

The Physiological Society

Annual Report and Accounts

for the year ended 31 December 2010



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This is the Trustees' Annual Report and Accounts for the year ended 31 December 2010 for The Physiological Society. In preparing this report the Trustees have complied with the Charities Act 1993, the Accounting and Reporting by Charities: Statement of Recommended Practice (Revised 2005) ('SORP') applicable accounting standards, and also the Companies Act 2006.

The Physiological Society was incorporated by guarantee on 27 January 1937 under number 323575. It has no share capital and is registered with the Charity Commission for England and Wales under number 211585. The liability of each Member is limited to £1.

The governing document is the Memorandum and Articles of Association of the Company and the members of the Council of Trustees are the Directors of the Company.



Introduction

This is my first year as President of The Society and, despite a change in leadership, it has been a successful year, with a full programme of scientific meetings and two journals that continue to strengthen their impact factors. Despite a slight decline in net journal revenue following a bumper 2009, largely driven by exchange rate fluctuations, we have sustained our charitable activities to support physiology research and education.

Much of this success in 2010 is built upon the solid foundation left by a number of people, whom I must recognise and thank. First, the outgoing Chief Executive Dr Mike Collis retired from his post with The Society after seven years. Mike made many real contributions to The Society and continues to work with a variety of stakeholders on the *in vivo* skills agenda. He was succeeded in October by Dr Philip Wright. Special thanks must go to my predecessor Clive Orchard who drove Council and Executive to develop a strategic plan for The Society that I and the current Executive are both implementing and expanding with the enthusiastic support of Philip and the rest of the team. In addition I would like to thank my fellow Trustees and Committee members who provide sound direction and without whom The Society could not operate.

Looking forward, without doubt the UK university environment for physiological research and teaching is getting tougher – as with most sciences. Coupled with an evolving model of publishing, which is moving towards open or free access, it means our traditional income from journals is likely to be squeezed while demands on our resources increase. During the coming year we shall be mapping out a number of strategies in relation to publishing and we have set up a task force to review the options.

We need to consider how we work with partner societies, including The Society of Biology in the UK and our sister physiological societies around the world. Raising the profile of physiology more broadly is also critically important both in schools and the wider public. During this process we shall be seeking the views of all our Members and other stakeholders. It is essential that The Society maps out a sound strategy to manage us through these changes to ensure that physiology in the UK and abroad is sustained and enhanced.

Mike Spyer, President of The Physiological Society



About The Society

Physiology is the science of how humans and other animals function in an integrated way and is the basis for many biological and clinical sciences. The Physiological Society supports physiology education and research, which ultimately benefit the health of the population and facilitate the prevention and treatment of disease.

The Physiological Society was founded in 1876 and is a learned society with over 2,900 Members (including 18 Nobel Laureates) and Affiliates (younger scientists) drawn from 60 countries. The majority of Members are engaged in research, in universities or industry.

Through supporting physiology education and research, The Society's work benefits the health of the population and facilitates the prevention and treatment of disease.

Public benefit

The Society's charitable objects are to 'promote, for the benefit of the public, the advancement of physiology, and facilitate the intercourse of physiologists both at home and abroad, and thereby contribute to the progress and understanding of biomedical and related sciences and the detection, prevention and treatment of disease, disability and malfunction of physical processes in all forms of life.'

The benefits provided by The Society are in the form of: the publication of scientific journals; the holding of meetings and conferences to disseminate advances in physiology; the provision of educational materials relating to physiology including the provision of grants to support attendance at scientific meetings; educational activities and training courses; and the promoting the importance of physiology to the public. We support our Members who conduct research, providing that this is within the principles of UK legislation.

The beneficiaries of The Society include those involved in research, teaching or studying physiology in industry, universities, colleges and schools. Members of the public who wish to learn more about physiology are beneficiaries and all will ultimately benefit from physiological advances that promote health and treat disease. Further beneficiaries are other charities promoting science, education and health.

Some benefits are restricted to Members of The Society who are scientists or scientific trainees. These benefits (e.g. grants to present work at scientific meetings or providing access to specialist training courses) would not be directly relevant to the public. Other benefits such as educational materials, scientific publications and outreach events are available to all.

Provisions are in place for those on low incomes. Membership and registration fees are reduced or waived for students and for those from developing countries. Educational materials and our magazine are available to all free of charge. Our journals are offered at a reduced price in developing countries and are freely available to all twelve months after publication. Publishing in our journals is free to authors. Private benefits are incidental and mainly consist of prizes for exceptional scientific or educational achievements.

Review of the year

2010 was a busy year in delivering activities that support our objectives and also saw a change in the leadership of the organisation, as I assumed the role of Chief Executive from Prof. Mike Collis, whom I must thank, both in terms of briefing me so fully as I took up my exciting new role and in leaving the organisation in such a good position. I must also recognise the staff across The Society, including our publications team, who so effectively maintained the operation of the organisation during the transition period. They have also provided me with sound advice as I have got my feet under the desk.

The activities of The Society could be broken down into three key elements:

- Supporting discussion between physiologists and the dissemination of high-quality physiological research by facilitating meetings and interchange between physiologists or those with a strong interest in physiology, both in the UK and internationally
- Ensuring the long-term sustainability of physiology by encouraging a supportive

research-funding environment and supporting the education and teaching from school through higher education and beyond

- Raising the profile of physiology and its importance in improving our understanding of disease and the development of effective therapeutic interventions, as well as improving our understanding of the animal world

Supporting the dissemination of physiological research

The Society supports the discussion of research and dissemination of advances in scientific knowledge through its publishing and meetings activities.

Journals

The Journal of Physiology and *Experimental Physiology* remain the cornerstone of The Society's strategy to publish high-quality research papers and reviews. These remain highly regarded amongst the scientific community, which is illustrated by the



The Society sponsored a visit from the Mobile Teaching Unit to Tiffin School in Surrey in June 2010.



Sixth form students attended a workshop, funded by an Outreach grant, at Imperial College London in July 2010.

sustained year-on-year increase in impact factor. *The Journal of Physiology's* impact factor rose to 4.764 in 2009 from 4.649 in 2008 and improved its global ranking from seventh out of 75 physiological journals to sixth. *Experimental Physiology* also saw an increase in its impact factor to 3.168 in 2009 up from 2.910 in 2008.

