

British Association for the
Advancement of Science

REPORT AND FINANCIAL STATEMENTS

31 December 2004

Registered Charity Number: 212479

British Association for the Advancement of Science

CONTENTS

	Page
Trustees' Report	1 – 9
Auditor's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Statement of Accounting Policies	14 – 15
Notes to the Financial Statements	16 – 22

British Association for the Advancement of Science

TRUSTEES' REPORT

PATRON

Her Majesty the Queen.

COUNCIL MEMBERS

The Council is appointed in accordance with the terms and conditions laid down in the Association's Royal Charter and its associated statutes. Members of Council are the Association's charity trustees. The Officers of the BA comprise the President, the immediate past President and the President-elect, the Treasurer, Executive Vice-Presidents and the Chairman of Council. These Officers are appointed by the Council.

The Council members who served during 2004 are:

Officers

Professor Robert Winston *	President (from September 2004)
Dame Julia Higgins *	Past President (2003/2004)
Ms Frances Cairncross*	President Elect (from September 2004)
Professor Helen Haste *	Chair and Executive Vice-President, Sections
Professor William Gosling *	General Treasurer
Mr Colin Johnson *	Executive Vice-President, Young People's Programme

Appointed by the Royal Society

Mr Stephen Cox
Sir Michael Berry

Appointed by the Student Group

Mr Joe Bailey

Nominated by the BAYS National Committee

Vacant

Elected members

Dr Eric Albone
Dr Jim Al-Khalili
Professor Arthur Allison
Dr Anne Maria Brennan
Dr Neville Evans
Professor John Holloway
Mr Ben Johnson (start September 2004)
Dr Alun Jones *
Dr Robert Marchant (end September 2004)
Dr Jacqueline Mitton (end September 2004)
Dr Ian Murray (start September 2004)
Professor Duncan Murchinson (start September 2004)
Ms Dianne Stilwell
Ms Lorelly Wilson *

* Members of the Executive Committee

British Association for the Advancement of Science

TRUSTEES' REPORT

COMMITTEES

Executive

* see page 1

Investment

Professor William Gosling – Chairman
Dr Neville Evans
Ms Lorelly Wilson

Audit

Dr Neville Evans
Professor William Gosling
Professor John Holloway
Dr Alun Jones
Mr Michael Sheasby - Honorary Auditor - Chairman

SENIOR STAFF

Chief Executive: Sir Roland Jackson Bt

Directors: Mr John Gagg (Director of Finance)
 Ms Sue Hordijkeno (Director of Programmes from February 2005)
 Ms Annette Smith (Director of Regions from January 2005)
 Mr Philip Wilson (Director of Development)
 Ms Jill Nelson (Director of Programmes to January 2005)

ADVISERS

Bankers	National Westminster Bank plc P.O. Box 2DG 208 Piccadilly London W1A 2DG
Solicitors	Matthew Arnold & Baldwin P.O. Box 101 Station Road Watford Herts WD1 1HT
Auditors	Baker Tilly 2 Bloomsbury Street London WC1B 3ST
Investment Advisors	Arbuthnot Fund Managers Limited Arbuthnot House 20 Ropemaker Street London EC2Y 9AR

British Association for the Advancement of Science

TRUSTEES' REPORT

STATUS AND ADMINISTRATION

The British Association for the Advancement of Science (the BA) was founded in 1831 and is incorporated by Royal Charter. The Charter is dated 21st April 1928. There is also a Supplemental Charter dated 15th August 1960 and a second Supplemental Charter dated 10th February 1997. The BA's Statutes were revised and approved by the Privy Council on 26 March 1997.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governing body of the BA is the Council. Members of the Council are the Officers, not more than two members appointed by the Royal Society, one member nominated by the BAYS National Committee, two student members elected by the student members of the BA, twelve voting members providing at least two are members nominated by Section committees, at least two by Branch or Regional committees and at least two from members nominated by voting members in such a manner as Council may from time to time determine.

The Council appoints three statutory committees. These comprise the Executive, Investment and Audit Committees. It may appoint other committees at its discretion.

TRUSTEE INDUCTION AND TRAINING

Following the announcement of the election results, see above, a standard induction pack is sent to all new Trustees before they attend their first Council meeting. The induction pack comprises BA and Charity Commission documents and information. External training opportunities for new and existing trustees will be offered as well as an internal training session following the December Council meeting. The internal training will enable Trustees to meet with the BA staff and provide an opportunity for them to ask questions and familiarise themselves with the organisation.

