviews* four times a year. No changes to the Publishers of the journals are currently anticipated. New editorial procedures and software to bring the editorial processes of both journals up to date are ongoing. Digitisation of the back issues of both journals is now complete back to 1923 and further digitisation of the remaining back issues to 1819 is progressing. Again modernisation and improvements in the promotion, production and editorial procedures of both journals will take place in 2016. It is anticipated that taking advantage of efficiencies in technology and making other changes will further decrease the costs associated with publishing.

The Council plans to continue all the activities outlined above for the longer term.

A comprehensive insurance policy is in place to cover the possibilities of any future litigious circumstances arising through the activities of the Society, including the publication of its Journals, and in particular claims arising from plagiarism.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
REPORT OF THE COUNCIL OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

COUNCIL MEMBERS' RESPONSIBILITIES STATEMENT

The Council members are responsible for preparing the Council members' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council members are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations 2008 and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Council members on _____ and signed on their behalf by:

Prof J Woodhouse

**CAMBRIDGE PHILOSOPHICAL SOCIETY
INDEPENDENT AUDITORS' REPORT TO THE COUNCIL MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

We have audited the financial statements of Cambridge Philosophical Society for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Statement of financial position, the Statement of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

This report is made solely to the charity's Council of Management, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Council members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Council of Management as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and Auditors

As explained more fully in the Council Members' Responsibilities Statement, the Council Members are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
INDEPENDENT AUDITORS' REPORT TO THE COUNCIL MEMBERS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Council Members' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Chater Allan LLP
Chartered Accountants and
Statutory Auditors
Beech House
4a Newmarket Road
Cambridge CB5 8DT

Date

Chater Allan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
INCOME FROM:					
Donations and legacies	2	24,388	-	24,388	17,279
Charitable activities	3	431,863	-	431,863	492,961
Investments	4	276,286	2,416	278,702	283,052
TOTAL		<u>732,537</u>	<u>2,416</u>	<u>734,953</u>	<u>793,292</u>
EXPENDITURE ON:					
Raising funds	6	23,727	-	23,727	24,265
Charitable activities	7	495,718	2,886	498,604	471,283
TOTAL	5	<u>519,445</u>	<u>2,886</u>	<u>522,331</u>	<u>495,548</u>
Net income/(expenditure) before gains and losses on investments		213,092	(470)	212,622	297,744
Net gains/(losses) on investments	14	239,568	38	239,606	269,557
NET INCOME/(EXPENDITURE)		<u>452,660</u>	<u>(432)</u>	<u>452,228</u>	<u>567,301</u>
Transfers between funds	17	(1,567)	1,567	-	-
NET MOVEMENT IN FUNDS		<u>451,093</u>	<u>1,135</u>	<u>452,228</u>	<u>567,301</u>
Reconciliation of funds					
Total funds brought forward		9,890,533	51,626	9,942,159	8,480,218
Prior year adjustment		-	-	-	894,640
Total funds brought forward 1 January 2015 (as restated)		<u>9,890,533</u>	<u>51,626</u>	<u>9,942,159</u>	<u>9,374,858</u>
Total funds carried forward 31 December 2015		<u>10,341,626</u>	<u>52,761</u>	<u>10,394,387</u>	<u>9,942,159</u>

All of the above results are derived from continuing activities. The statement of financial activities includes all gains and losses recognised in the year.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	13	2,751	4,197
Heritage assets	13	894,640	894,640
Investments	14	9,188,964	8,791,811
		<u>10,086,355</u>	<u>9,690,648</u>
CURRENT ASSETS			
Debtors	15	128,028	169,571
Cash at bank and in hand		314,474	166,296
		<u>442,502</u>	<u>335,867</u>
LIABILITIES			
Creditors: amounts falling due within one year	16	(108,749)	(84,356)
NET CURRENT ASSETS			
		<u>333,753</u>	<u>251,511</u>
PROVISIONS FOR LIABILITIES			
	22	25,721	-
NET ASSETS			
		<u>10,394,387</u>	<u>9,942,159</u>
THE FUNDS OF THE CHARITY:			
Restricted Funds	17	52,761	51,626
Unrestricted funds:	17		
General fund		10,340,960	9,890,200
Designated funds		666	333
		<u>10,341,626</u>	<u>9,890,533</u>
TOTAL CHARITY FUNDS			
		<u>10,394,387</u>	<u>9,942,159</u>