The journals, in addition to being a key element of our strategy to disseminate research, also provide a significant portion of our income, which is subsequently used to support our wider charitable activities. 2009 was a strong year in terms of net income from our journals due, in part, to favourable exchange rates with key markets. Consequently 2010 did see a small decline in net income over the previous year, but overall the income was better than may have been expected considering the pressure for 'open publishing' and the squeeze on library resources which is likely to increase as the funding constraints imposed by the new Government bite.

In line with our charitable objective to support physiology research around the world, designated developing countries continue to



Young physiologists at Physiology 2010.

be granted immediate free access to all our journal content. More widely, we facilitate immediate access to review articles and free access to all Journal articles one year after publication.

Meetings

The Society ran a full programme of scientific Meetings in 2010 to allow physiologists to share cutting-edge research and discoveries. Physiology 2010 was a real success with over 1000 attendees drawn from around the world. Coupled with three focused Themed Meetings, participation and support in 15 non-Society meetings and special sponsorship of a joint event held by our sister German and Scandinavian societies in Copenhagen, means that the international support for physiology by The Society remains strong.

One key element of our strategy is to ensure that Meetings remain affordable and that scientists are able to travel to such meetings. In 2010 we provided 367 travel grants to enable this.

The feedback received from our Meetings suggests they are highly rated and valued. Importantly the Cross-Themed Meetings kindly hosted by Members across the UK provide a focused, less formal and more interactive exchange of ideas.

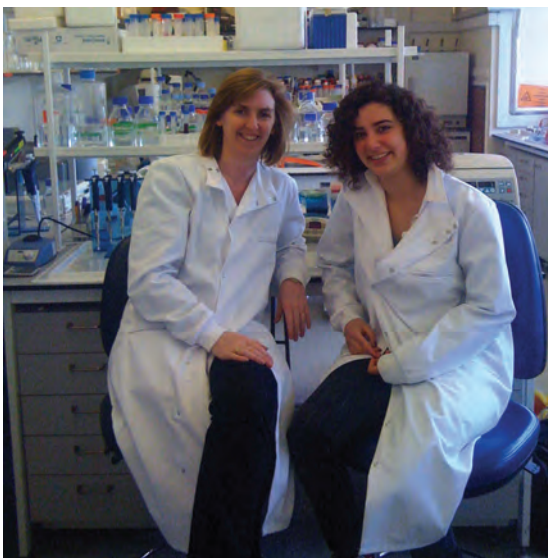
Preparations for the two major up-coming meetings are progressing well. A packed and world-leading programme has been finalised for the joint conference with the British Pharmacological Society (BPS) on the Biomedical Basis of Elite Performance in March 2012 in the run-up to the Olympic Games, and excellent progress is being made for the IUPS Congress in Birmingham in 2013.

The focus for 2011 will be on sustaining this strong programme, both through our Annual Meeting in Oxford in July and our programme of Themed Meetings.

Education and outreach

Ensuring a strong supply of young scientists who are inspired to follow a career in physiology is essential for the strength of the discipline. Supporting education and teaching in schools, universities and research institutes remains an important element of our work. The extensive programme delivered in 2010 covered all aspects of education including:

- Launching our *Understanding Life* schools resource which has been a significant success. We aim to build on this in 2011/12 as we launch and build an education and outreach website using the same title



Laura Bella (right), Vacation Studentship winner in 2010 with her project supervisor Dr Ita O'Kelly (left).

- Sponsoring the Mobile Teaching Unit
- At undergraduate level we sponsored Vacation Studentships and awarded 45 Undergraduate Prizes for Physiology
- Running imaging and two molecular biology techniques workshops
- Philter has gained momentum in 2010 as more materials and resources were added
- Attending a number of major UK science fairs and events, including the annual meeting of the Association for Science Education and the Big Bang Fair

Finances

After the exceptional year for income from our journals in 2009, caused largely by exchange rate fluctuations, income in 2010 fell slightly. However, The Society still returned a surplus, which was allocated to deliver three specific projects in 2011: re-design of The Society's websites and delivery of two Task Forces.

Publications account for 46% of total expenditure followed by scientific Meetings (22%). The remaining charitable activities account for a further 25%. Our free reserves continued to grow, against a backdrop of tough economic conditions and The Society will be reviewing its reserves policy in 2011. A tough funding environment for science in the UK means that The Society has to consider how to balance its reserves against supporting our Members and physiology more widely, and delivering its charitable objectives.

Partnerships

The Society cannot achieve all its objectives in isolation therefore partnership and

collaboration remain a key element of our strategy to support physiology. In the UK this was well illustrated by the 'Science is Vital' campaign, which was led by CaSE (the Campaign for Science and Engineering), and a number of the umbrella societies and academies. This led to as good an outcome as could have been expected for the biological and biomedical sciences in the budget by the new Coalition Government.

The Physiological Society remains a strong supporter of the Society of Biology, which provides a coordinated voice for biology, providing enhanced funding during the early years after its formation. It is critical that the Society of Biology survives and grows and serves the needs of both its individual members and member organisations such as ourselves. The Society of Biology is already beginning to raise its profile with Government and other audiences.

In 2010 we continued our partnership with NC3Rs, jointly holding a symposium on the 3Rs in cardiovascular research along with the British Pharmacological Society (BPS). Further events are being proposed in early 2012, which are most likely to be focused on pain.

Finally, our international partnerships continue to strengthen, especially with the American Physiological Society, with whom we have now established a practice of reciprocal symposia at our Annual Meetings. Further opportunities to learn from each other and enhance our joint working are being planned for 2011. Such international partnerships are likely to become more important and, in light of the shift in the scientific 'centre of gravity', we have established links with China, including establishing a lectureship. In addition we are

supporting emerging physiological societies in the Middle East and Africa.