OBJECTIVES AND ACTIVITIES

The BA's two overarching priorities are to engage scientists in our democracy and to affirm science as a prime cultural and socially valuable force.

We aim to:

- promote openness about science in society: between the public, policy-makers and other decision-makers, and the scientific and business community
- engage and inspire adults and young people directly with science and technology, and their implications.

In particular, we believe that if science is portrayed more evidently within its social context then both science and the public will benefit. More people will be able, and want, to engage in the public critique that such a critical area of human endeavour requires. More young people will be interested in becoming scientists, and scientists will be better equipped to frame the direction of their research in line with societal values.

The BA is, in one single organisation: open; accessible; non-elitist; cross-disciplinary; national; and people-based through membership and activity. We focus on topics of public relevance and are seen as independent of any specific interest group. We seek national impact through our national, regional and local programmes, with active programmes in all major centres of population and in schools and colleges across the UK.

Targets for each year, working towards the overall aims, are set out under the following corporate objectives. This approach allows us to ensure we keep a balance between internal and external issues, and between the needs of individuals and those of the organisation as a whole.

British Association for the Advancement of Science

TRUSTEES' REPORT

		PEOPLE	BUSINESS/ORGANISATION
Upper segments are more concerned with effectiveness, results, delivery and outcomes	E X T E R N A L	SOCIETY <ul style="list-style-type: none"> Promote open discussion on science in society issues Provide opportunities for involvement in scientific activities Increase supporter base Broaden participation 	FINANCIAL <ul style="list-style-type: none"> Generate funding Control costs
Lower segments are more concerned with efficiency, input, throughput and processes		I N T E R N A L	STAFF <ul style="list-style-type: none"> Grow skills / competencies to organisational needs Ensure staff feel valued, motivated and rewarded

Included in the BA's activities are:

Major Events: the BA Festival of Science and National Science Week.

Activities for Young People: these include First and Young Investigators, CREST Awards, Science Communicators Awards, Science Discovery Days and the BA Science Fair.

Science Communication Initiatives: public consultation and discussion of science-related issues, forums for science communicators, Media Fellowships, Science & Public Affairs magazine.

ACHIEVEMENTS AND PERFORMANCE

BA Festival of Science. Exciting changes, the culmination of several years of determined development came to fruition at the BA Festival of Science in Exeter. Building on work over this year and last with organisers, our hosts and sponsors, a complementary 'Festival in the City' of over 50 events had the desired effect of making the Festival accessible and relevant to the local populace. An added bonus was the involvement of local people in the University events and the involvement of The Guardian newspaper at Festival media sponsor. Evaluation data revealed:

- 32,019 people attended Festival events overall nearly 4 times the total number last year
- 22,456 people took part in the first full 'Festival in the City' programme
- The number of teenagers (1,507) was 50% up on last year
- There were 3 times more paying visitors to the University programme than 2003
- Speakers were of a higher quality
- The first year of contracting out the organisation of the young people's and the City programmes to local contractors proved effective in reflecting local issues in the content
- Media coverage overall was the highest since 1999. The biggest story was cannabis and MS
- The Festival promotion competition 'Top screen scientists' with BBC Online attracted 43,000 votes

British Association for the Advancement of Science

TRUSTEES' REPORT

- To broaden audiences the programme included: the DISC (Diversity in Science and Technology) working lunch for science communicators; the OST Women's Resource Centre launch; free entry for learners at the Exeter Islam Centre; webcast events through Devon County Council; 'Science for tots' through the Exeter Sure Start scheme; events for offenders at Exeter Prison; and the parachute event at Exeter City Football Club
- The BA x-change was a popular Festival feature with audiences
- The 'Perspectives' poster competition expressing science in its social context attracted more entries (21) and the standard was improved. This was run jointly with the MRC and EPSRC and was open to all their scientists.
- Four working lunches for science communicators addressed inclusion, communicating new science, networking festivals and the Planet Science Outreach programme.
- The relationship with the University host was excellent.

ESOF 2004. The BA took an active part in the first European Science Open Forum in Stockholm in August 2004 and the BA x-change ran on 3 evenings during the forum hosted by Quentin Cooper.