The financial statements were approved by the Council members on their behalf by:

and signed on

.....
Dr G A Reid

**CAMBRIDGE PHILOSOPHICAL SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	21	<u>27,756</u>	<u>24,524</u>
Cash flows from investing activities:			
Interest and dividends from investments	4	278,702	283,052
Proceeds from the sale of furniture and equipment		-	-
Purchase of furniture and equipment	13	(733)	(313)
Proceeds from sale of investments	14	296,330	347,245
Proceeds from Investment redemption		6,317	-
Purchase of investments	14	<u>(460,194)</u>	<u>(905,717)</u>
Net cash provided by/(used in) investing activities		<u>120,422</u>	<u>(275,733)</u>
Change in cash and cash equivalents in the year		<u>148,178</u>	<u>(251,209)</u>
Cash and cash equivalents at the beginning of the year		166,296	417,505
Cash and cash equivalents at the end of the year		<u>314,474</u>	<u>166,296</u>

**CAMBRIDGE PHILOSOPHICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	297,744
Adjustments for gains/(losses) on investments now treated as a component of net income	269,557
2014 net income as restated	<u>567,301</u>

Going concern

The Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and the charity is well placed to manage its business risks. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Subscriptions received in advance are included within creditors falling within one year.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated to activities on a basis consistent with use of the resources.

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

1. Accounting policies (continued)

Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the SOFA as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening carrying value (purchase date if later).

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Tangible fixed assets and depreciation

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

Furniture & Equipment	-	20% straight line
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Heritage assets

Heritage assets represent books held by the Society for their contribution to knowledge and culture. The books were valued by an independent expert in 2014 based on insurance value. No depreciation is charged on the heritage assets as their economic life and high residual value mean that any depreciation would not be material. Heritage assets are reviewed at the year end for evidence of impairment and adjusted accordingly within the Statement of Financial Activities.

Foreign Currencies

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

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

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

**CAMBRIDGE PHILOSOPHICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

Pensions

The Society participates in the Cambridge University Assistants' Contributory Pension Scheme (CUACPS) which is a defined benefit scheme. The Society's contributions are affected by a surplus or deficiency in the CUACPS but the Society is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Society therefore accounts for its contributions to the CUACPS as if it were a defined contribution scheme. To the extent that the Society is committed to funding the deficit through additional monthly contributions, a liability is recognised in the accounts.

Stocks

Stocks of back issues of the Society's journals have not been valued.

Gifts in Kind

The University of Cambridge provides accommodation to support the Society as a Gift in Kind. The Society is currently in the process of determining a value for the accommodation provided in order to include a value as a Gift in Kind in the future in accordance with SORP 2015.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
Members' subscriptions & donations	11,120	-	11,120	12,355	-	12,355
Life members' subscriptions	1,470	-	1,470	2,710	-	2,710
Grant from Cambridge University	11,798	-	11,798	2,214	-	2,214
	<u>24,388</u>	<u>-</u>	<u>24,388</u>	<u>17,279</u>	<u>-</u>	<u>17,279</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
Sales of journals	348,558	-	348,558	406,175	-	406,175
Royalties from journals	83,305	-	83,305	86,786	-	86,786
	<u>431,863</u>	<u>-</u>	<u>431,863</u>	<u>492,961</u>	<u>-</u>	<u>492,961</u>

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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4. INCOME FROM INVESTMENTS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
Dividends and interest (gross)	276,196	2,416	278,612	280,301	2,436	282,737
Bank deposit interest	90	-	90	315	-	315
	<u>276,286</u>	<u>2,416</u>	<u>278,702</u>	<u>280,616</u>	<u>2,436</u>	<u>283,052</u>

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs 2015 £	Other Costs 2015 £	Total Costs 2015 £	Staff Costs 2014 £	Other Costs 2014 £	Total Costs 2014 £
Investment management costs	-	23,727	23,727	-	24,265	24,265
Costs of sales of journals and grant funding	91,063	389,460	480,523	54,835	403,271	458,106
Governance	11,370	6,711	18,081	6,847	6,331	13,177
	<u>102,433</u>	<u>419,898</u>	<u>522,331</u>	<u>61,682</u>	<u>433,867</u>	<u>495,548</u>

6. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
Investment managers costs	<u>23,727</u>	<u>-</u>	<u>23,727</u>	<u>24,265</u>	<u>-</u>	<u>24,265</u>

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Grant funding £	Publications, Lectures & meetings £	Total 2015 £	Total 2014 £
Grants to individuals (see note 9)	231,444	-	231,444	240,509
Printing and publication costs	-	113,094	113,094	130,672
Donations	2,500	-	2,500	500
Prize awarded	-	-	-	1,000
Expenses of meetings, including honoraria	9,456	4,834	14,290	13,936
Expenses of special one day meetings	-	5,229	5,229	5,998
Office costs	15,155	7,748	22,903	10,656
Wages and salaries	37,508	19,176	56,684	42,509
National insurance	84	43	127	2,339
Pension costs	22,665	11,587	34,252	9,987
Governance costs (see note 10)	11,964	6,117	18,081	13,177
	<u>330,776</u>	<u>167,828</u>	<u>498,604</u>	<u>471,283</u>