Looking forward

In 2009 a new five-year strategy was published. However, since then a number of challenges facing The Society, on top of delivering our on-going programme, have intensified. In particular, the evolution in publishing and the increasing impact of 'open' publishing has the potential to affect both how we disseminate scientific research in the longer term and the level of income we receive from these sources. While sustaining and growing the impact and quality of our two journals, we also need to take a broader look at new opportunities and the changing model for publishing.

In 2013 and early 2014 the leases on our offices (in London and Cambridge) will end. We therefore need to plan our accommodation needs. In 2011 we are establishing two Task Forces: one to look at the changes in publishing and the other to look at our accommodation needs. The Task Forces will present a number of options for the Council to consider in the summer. These will be used to refresh the five-year strategy later in 2011.

Ensuring we serve the needs of our Members is critical for us to sustain and grow physiology in the UK and internationally. In 2011 we shall be carrying out a survey of our Members asking their views on our priorities and activities. These results will feed into the refreshment of our five year strategy and help us focus on what our Members value and believe should be our priorities.

Philip Wright, Chief Executive

Prize and Plenary Lectures supported by The Society in 2010

The Physiological Society awards a number of Prize Lectures each year. The Lectureships have been instituted at various times in The Society's history, and many owe their existence to the generosity of donors. Prize Lectures play an important role in The Society's commitment to advancing and promoting the physiological sciences for the benefit of the public.



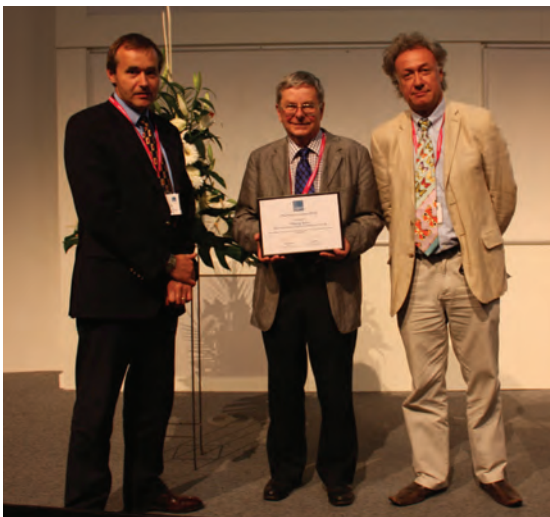
Hodgkin–Huxley–Katz Prize Lecture – Roger Nicoll (centre) with Jeremy Ward (left) and David Wyllie (right).



Joan Mott Prize Lecture – Kay Davies (centre) with Susan Jones (left) and Louise Robson (right).



GSK Prize Lecture – Josef Kittler (left) with Mike Collis (centre) and Stuart Farrow (right).



The Paton Lecture – Murry Esler (centre) with Julian Paton (left) and David Paterson (right).



GL Brown Prize Lecture – Graham McGeown with Lucy Donaldson.

Annual Public Lecture

Nancy Rothwell (University of Manchester, UK)
Tracking down killers in the brain: possible new treatments for brain disease

Annual Review Prize Lecture

Roger Y Tsien (University of California, San Diego, USA)
Breeding and building molecules to spy on cells and tumors

GL Brown Prize Lecture

Graham McGeown (Queen's University Belfast, UK)
Seeing is believing: imaging Ca²⁺-signalling events in living cells

GlaxoSmithKline (GSK) Prize Lecture

Josef Kittler (University College London, UK)
GABA_A receptor membrane dynamics and the tuning of inhibitory synapses

Hodgkin–Huxley–Katz Prize Lecture

Roger Nicoll (University of California, San Francisco, USA)
Synaptic plasticity and the trafficking of glutamate receptors

Joan Mott Prize Lecture

Kay Davies (University of Oxford, UK)
Progress in therapy for muscular dystrophy

Paton Lecture

Murray Esler (Baker Heart Research Institute, Melbourne, Australia)
The sympathetic nervous system through the ages: From Thomas Willis to resistant hypertension



Annual Review Prize Lecture – Roger Tsien (right) with Alan North.

Public Lecture

Professor Nancy Rothwell FRS
University of Manchester, UK

Tracking down killers in the brain

Stroke, brain injury & Alzheimer's

Wednesday
30 June 2010
6pm

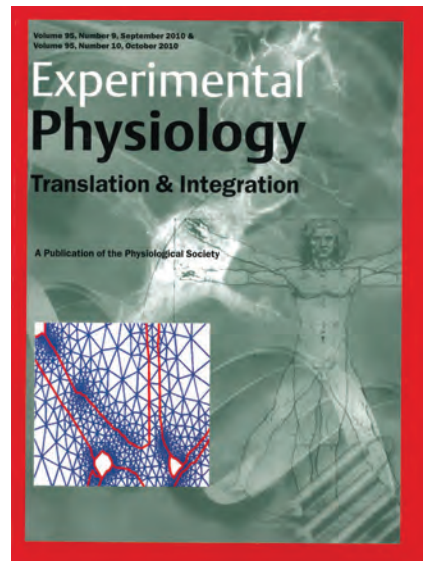
Lecture Theatre 1
University Place
Oxford Road
Manchester

FREE to attend

Group bookings of 10 or more:
info@physiology2010.org

Our activities

A charitable organisation is legally required to demonstrate that its aims are for the public benefit. The charitable objects of The Society are the advancement of science, the advancement of health and the advancement of education and these aims are at the centre of all The Society's activities.



Publications

The Society publishes original scientific literature online and in print in its two highly regarded journals, *The Journal of Physiology* and *Experimental Physiology*, through our publisher Wiley-Blackwell. The journals are also published online on HighWire Press. The Society's quarterly magazine *Physiology News* provides Members with a wide range of articles prepared by Members, staff and physiologists, as well as Society information and other related activities.

In 2010 *The Journal of Physiology* published 24 issues containing high-quality research papers in all branches of physiology alongside a range of invited reviews in new and exciting areas as well as commentaries providing expert opinion on the best of the research content. *Experimental Physiology* published 12 online and 6 print issues containing high-priority research articles in all aspects of physiology with a focus on translation and integration alongside other invited content written by experts in fields of current high interest. In 2010 submissions to both journals fell slightly, in line with the decrease in published articles by journals in the ISI physiology list.