National Science Week was bigger than ever in March 2004. A mass participation experiment, 'Spring into science', charted the first signs of spring as part of the publicity campaign. A survey of the population showed that over a third of the population claim to have heard of the Week. The BA/THES IgNobel tour was repeated with very large audiences in many cities including around 400 in Dublin. Since the 2004 Week, the web-based resource materials for National Science Week have been reviewed and revised for organisers. Fourteen briefing evenings have been held, strong links have been made with Einstein Year and the Institute of Physics and plans are well developed for launching the 'UNIverse' poetry competition with Einstein Year in 2005 ready for the next National Science Week.

Dana Centre. A lively programme of events was held during the year, some in partnership with the others. The regular BA x-change covered topics including climate change, space exploration, ethnic group involvement in drug trials (to mark Black History Month), and stem cells. Special events also looked at 'Sex Selection: when and why?', a Valentines Special on 'Science in love' and 'Fear factor: science and the paranormal'. The Guardian newspaper will be the media partner of the Dana BA x-change for 2005.

Common language in cognitive systems. The BA teamed up with the OST Foresight Panel on cognitive systems to engage scientists working in this emerging area with the lay public seeking a 'common language' to express hopes and concerns about cognitive systems. The scientists involved found the process enlightening having not previously articulated their vision in a social context. A report is on the BA website.

Media Fellowships. 10 fellowships were offered in 2004 at a variety of media outlets. An evaluation of the scheme emphasised its importance for the scientists taking part.

Science communication conference. The third science communication conference was held in May organised jointly with the Royal Society. OST provided further funding for bursaries to support under-represented groups at previous conferences. The theme of the 2004 conference was 'strategies to improve impact'. A number of strategic outcomes were identified and progressed throughout the year for further report at the next conference.

DISC (Delivering Inclusion in Science Communication) aims to include people from a more diverse range of backgrounds in science communication. It is a joint project with ACRISAT (Afro-Caribbean Science and Technology Network). Consultation events with science communicators were held in Exeter at the Festival, in Manchester at Manchester Science and Industry Museum and in Birmingham at Think Tank. A report summarising the outcomes of these workshops is being prepared as a web resource. It is hoped to extend this project in 2005.

British Association for the Advancement of Science

TRUSTEES' REPORT

Small talk is an umbrella initiative between the BA, the Royal Institution, ECSITE UK and the Cheltenham Science Festival that coordinates the various outcomes of public engagement events about nanotechnology. Events for adults and teenagers have been run.

Young Science Writers. The two winners from 2003 attended the AAAS Annual Meeting in Seattle in February.

BA CREST. A new resource of project ideas for BA CREST is has been developed, with the help of the CREST sponsors, the regional managers and teachers. It is now available on the website. A new BA CREST database has been created which potentially enables all the SETPOINTS to trade CREST awards (when previously only the 12 regional managers did so). About half of the SETPOINTS (23) have indicated that they will be taking up the opportunity. New profiles for silver and gold were also finalised. BA CREST registrations in 2004 were up by 20% up on the previous year.

Consideration is being given developing BA CREST for the primary sector eventually replacing Young Investigators and First Investigators. The best elements of the old schemes will be retained but new primary CREST criteria, stimulus materials and administration processes will be developed. The timescale for this will depend on resources. A fundraising push for primary CREST is being prepared.

The **BA CREST Science Fair** took place in February with prizes awarded in a number of categories to some impressive projects. Following a day of judging, guests were invited to an evening reception to see the projects, talk to the young people and take part in the awards ceremony.

Website. The BA's new content-based website was launched in April. www.the-ba.net

Regions, Branches and Membership. The BA's network of Regional Officers continues to support and develop BA activities in their areas. The Regional Officers meet three times a year as a team, twice in London at BA Head Office and once at the BA Festival of Science; they met in Exeter in 2004. The Branches (groups of volunteer supporters who put on activities) meet twice a year. One of these Branch Forums was held in Perth this year, because of the very strong group of Branches in Scotland, while the other was held at the Festival of Science. In 2004, the Branches network grew to 35 with new branches in Brighton and Caithness. For the next year the emphasis will be on consolidating existing branches rather than increasing their numbers. The strong partnership with the Scottish Executive continues with funding to provide further science communication working lunches in 2005 and a strong interest in National Science Week events. Paid subscriptions by our members have stayed at around the same level through 2004, but our supporter base has been enhanced by an encouraging take-up of subscription to our free e-newsletter.