Basis of allocation

Costs have been allocated between charitable activities based on proportion of the direct costs of each activity.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES BETWEEN FUNDS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
Grants to individuals (see note 9)	231,444	-	231,444	240,509	-	240,509
Printing and publication costs	113,094	-	113,094	130,672	-	130,672
Donations	2,500	-	2,500	500	-	500
Prize awarded	-	-	-	1,000	-	1,000
Expenses of meetings, incl. honoraria	11,404	2,886	14,290	11,388	2,548	13,936
Expenses of special one day meetings	5,229	-	5,229	5,998	-	5,998
Office costs	22,903	-	22,903	10,656	-	10,656
Wages and salaries	56,684	-	56,684	42,509	-	42,509
National insurance	127	-	127	2,339	-	2,339
Pension costs	34,252	-	34,252	9,987	-	9,987
Governance costs (see note 10)	18,081	-	18,081	13,177	-	13,177
	<u>495,718</u>	<u>2,886</u>	<u>498,604</u>	<u>468,736</u>	<u>2,548</u>	<u>471,284</u>

9. GRANTS TO INDIVIDUALS

	2015 Number	2015 £	2014 Number	2014 £
Research Grants	77	94,589	71	116,050
Travel Grants	141	17,395	100	30,597
Isaac Newton Institute Bursaries	8	4,000	8	4,000
Henslow Fellowships	6	115,460	9	89,862
Total	<u>232</u>	<u>231,444</u>	<u>188</u>	<u>240,509</u>

Research grants are awarded to fund the scientific research of post graduate students. Grants awarded range between £500 and £3,000.

Travel grants enable postgraduate students to travel in order to meet their research goals. Grants are awarded up to the value of £350.

Isaac Newton Institute Bursaries are awarded to young scientists to enable them to attend symposia at the Isaac Newton Institute for Mathematical Studies.

Henslow Fellowships are awarded to various Cambridge Colleges to fund scientific teaching positions. Fellowships awarded range between £14,000 and £35,000.

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10. GOVERNANCE COSTS

	Unrestricted Funds 2015 £	Total Funds 2015 £	Unrestricted Funds 2014 £	Total Funds 2014 £
Auditors' remuneration	4,000	4,000	4,000	4,000
Auditors' non audit fees	1,195	1,195	1,000	1,000
Office costs	1,516	1,516	1,330	1,330
Wages	7,077	7,077	5,308	5,308
National Insurance	16	16	292	292
Pension cost	4,277	4,277	1,247	1,247
	<u>18,081</u>	<u>18,081</u>	<u>13,177</u>	<u>13,177</u>

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	2,179	2,015
Auditors' remuneration	4,000	4,000
Auditors' other financial services	1,195	1,000
Pension costs	38,529	11,234
	<u>46,903</u>	<u>20,264</u>

12. ANALYSIS OF STAFF COSTS AND REMUNERATION TO KEY PERSONNEL

	2015 £	2014 £
Wages and salaries	63,761	47,817
Social security costs	143	2,631
Other pension costs	38,529	11,234
	<u>102,433</u>	<u>61,682</u>

The average monthly number of employees during the year was as follows:

	2015 No.	2014 No.
	<u>4</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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13. TANGIBLE FIXED ASSETS

	Heritage assets £	Furniture and equipment £	Total £
Cost or valuation:			
As at 1 January 2015	894,640	14,239	908,879
Additions	-	733	733
Disposals	-	-	-
As at 31 December 2015	<u>894,640</u>	<u>14,972</u>	<u>909,612</u>
Depreciation:			
As at 1 January 2015	-	10,042	10,042
Charge for the year	-	2,179	2,179
Elimination on disposal	-	-	-
As at 31 December 2015	<u>-</u>	<u>12,221</u>	<u>12,221</u>
Net book value			
As at 31 December 2015	<u>894,640</u>	<u>2,751</u>	<u>897,391</u>
At 31 December 2014	<u>894,640</u>	<u>4,197</u>	<u>898,837</u>

Heritage assets represent books held by the Society for their contribution to knowledge and culture. The books were valued by an independent expert in 2014 based on insurance value. There have been no additions, disposals or impairment of heritage assets during the current and four preceding years.

14. FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	£	£
Fair Value at 1 January 2015	8,791,811	7,963,782
Additions	460,194	905,717
Disposals (proceeds £302,647, gain on disposal of £7,358)	(295,289)	(316,014)
Net (loss)/gain on revaluation	232,248	238,326
Fair value at 31 December 2015	<u>9,188,964</u>	<u>8,791,811</u>
Historical cost at 31 December 2015	<u>5,953,582</u>	<u>5,957,429</u>

Listed investments at fair value comprise:

	2015 £	2014 £
UK	7,145,523	6,886,779
Overseas	2,043,441	1,905,032
	<u>9,188,964</u>	<u>8,791,811</u>

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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14. FIXED ASSET INVESTMENTS (continued)

Material investments

Details of material investments at the balance sheet date of 31 December 2015, represents more than 5% of the total portfolio, are as follows:

	2015 £	2014 £
Charifund - Equities Investment Fund for Charities	770,860	737,672

15. DEBTORS

	2015 £	2014 £
Trade debtors	120,325	166,827
Other debtors	2,040	2,308
Prepayments and accrued income	5,663	436
	<u>128,028</u>	<u>169,571</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Taxation and social security	3,190	961
Other creditors	79,259	74,339
Accruals and deferred income	26,300	9,056
	<u>108,749</u>	<u>84,356</u>

17. SUMMARY OF FUND MOVEMENTS

	At 1 January 2015 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	At 31 December 2015 £
Unrestricted funds						
General Funds	9,890,200	732,537	(403,985)	(117,360)	239,568	10,340,960
Designated funds						
Henslow Fund	-	-	(115,460)	115,460	-	-
William Bate Hardy Prize Fund	333	-	-	333	-	666
Total unrestricted funds	<u>9,890,533</u>	<u>732,537</u>	<u>(519,445)</u>	<u>(1,567)</u>	<u>239,568</u>	<u>10,341,626</u>
Restricted funds						
William Hopkins Prize Fund	1,414	66	-	333	38	1,851
Sir Joseph Larmor's Fund	262	12	(1,508)	1,234	-	-
G I Taylor Trust Fund	49,950	2,338	(1,378)	-	-	50,910
	<u>51,626</u>	<u>2,416</u>	<u>(2,886)</u>	<u>1,567</u>	<u>38</u>	<u>52,761</u>
Total Funds	<u>9,942,159</u>	<u>734,953</u>	<u>(522,331)</u>	<u>-</u>	<u>239,606</u>	<u>10,394,387</u>

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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17. SUMMARY OF FUND MOVEMENTS (continued)

The Henslow Fund was established in 2010 when Council set aside the initial sum of £20,000 from General Funds to meet the cost of the Henslow Fellowships. An amount equal to the expenditure in the year is transferred from unrestricted General Funds. The fund is represented by net current assets.

The William Bate Hardy Prize Fund was founded in 1964 to fund a prize for the best original memoir, investigation or discovery by a member of the University of Cambridge in connection with Biological Science that may have been published during the three years immediately preceding. The prize is adjudged once in three years by three Fellows of the Society, nominated by the Council of the Society for each occasion. The fund is represented by net current assets.

The William Hopkins Prize Fund was founded in memory of William Hopkins (1793-1866) to fund a prize for the best original memoir, invention or discovery by a member of the University of Cambridge in connection with Mathematico - physical or Mathematico - experimental science that may have been published during the three years immediately preceding. The prize is adjudged once in three years by three Fellows of the Society nominated by the Council of the Society for each occasion. The fund is represented by investments with a market value of £1,851 (2014: £1,414) and by net current assets of £nil (2014: £nil).

The Sir Joseph Larmor's Fund was set up with a bequest of £250, the terms of which were that the income thereof be used to promote the interest of undergraduate members of the University of Cambridge in the aims of the Society. The fund is represented by net current assets.

The G I Taylor Trust Fund was set up with monies subscribed in response to an appeal in 1976. The income of the fund is used to meet costs associated with a lecture to be held each year in Cambridge. The lecturer is appointed each year by the Council of the Society after consultation with the Heads of the Departments of Applied Mathematics and Theoretical Physics, Engineering and Physics in the University of Cambridge. The fund is represented by net current assets.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	897,391	-	897,391	898,837
Fixed asset investments	9,187,113	1,851	9,188,964	8,791,811
Current assets	391,592	50,910	442,502	335,867
Creditors due within one year	(108,749)	-	(108,749)	(84,356)
Provisions for liabilities	(25,721)	-	(25,721)	-
	<u>10,341,626</u>	<u>52,761</u>	<u>10,394,387</u>	<u>9,942,159</u>

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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19. PENSION COSTS

The Society participates in the Cambridge University Assistants' Contributory Pension Scheme (CUACPS) which is a defined benefit scheme. The Society's contributions are affected by a surplus or deficiency in the CUACPS but the Society is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Society therefore accounts for its contributions to the CUACPS as if it were a defined contribution scheme.