The impact factor (a measure for ranking journals according to the number of times their articles are cited in later publications) of *The Journal of Physiology* increased to 4.76 (2008: 4.65) with the half-life of articles remaining high at 9.5 years (2008: 9.5). The impact factor of *Experimental Physiology* rose to 3.17 (2008: 2.91). Both journals slightly increased their ranking in the physiology list with *The Journal of Physiology* and *Experimental Physiology* ranked at 6th and 26th, respectively.

In 2010 *The Journal of Physiology* held four sponsored symposia at international meetings

across the globe and developed initiatives to broaden readership (Non-technical summaries; Clinical Perspectives). *Experimental Physiology* published a Winter Olympics Themed Issue and launched an Early Author Prize which attracted 29 entries from young physiologists and will continue in 2011.

In 2011 *The Journal of Physiology* will refocus on translational physiology and launch initiatives to raise its profile amongst the neuroscience research community and encourage submissions. Both journals will continue to promote content to the wider community, with press releases on important new developments.

Key achievements in 2010

- *The Journal of Physiology* – Continued rise in impact factor, developed initiatives for broadening readership
- *Experimental Physiology* – Continued rise in impact factor, published Winter Olympics Themed issue

Key goals for 2011

- *The Journal of Physiology* – Encouraging high-quality submissions through dedicated neuroscience and focused issues, and author prize; improving the visibility through short summaries (Research Highlights) and press releases
- *Experimental Physiology* – Maintaining healthy submission rate, stringent acceptance rate, and varied journal content
- Investigating possible new (highlight/summary) article formats to widen visibility and suit tablet/handheld device users

Events (Scientific Meetings)

The Society's Main Meeting, Physiology 2010, took place in July at the University of Manchester, attracting over 1,000 scientists from across the world who viewed over 400 poster communications. We also ran three Themed Meetings covering Metabolism & Endocrinology, Cardiac & Respiratory Physiology and a special Cross-Themed Meeting. The Society also supported 15 non-Society meetings covering a wide range of physiological topics of interest, including three Festschriften celebrating the work of notable physiologists.

The Society also sponsored the Joint Meeting of the German and Scandinavian Physiological Societies which was held in Copenhagen and The Society funded the attendance of 13 UK-based speakers.

The programme and website for The Biomedical Basis of Elite Performance meeting was finalised and work continued with the British Pharmacological Society and Wiley-Blackwell to promote this meeting being held in London in the Olympic year.

The operational and scientific planning for IUPS 2013 started in earnest with the launching of the official website and the first meeting of the Local Scientific Programme Committee.

In 2011 our Main Meeting, Physiology 2011, will be held at the University of Oxford, and each scientific Theme will be represented. Three Themed Meetings will be held in the UK, covering Cellular & Integrative Neuroscience,

Scientific Meetings in 2010

Metabolism & Endocrinology Themed Meeting, AstraZeneca, Alderley Park, 24–26 March 2010

- Attendance – 139
- Oral communications – 16
- Poster communications – 27

Joint Meeting of the German and Scandinavian Societies, 27–30 March 2010

- Attendance – 935

Physiology 2010, University of Manchester, 30 June–2 July 2010

- Attendance – 1009
- Oral communications – 141
- Poster communications – 277

Cardiac & Respiratory Physiology, IET Birmingham, 1–3 September 2010

- Attendance – 103
- Oral communications – 18
- Poster communications – 39

Cross Themed Meeting, Durham University, 15–17 December 2010

- Attendance – 107
- Oral communications – 16
- Poster communications – 40

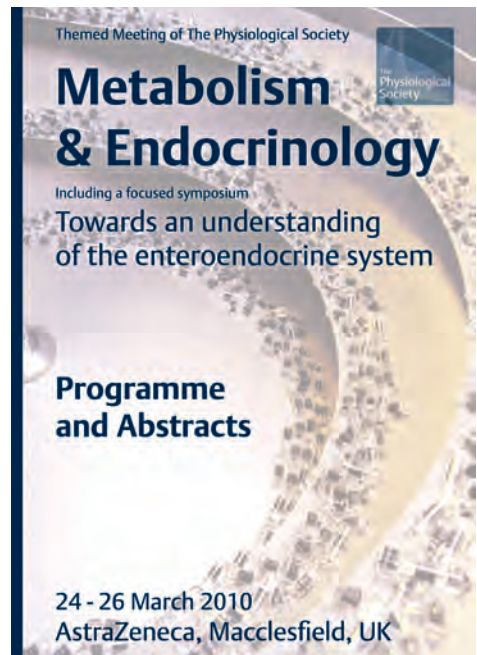
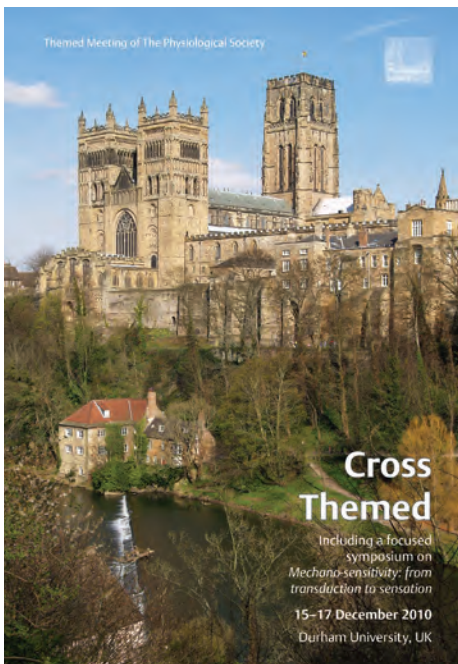
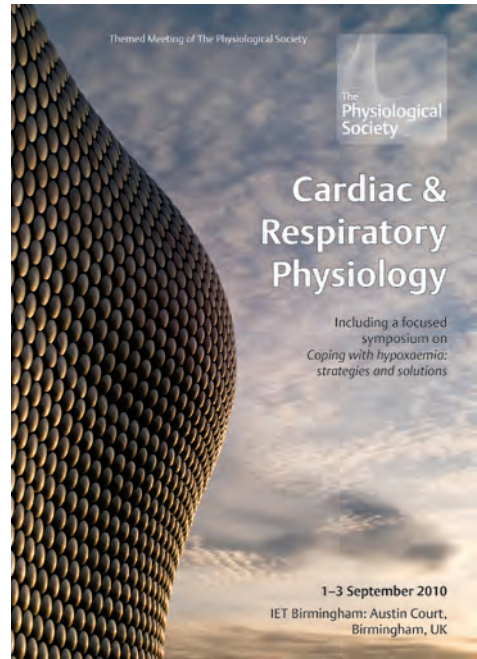
Epithelia & Membrane Transport and Vascular & Smooth Muscle Physiology.