Ecsite-uk, the national network of science centres and museums, doubled its previous level of project activity through 2004 thanks to the award of two Copus grants: www.ecsite-uk.net/projects 'sciZmic science Go For It!' developed a challenge pack for a new science award with Girlguiding UK, and promotional events reached 2000 girls across the UK. Through 'Science in Collections' we are running eight 2-day training workshops for arts/historical museum staff at science centres and museums across the UK. The EPSRC-funded 'Meet the Scientist' project continues, linking science centres to their local universities to position the science centre as a forum for researchers to engage in dialogue with the general public. Ecsite-uk's advocacy role bore fruit with the announcement of revenue support from OST/DfES, to March 2006, for five English science centres, and of revenue support from the Scottish Executive for four centres north of the border. The expenditure shown is fully funded by income included within incoming resources.

Fundraising performance. The BA receives income in the form of sponsorship, grants, donations and legacies from many individuals, companies and organisations and is extremely grateful for the support that this gives to its work. It is particularly indebted to those that provide long-term general support, especially the Office of Science and Technology and the Wellcome Trust.

British Association for the Advancement of Science

TRUSTEES' REPORT

Companies make up the largest single group of funders, providing sponsorship for a wide range of programmes and activities. The BA works with its corporate partners to ensure that the projects fit the requirements of the sponsors as well as using the funds to best effect for their intended purposes. During 2004, sponsorship was received for Young Peoples' Programmes, including the BA CREST Awards, for the Science in Society programme and for the Festival of Science. Income from corporate sponsorship will increase as the BA extends its reach and expands its programmes.

The BA is working to diversify its mix of income streams. Plans have been developed to increase income from charitable trusts and foundations. A small number of new applications were made in 2004 and further applications for grants for specific programmes and projects will be submitted in 2005 to a group of trusts that have aims and objectives which fit those of the BA and its activities.

Fundraising from individuals will also be increased. In the past the BA has tended to rely solely on income from membership subscriptions in its approach to individual supporters. Research indicates that there is enthusiastic support for the BA's values and objectives and that a number of individuals will be prepared to donate to particular projects. As the group of individual donors grows, there will be the opportunity to develop legacy income for the future.

FINANCIAL REVIEW

Trustee's responsibilities in the preparation of financial statements

Charity law requires the Council, as trustees, to be responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the BA and of the surplus or deficit of the BA for that year.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 BA will continue to operate.

The trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the BA. They are also responsible for safeguarding the assets of the BA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BA Council annually identifies and reviews the major risks to which the BA is exposed, and systems have been established to mitigate those risks. This is now a regular agenda item for the Audit Committee. A major risks register is in place which sets out the likelihood and impact of various risks and the measures and responsibility being taken to manage them. The senior management team manages the major risks on a regular basis and a contingency plan is in place if required.

Presentation of the financial statements

The financial statements have been prepared, in all significant respects, in accordance with The Charities Act (Accounts and Reports) Regulations and The Charity Commission Statement of Recommended Practice 2000 Accounting and Reporting by Charities.

British Association for the Advancement of Science

TRUSTEES' REPORT

The BA's reserves have been divided into restricted and unrestricted funds. Income, which is received for specific purposes, is treated as restricted income and accounted for as restricted funds. Expenditure for these specific purposes is deducted from the relevant income and the balance of unspent income is carried forward. Unrestricted funds represent income net of expenditure in respect of income given to the BA with no specific purpose attached.

At the start of 2005 reserves, in the form of unrestricted funds, total c£700k. For 2005, £100k of the reserves is designated to meet a possible deficit against budget. The balance of the funds amounts to c£600k. This approximates to 3.5 months running costs at the reduced level of £1,800k per annum or 2.5 months at the current level of £2,500k per annum. Council believes that reserves should normally be at least at this level to ensure the charity can continue to run efficiently.

The BA's powers of Investment are set out in the Statement of Accounting Policies on Pages 14 & 15.

FINANCIAL RESULTS

The Statement of Financial Activities on page 11 shows net outgoing resources for the year of (£7,135) before net gains on investment assets of £31,701. The latter comprise realised gains of £11,757 and unrealised gains of £19,944. The net gains reflect, but do not exceed, the weighted average gains in the indexed value of investments quoted on the London Stock Exchange during the year ended 31 December 2004.