The most recent full actuarial valuation of the CUACPS was carried out as at 31 July 2015 by an independent actuary, Robert Sweet, who is a Fellow of the Institute of Actuaries. He is not an employee or officer of the Society. The CUACPS is not a closed scheme nor one in which the age profile of the active membership is rising significantly.

The method used in the actuarial valuation as at 31 July 2015 was the Projected Unit method. The main assumptions were:

Rate of interest:		
. in deferment		6.1% pa
. in payment		6.1% pa
Rate of salary increases:		4.9% pa
Rate of increases in pensions in payment:		3.4% pa
Rate of mortality before and after retirement:		125% of SAPs Light Pensioner Mortality tables for males and 95% of SAPs Light Pensioner Mortalities for females. Plus a projection based upon the CMI_2014 model with a long term 1.25% p.a. improvement.
Expenses:		
. past service		1.0% of the Technical Provisions
. future service		0.9% of Pensionable Salaries
Age at Retirement:		
. active members		63 for males and 61 for females
. deferred members		61 for males and 60 for females
Assets:		Value of the assets as shown in the accounts

The result of the valuation using the above assumptions was:

Past Service (service to 31 July 2015)

Value of Past Service Liability	(a)	612,578,000
Actuarial Value of Assets	(b)	551,094,000
Deficiency	(b) - (a)	61,484,000
Funding Level	(b)/(a) x 100	90%

**CAMBRIDGE PHILOSOPHICAL SOCIETY
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19. PENSION COSTS (continued)

To eliminate this funding shortfall, the Trustee and the Principal Employer have agreed that additional contributions will be paid to the Scheme by the Employers, payable in equal monthly instalments, of:

- . 4.5% of Pensionable Salaries followed by,
- . £14,595,000 per annum payable in monthly instalments over the period from 1 August 2015 to 31 January 2018, the allocation of this amount between the Employers to be decided by the Principal Employer.

In respect of the future accrual of benefits, the expenses of administering the Scheme, death in service benefits and PPF levies, members who joined the scheme prior to 1 January 2013 will pay contributions at the rate of 5% pa of Pensionable Salaries, members who joined after 1 January 2013 will pay contributions at the rate of 3% pa of Pensionable salaries and all Employers will Pay:

	Salary Sacrifice Members		Non Salary Sacrifice Members	
	Active Members	Employers	Active Members	Employers
	%	%	%	%
Pre-2013 Members paying additional contributions	Nil	20.0	8.5	11.5
Other Pre-2013 Members	Nil	16.5	5.0	11.5
Post-2013 Members	Nil	8.8	3.0	5.8

From 1 April 2007 to 22 April 2010.

- . 15.9% pa of Pensionable Salaries, together with
- . an additional 3.8% pa of Pensionable Salaries.

From 23 April 2010 to 31 July 2025.

- . 26.3% pa of Pensionable Salaries (Salary Sacrifice Members); and
- . 20.3% pa of Pensionable Salaries (Other Members).

The contributions payable by the Society for the accounting period ended 31 December 2015 amounted to £12,808 (2014: £11,234). The outstanding contributions at 31 December 2015 amounted to £6,254 (2014: £nil).

The next full actuarial valuation will be carried out as at 31 July 2018, with interim actuarial valuation reports as at 31 July 2016 and 31 July 2017.

20. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

The council members all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2014: £nil). No expenses were paid to the council members during 2015 or 2014.

There have not been any related party transactions during the year.

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21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net income/(expenditure) for the year	452,228	567,301
Depreciation charges	2,179	2,015
(Gains)/losses on investments	(239,606)	(269,557)
Movement on provision	25,721	-
Dividends and interest from investments	(278,702)	(283,052)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in debtors	41,543	(22,409)
Increase/(decrease) in creditors	24,393	30,226
Net cash provided by (used in) operating activities	<u><u>27,756</u></u>	<u><u>24,524</u></u>

22. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Defined benefit pension scheme deficit	<u><u>25,721</u></u>	<u><u>-</u></u>

23. TRANSITION TO SORP FRS 102

The effect of the transitional adjustments have been described in note 1. On transition there was a pension deficit reduction provision that has not been included in these financial statements as it is not considered to have a material effect on the results. The remaining provision at 31 December 2015 is shown in note 22.