Key achievements in 2010

- Further increases in attendance and abstract submission at Physiology 2010 and Themed Meetings
- IUPS 2013 website launched
- IUPS 2013 Scientific Programme Committees established

Key goals for 2011

- Ensure the success of Physiology 2011 and our calendar of Themed Meetings
- Select Plenary and Keynote lecturers for IUPS 2013 – open call for symposia
- Continue planning for Physiology 2012 and Elite Performance meeting



Membership

The Society's membership remained level with a year-end figure of 2,940 (2010: 2,968). Of these we have 1,808 Ordinary Members, 59 Honorary Members, 30 Associate Members, 841 Affiliate Members and 202 Undergraduate Members. Around 70% of our Members are based in the UK and Ireland.

The Society is aware that the research environment can be challenging for female investigators. Fifty-four per cent of our Affiliate (early career) Members are women, but this falls to 22.5% for full Members. The Society has been taking steps to address this by supporting a women's mentoring programme which continued in 2010. Under the guidance of the UK Resource Centre for Women (who also provide training), the mentoring scheme paired up 15 early-career researchers with more experienced female scientists, providing advice, support and career guidance. We are also planning a similar scheme for men.

In 2010 the amount of travel grant funding available to all Members was £165K. 431 travel grants were submitted and, of these, 367 were funded – an 85% acceptance rate.

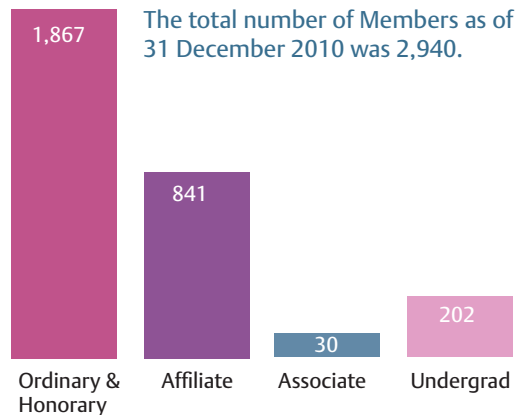
In 2011 we will run a comprehensive membership survey. The object of this is to ensure we are delivering our charitable objects and providing support for our Members, and will inform a wider review of The Society's activities. We will also carry out a review of our membership categories and benefits.

Key achievements in 2010

- Increased travel grant funding
- Development of women's mentoring scheme

Key goals for 2011

- Manage and deliver membership survey
- Review of membership categories



Education

2010 was a year full of educational activities at The Physiological Society – starting in a familiar place, at the Association for Science Education Annual Conference. With increasing activity at school level, this has become an ever more important date in The Society’s calendar – providing an opportunity to talk to teachers about physiology and gather ideas to inform our education programme. It also allows us to build on our database of teacher contacts, of which we now have over 20.

With a growing audience of school teachers and students, The Society feels an additional responsibility to engage with education policy and, since the Coalition took the reins in Government in May, there have been many opportunities to do so. The launch of the review of the National Curriculum is one example where The Society has contributed and will continue to do so in the coming year.

In parallel to developing the schools programme, the Education Committee has

continued to support and develop activity at the undergraduate and postgraduate level. In 2010, through the Vacation Studentship scheme, we supported 37 undergraduates to complete an eight-week research project in the laboratory of one of our Members. We also recognised 45 undergraduates who were each awarded with an Undergraduate Prize for Physiology. This scheme has increased in popularity and we plan to extend it for 2011.

In response to a survey of our membership in 2008, we re-launched our techniques workshops programme in 2010 and there was a high demand for places. New workshops, all run by our Members, included an imaging workshop, and two new molecular biology workshops. As in previous years, we continued to support the microelectrode techniques workshop and *in vivo* workshops.

Another popular element of our education programme are the Young Physiologists’ Symposia, which we support each year. In



The Mobile Teaching Unit expands into a seminar room, which can accommodate up to 20 students for informal physiology teaching sessions.

Our activities

2010, The Society supported three meetings (in Manchester, St Andrew's and London Southbank University). The latter meeting was run in collaboration with the Biochemical Society and British Pharmacological Society and attracted over 120 delegates.

The Society's support of teaching physiology at undergraduate level continued to increase in 2010 and the raised profile was rewarded when the Teaching Special Interest Group became the 7th Theme of The Society. The theme has attracted three years' sponsorship by ADInstruments. The Otto Hutter Prize for teaching physiology was also awarded for the second time in 2010.

As well as education activities, we provide careers support for students at all levels (from school students to postdoctoral researchers). Indeed in 2010, we were represented at over 15 events – from school careers days to UCAS fairs – dedicated to providing careers advice, information and guidance at the appropriate level. In 2011 we will be publishing a new leaflet focusing on careers open to those with physiology degrees.

Achievements in 2010

- New techniques workshops launched in molecular biology (2) and imaging
- Supported three symposia for young physiologists

Goals for 2011

- Increase funding available for Vacation Studentships
- Publish a careers leaflet for schools
- Contribute to the review of the National Curriculum



A sixth form student performs an experiment in a workshop sponsored by an Outreach grant.

Outreach

Since the launch of the outreach grants in 2009, the awareness and popularity of this scheme has continued to grow. In 2010, we awarded £11K through the Outreach grant scheme and also supported several visits of the Mobile Teaching Unit (MTU) to schools.