During the year the opportunity has been taken to review the grouping of programme costs to better reflect the BA's. This affects the comparison of expenditure with the prior year at programme level.

Due mainly to net gains on investment assets, the BA's reserves (i.e. unrestricted funds) were increased to £694,038.

The Council anticipates that the present level of activity will be sustained for the current year, with a reasonable prospect of improving reserves in the future.

AUDITORS

Baker Tilly have indicated their willingness to continue to act as auditors for the forthcoming financial year.

PLANS FOR THE FUTURE

The BA's overall purpose is to help create a positive social climate in which science, and businesses dependent on it, advances with public consent, involvement and active support.

We believe that only in such a climate can problems such as public concern and mistrust of science and its governance, negative attitudes to studying and teaching science, under-representation of minority groups, and an inadequate throughput of well-qualified scientists and engineers, be effectively addressed.

As described above, the BA's two overarching priorities, to contribute to achieving this overall outcome, are to engage scientists in our democracy and to affirm science as a prime cultural and socially valuable force.

In order to achieve our overall purpose the BA believes there is a need for much greater openness and commitment to the involvement of the public in the discussion of how science and technology are developed and applied.

British Association for the Advancement of Science

TRUSTEES' REPORT

The BA therefore plans to:

- take a campaigning approach; organising exemplary programmes and activities nationally, regionally and locally (building on existing, strong programmes), bringing together people from different fields and sectors
- act as an hub for up-to-date information and understanding of public attitudes to, and opinions about, science-related issues
- provide a focal point for the community of those who seek to bring together the public, policy-makers and other decision-makers, and the scientific and business community; being a 'partner of choice' for people and organisations engaging with the public about science and technology.

Following a generous grant from the Wellcome Trust, the BA is now housed in the Wellcome Wolfson Building at the Science Museum, and is operating events in the associated Dana Centre in partnership with the museum. Within this environment, the BA also hosts the executive office of ECSITE UK, the membership organisation of science centres (as well as the Association of British Science Writers). The BA, Science Museum and ECSITE UK continue to work together strategically to develop a national infrastructure for public engagement, which incorporates the key elements of the BA's own strategy outlined below. In addition, the BA regards SETNET (the Science, Engineering and Technology Network) and the associated SETPOINTS as the primary partners in the delivery of its award programmes for young people, and is actively working with SETNET, the Association for Science Education, Research Councils UK and the individual Research Councils, and other bodies such as the Royal Academy of Engineering, to bring increasing coherence to science enhancement and enrichment programmes in schools.

The extent to which this agenda can be realised depends on fundraising success, and specific elements will be developed as and when funding allows. In the interim this broad direction, a holistic approach to bringing the BA's programmes together for greater impact, will continue to be followed.

Approved by the Council and signed on its behalf by:

Professor William Gosling
Treasurer

6 April 2005

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BRITISH ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

We have audited the financial statements on pages 11 to 22.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees,' Responsibilities in the Trustees' Report.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st December 2004 and of its incoming resources and application of resources and cash flows in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST
6 April 2005

British Association for the Advancement of Science

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2004

	Notes	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
INCOMING RESOURCES					
Grants	1	1,129,992	457,858	1,587,850	1,655,615
Sponsorship		-	465,659	465,659	505,817
Events income		249,471	43	249,514	147,031
Subscriptions		140,039	-	140,039	217,915
Other income		31,316	23,934	55,250	117,880
Donations		44,893	1,238	46,131	23,331
Dividend income		17,567	-	17,567	19,967
Bank interest		9,940	272	10,212	12,428
Total Incoming Resources		1,623,218	949,004	2,572,222	2,699,984
RESOURCES EXPENDED					
Cost of generating funds					
Fundraising, marketing and public relations		280,199	-	280,199	126,625
Charitable Expenditure in furtherance of the charity's objectives					
Festival of Science		-	428,021	428,021	396,077
CREST		-	315,687	315,687	346,017
National Science Week		-	220,120	220,120	126,968
Science Communication Initiatives		-	175,734	175,734	161,600
Young people's programme		-	90,900	90,900	245,779
Branches, Membership and Regional Support		376,671	24,776	401,447	467,839
AlphaGalileo		-	-	-	114,182
Science Year/ Planet Science		-	-	-	(3,225)
ECSITE – UK		-	221,330	221,330	92,697
Activity support costs		225,475	-	225,475	304,930
Total Charitable Expenditure		602,146	1,476,568	2,078,714	2,252,864
Management & Administration:					
Planning and control		220,444	-	220,444	235,704
Re-location and equipping new head office	2	-	-	-	100,000
		822,590	1,476,568	2,299,158	2,588,568
Total resources expended	2	1,102,789	1,476,568	2,579,357	2,715,193
Net (outgoing)/incoming resources before transfers		520,429	(527,564)	(7,135)	(15,209)
Transfer between funds	3	(513,600)	513,600	-	-
Net (outgoing)/incoming resources		6,829	(13,964)	(7,135)	(15,209)
Net Gains/(Losses) on investment assets	5	31,701	-	31,701	55,358
Net movement in funds		38,530	(13,964)	24,566	40,149
Balances brought forward at 1.1.04		669,795	18,123	687,918	647,769
Balances carried forward at 31.12.04		708,325	4,159	712,484	687,918