Our support of the MTU was formalised in 2010, and for the first time we became an official sponsor. The MTU is an excellent facility that provides large numbers of students with hands-on learning experience of physiology. Indeed, it was an excellent resource at the 2010 Big Bang Fair in Manchester, when it was staffed by several of The Society's Affiliate Members.

Also at the Big Bang Fair, The Society hosted a simulation of the Winter Biathlon – this allowed students to visualise the effects of exercise on heart rate, respiratory rate and skill. The stand, which saw a steady stream of students pass through it, was ably managed by a number of our Members.

Whilst the Big Bang Fair is designed to engage individuals of school age, in 2010 The Society also hosted events at science festivals that have primarily an older audience. At Cheltenham Science Festival and at the British Science Festival, events covered the topic of asthma, and at the Glasgow Science Festival we supported an event on cystic fibrosis. In 2011, we will have a presence at the Edinburgh Festival for the first time and will continue to support events at the Cheltenham Science Festival and British Science Festival.

In 2010, The Society's presence at events designed to raise the profile of physiology was greatly supported with the launch of our key educational resource, *Understanding Life*, to which many Members contributed. This

resource has been warmly received by a wide audience (from students and teachers to the wider public), and will form a strong basis for the development of an understandinglife.org website, which is planned for a launch in 2011.

Achievements in 2010

- Agreed sponsorship of Mobile Teaching Unit
- Contributed to the Big Bang Fair, Cheltenham Science Festival, Glasgow Science Festival and British Science Festival
- Launched and circulated The Society's key educational resource, *Understanding Life*

Goals for 2011

- Launch a new website for schools and the public
- Support events on the topic of ageing at Cheltenham Science Festival and the British Science Festival



Students creating 'neurons' using pipe cleaners and scoobies in a neuroscience-themed workshop, funded by an Outreach grant, at Cardiff University in March 2010.

External Relations/Policy

The Society supports a number of activities that aim to raise the profile of physiology amongst the public, other organisations and within Government. Putting physiology on the agenda underpins The Society's objective to secure an environment that is supportive of research and teaching in physiology.

One of the key drivers for establishing The Society in 1876 was to oversee the implementation of an Act to govern the use of animals in experimental research, and it is not coincidental that The Physiological Society has played a key role in informing the updated EU Directive on animal research (2010/63/EU), which was formally adopted by the European Parliament in September 2010. With partners in other societies and organisations, we will oversee the transposition of this Directive into national legislation.

With a new government, 2010 developed into an uncertain time for researchers of today and tomorrow, and The Society most definitely supported the message for the new Coalition that Science is Vital. The campaign, which culminated in a rally prior to the Comprehensive Spending Review, drew high-profile support with what we believe were largely favourable results. Perhaps one of the most serious threats from the new Government could be the removal of the cap on university tuition fees and The Society continues to seek ways to ensure that students completing physiology training are not adversely affected.

We have also continued to support the work of Sense about Science, in particular the Voice of Young Science programme, and the training workshops that are run to help early career

researchers to communicate science to the public.

As well as supporting teachers and researchers working in physiology, The Society recognises the need to inform the wider public about physiology to equip them with the knowledge needed to make better-informed judgements about matters affecting them. In 2010, we supported activities at the Glasgow Science Festival, the British Science Festival and the Cheltenham Science Festival; the latter two events focused on asthma. As part of the re-configuration of The Society's Committee structure, outreach events for the public will form part of the remit of Education & Outreach from 2011 onwards.

Key Achievements in 2010

- The Society provided valuable input to the updated EU Directive on animal research
- Presence at three science festivals

Goals for 2011

- To increase The Society's profile within Government
- Develop a medium to facilitate Member engagement with policy issues
- To ensure a positive outcome for the transposition of the EU Directive into UK law

Attendees register for Physiology 2010



Governance

Council of Trustees

The Trustees are legally responsible for the overall governance, management and policy of The Society, ensuring that the charitable objectives for which it has been set up are met. The Trustees are also the Directors of the company. The Council of Trustees meets three times a year. Elections to the Council take place each year, and any Member of The Society is eligible to stand.

The normal length of service on Council is four years. The current size of the Council is 18. Meetings of the Council are chaired by the President. Administrative support is provided to the Council and its committees by The Society's staff based in our offices in London and Cambridge.

Trustees' responsibilities

The Trustees, as directors of the charitable company, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of The Society and the income and expenditure for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain The Society's transactions and disclose with reasonable accuracy at any time the financial position of The Society and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of The Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have confirmed that as far as they are aware at the time the report is approved there is no relevant audit information of which The Society's auditors are unaware, and that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that The Society's auditors are aware of that information.

Trustee induction and training

On appointment each Trustee is sent a Trustee Handbook which includes Charity Commission leaflet CC3 and Companies House leaflet GBA1. All new Trustees are invited to attend an external Trustee Training course. In 2010, one Trustee attended a Trustee Training course.

Three Trustees on the Finance Committee attended a Charity Finance Directors' Group Introduction to Charity Finance course.

Trustees have a legal duty to avoid conflicts of interest so that they can focus exclusively on the best interests of The Society. If and when any conflicts of interest arise, Trustees are required to make a declaration to be recorded on The Society's Register of Interests.

Executive Committee

The Executive Committee works through the Chief Executive to oversee the day-to-day operations of The Society and meets frequently throughout the year. Members of the Executive Committee are drawn from, and elected by, the Council. The Council can delegate any of its powers to the Executive Committee as it sees fit. The normal term of office on the Executive Committee is four years.

The Executive Committee in 2010 comprised:

- Clive Orchard *President (to June 2010)*
- Mike Spyer *President (from July 2010); Deputy President (to June 2010)*
- Jonathan Ashmore *Deputy President (from July 2010)*
- Rod Dimaline *Honorary Treasurer*
- Prem Kumar *Meetings Secretary (to June 2010)*
- David Wyllie *Meetings Secretary (from July 2010)*
- Louise Robson *Chair, Education Committee*
- Jeremy Ward *Chair, External Relations Policy Committee*
- Ian McGrath *Chair, Publications Committee*

Committees

The Council also has committees and working groups to which it delegates powers, and these groups report back to the Council. Membership of committees is drawn from the Council but also includes other invited members who may be Members of The Society or external. Committees are aligned with the various functional groups in the London and Cambridge offices. The main committees in 2010 were Education, External Relations Policy, Finance, Meetings and Publications.

The Finance Committee acts as a reviewing mechanism of all strategic and statutory financial aspects of The Society. It is delegated by Council to oversee all financial aspects so as to ensure The Society's short- and long-term ability to achieve its charitable objectives.

Management and administration

The Society employs a Chief Executive who reports on performance against the strategic and operational plans approved by the Trustees. The Society has two offices. The Main Office in London provides central direction for all aspects of policy and strategy implementation. The Publications Office in Cambridge supports the publishing activities of The Society, including *The Journal of Physiology* and *Experimental Physiology*.

Annual General Meeting

The Society's Annual General Meeting, open to all Members, was held on Thursday 1 July 2010 at the University of Manchester during the Physiology 2010 Main Meeting. Minutes of the meeting are available on The Society's website.

Risk management

The Trustees have considered the major risks to which The Society is exposed and have reviewed those risks and established systems and procedures to manage them. Financial risk falls within the remit of the Finance Committee. During the year particular attention was paid to the risks associated with cash management, investments, exchange rate fluctuations and the IUPS meeting in 2013. The risk management system, following updated Charity Commission guidance document (CC26), will be reviewed in 2011.

Volunteers

We could not achieve our charitable objectives without the commitment and hard work of our Members (and some non-Members), many of whom give freely of their time to act as journal editors, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

Benevolent Fund

The Benevolent Fund of The Physiological Society was established in 1976 *'for the purpose of assisting Members of The Society, staff and former staff (who by the nature of their employment can be considered to have contributed to the advance of physiology) employed at teaching, research and industrial establishments who are in necessitous circumstances, and their dependants.'*

In 2010, five grants totalling £6,350 were made and £100 worth of vouchers was given to children of current or recent beneficiaries. Individuals in need, or those who know of someone who might qualify for help are asked to write, in confidence, to any of the Trustees of the Fund. It is not necessary to be a Member of The Society to receive assistance – anyone who is, or has been, employed in the broad field of physiology is eligible to apply. All requests for help will be equally and thoroughly reviewed. Full contact details are available on The Society's website.

The Society is connected by virtue of common object and administration with The Benevolent Fund of The Physiological Society (Registered Charity No. 272800) and may be contacted at the registered office of The Society. The Society supports The Benevolent Fund by the provision of employees' time and administrative resources free of charge.

Standing Information

The Physiological Society is registered in England as a company limited by guarantee, No. 323575. Registered Charity No. 211585.

Main Office and Registered Office	Peer House, Verulam Street, London WC1X 8LZ Tel: 020 7269 5710 Fax: 020 7269 5720 www.physoc.org		
Publications Office	PO Box 502, Cambridge CB1 0AL Tel: 01223 400 180 Fax: 01223 246 858		
Chief Executive	Michael Collis (to August 2010) Philip Wright (from October 2010)		
Company Secretary	Simon Kellas		
Head of Finance	Casey Early		
Auditors	haysmacintyre, 15 Fulwood Place, London WC1V 6AY		
Solicitors	Russell-Cooke, 2 Putney Hill, London SW15 6AB		
Bankers	Child & Co, 1 Fleet Street, London EC4Y 1BD		
Investment managers	Bestinvest (Brokers) Ltd, 6 Chesterfield Gardens, London W1J 5BQ		
Property consultants	Bidwells, Trumpington Road, Cambridge CB2 2LD		
Pension advisors	Punter Southall Financial Management Ltd, 126 Jermyn Street, London SW1Y 4UJ		
Trustees in 2010	J Ashmore ² P de Winter S Egginton P Kumar ¹ C Orchard ¹ KM Spyer Michael White	S Bolsover R Dimaline V Gladwell ¹ JC McGrath M Shipston A Trafford J Winpenny	T Burdyga ² J Dow S Jones M Morrell L Robson J Ward D Wyllie

¹ to June 2010 ² from July 2010

Treasurer's statement

The principal funding sources of The Society in the year were its publishing income (£3,183,000), events income (£90,000), membership subscriptions (£124,000), and income from The Society's investments (£356,000). Charitable expenditure was increased during 2010, and has supported the objects of The Society as set out in the 'Statement of Financial Activities' on page 27 of this report.

As expected, publishing income fell back somewhat in 2010 following the exchange rate-enhanced gains of 2009, but remained strong. We have also seen falls in rental and membership income. An expansion of educational activities and charges of £167,000 in respect of the fund designated for the IUPS 2013 Meeting contributed to a reduced surplus of £245,000. In addition, net investment gains of £705,000 contributed to an overall fund balance of £12,779,000.

Changes introduced into the budgetary process last year have improved budget planning and have helped to reduce variances. This year, the four charitable committees reduced their budget under-spends by a total of £33,000. The Finance Committee will continue to monitor and flag any significant budget variances.

The Society held freely available income funds of £11,625,000 at the year end. These reserves are held to ensure the long-term viability of The Society, particularly in the event of a serious decline in its publishing income. £11,319,000 is held in investments to generate income to support the charitable activities of The Society for the longer term. During the year, the Trustees refocused the business review of all The Society's activities,

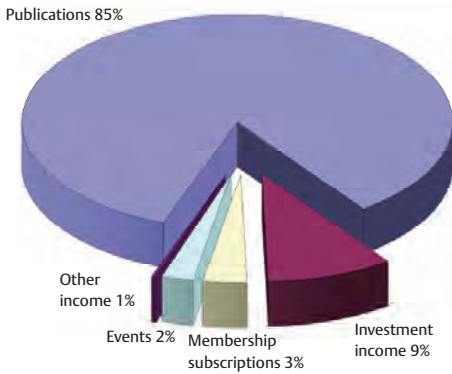
including the establishment of two task forces to develop strategies for property and accommodation, and for publications, respectively. The reserves policy will be updated in the light of these developments.

The Trustees reviewed the level of designation in respect of the IUPS fund and considered that the existing level of £1,000,000 was both reasonable and prudent. This fund will continue to be expended in the run-up to and during 2013. During the year, funds were designated including £150,000 in respect of an upgrade of The Society's website, and £50,000 for the combined Task Forces. These funds and all other funds are presented at note 15 to the accounts. No funds are in a deficit position.

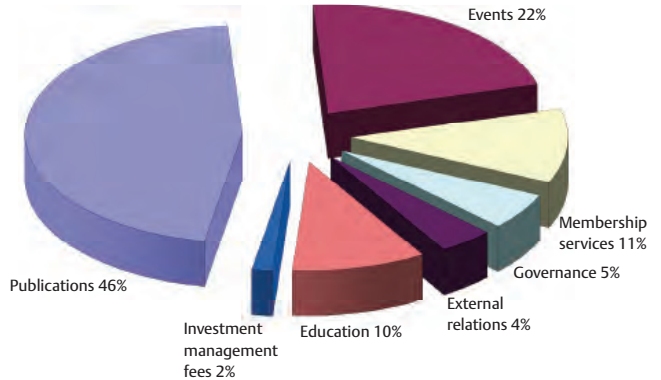
Due to both the ongoing business review and the uncertainty surrounding future publishing incomes, The Society takes a medium-term view on its investments and their performance. The Society aims to produce above average returns on its portfolio whilst adopting a cautious risk profile. All fund investment income is reinvested. The Society's investment fund portfolio is managed by Bestinvest (Brokers) Ltd. The value of the portfolio increased by £1,494,000 in the year. Surplus cash, totalling £600,000, was injected into the fund in December 2010. The adjusted return was 11.2% which represents a small outperformance against both the APCIMS and ARC benchmarks.

The Society invests in collective investments (unit and investment trusts) plus investment companies. This is designed to give a broad level of diversification across all major assets classes, with the exception of property which has been specifically excluded. The managers have general discretion over the asset

Where our money came from (£3.8m)



Where our money has gone (£3.5m)



allocation and selection of investments within agreed investment parameters. The Society's investment property portfolio is managed by Bidwells Property Consultants. Rental income (£159,000) was applied to charitable activities during the year. The portfolio's value fell by £30,000 (09: £75,000), further hinting at signs of a recovery in the commercial property market.

The Finance Committee, on behalf of Council, continues to oversee all financial aspects of The Society to support its short- and long-term ability to achieve its charitable objects. The Trustees are grateful for the contributions of the external members of this committee.

Rod Dimaline, Honorary Treasurer

The Annual Report and Accounts were approved by the Trustees of The Physiological Society and signed on 19 May 2011 on their behalf by:

KM Spyer
President

R Dimaline
Honorary Treasurer

Independent auditors' statement

We have examined the summarised financial statements of The Physiological Society set out on pages 27 and 28.

Respective responsibilities of Trustees and auditors

The Trustees are responsible for preparing the summarised financial statements in compliance with the relevant requirements of section 426 to 429 of the Companies Act 2006 and the regulations made there under.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' Annual Report.

We also read the other information contained in the summarised Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/03 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board for use in the UK.

Opinion

In our opinion, the summarised financial statements are consistent with the full financial statements and the Trustees' Annual Report for the year ended 31 December 2009.



Haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House, 15 Fulwood Place
London WC1V 6AY

3 June 2011

The summarised accounts are a summary of information extracted from the annual accounts and contain information relating to both the Statement of Financial Activities and the Balance Sheet.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of The Society. For further information, the full accounts, which received an unqualified audit opinion, should be consulted. These may be obtained from the registered office or from www.physoc.org.

The annual accounts were approved by the Trustees on 19 May 2011 and have been submitted to the Charity Commission and Companies House.

Statement of financial activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Incoming resources				
<i>Activities for generating funds:</i>				
Investment income	356	-	356	393
<i>Incoming resources from charitable activities</i>				
Trading in furtherance of charitable objectives	3,410	-	3,410	3,623
Total incoming resources	3,766	-	3,766	4,016
Resources expended				
<i>Cost of generating funds:</i>				
Investment management costs	54	-	54	36
<i>Charitable activities:</i>				
Publications	1,624	-	1,624	1,679
Events	765	2	767	578
Membership Services	390	-	390	370
Education	346	5	351	263
External Relations	143	-	143	109
<i>Governance costs</i>	192	-	192	208
Total resources expended	3,514	7	3,521	3,243
Net incoming/(outgoing) resources	252	(7)	245	773
Realised losses on listed investments	9	-	9	(90)
Unrealised gains/(losses) on listed investments	726	-	726	1,194
Revaluation on investment property	(30)	-	(30)	(75)
Net movement in funds	957	(7)	950	1,802
Fund balances as at 1 January 2010	11,732	97	11,829	10,027
Fund balances as at 31 December 2010	12,689	90	12,779	11,829

All the above results are derived from continuing activities. All gains and losses in the year are included above; accordingly a statement of total realised gains and losses has not been prepared.

Balance sheet

	2010 £'000	2009 £'000
Fixed Assets		
Tangible assets	29	20
Investments	11,319	9,855
	11,348	9,875
Current Assets		
Debtors	3,119	2,980
Cash at bank and in hand	987	1,339
	4,106	4,319
Liabilities		
Creditors: Amounts falling due within one year	(2,675)	(2,365)
Net Current Assets	1,431	1,954
Net Assets	12,779	11,829
Funds		
Unrestricted Funds		
General	11,654	10,728
Designated	1,035	1,004
	12,689	11,732
Restricted	90	97
Total Funds	12,779	11,829

Approved and authorised for issue by the Trustees of The Physiological Society on 19 May 2011 and signed on their behalf by:



KM Spyer
President



R Dimaline
Honorary Treasurer

Main Meeting of The Physiological Society



Edinburgh International
Conference Centre, UK

Physiology 2012

2–5 July 2012

Prize lecturers include:

Peter Ratcliffe, Oxford, UK

Cori Bargmann, Rockefeller, New York, USA

Diane Lipscombe, Brown University, USA

Gareth Leng, Edinburgh, UK

www.physiology2012.org



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