No separate statement of Total Recognised gains or losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities.

British Association for the Advancement of Science

BALANCE SHEET

31 December 2004

	<i>Notes</i>	2004 £	2003 £
FIXED ASSETS			
Tangible assets	4	7,440	17,176
Investments	5	587,871	541,977
		<u>595,311</u>	<u>559,153</u>
CURRENT ASSETS			
Debtors	6	308,874	334,943
Cash on deposit	14	476,822	353,182
Cash at bank and in hand	14	16,419	20,736
		<u>802,115</u>	<u>708,861</u>
LIABILITIES: Amounts falling due within one year			
Income received in advance		414,827	278,475
Other creditors	7	270,115	301,621
		<u>684,942</u>	<u>580,096</u>
NET CURRENT ASSETS		<u>117,173</u>	<u>128,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	8	<u>712,484</u>	<u>687,918</u>
RESTRICTED FUNDS			
	9	4,159	18,123
UNRESTRICTED FUNDS			
	10	708,325	669,795
TOTAL FUNDS		<u>712,484</u>	<u>687,918</u>

Following the recommendation of the Audit Committee, Council approved these financial statements on 6th April 2005

Signed on behalf of the Council by the Treasurer.

J. MICHAEL SHEASBY

Honorary Auditor

PROFESSOR WILLIAM GOSLING

Treasurer

British Association for the Advancement of Science

CASH FLOW STATEMENT

	<i>Notes</i>	2004 £	2003 £
Cash inflow/(outflow) from operating activities		106,336	(42,263)
Returns on investments and servicing of finance	13	27,779	32,395
Capital expenditure and financial investment	13	36,844	(57,074)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		<u>170,959</u>	<u>(66,942)</u>
Reconciliation of net incoming resources to net cash flow from operating activities		2004 £	2003 £
Net outgoing resources for year		(7,135)	(15,209)
Depreciation		10,335	19,143
Interest and dividends receivable		(27,779)	(32,395)
Decrease in debtors		26,069	153,897
Increase/(decrease) in creditors		104,846	(167,699)
		<u>106,336</u>	<u>(42,263)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH FUNDS			
		2004 £	2003 £
Increase/(decrease) in cash in the period		170,959	(66,942)
NET FUNDS AT 1 JANUARY		411,199	478,141
NET FUNDS AT 31 DECEMBER	14	<u>582,158</u>	<u>411,199</u>

British Association for the Advancement of Science

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the BA are prepared in accordance with The Charities (Accounts and Reports) Regulations 1995 and the Statement of Recommended Practice 2000 Accounting and Reporting by Charities and with applicable accounting standards. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

INCOME

Income received for the general purposes of the BA is credited to unrestricted funds. Income subject to specific wishes of the donors is credited to relevant restricted funds.

INCOME RECEIVED IN ADVANCE

Grants received in advance are carried forward to meet related expenditure not yet due.

SUBSCRIPTION INCOME

Subscription income is taken into the accounts as a receipt in the year in which the subscription is received.

INCOME TAX ON INVESTMENT INCOME AND DONATIONS

Provision is made in the financial statements for income tax recoverable on investment income, covenants and gift aid donations.

INVESTMENT INCOME

Gross Income received from the BA's investment portfolio is reinvested with the BA's portfolio fund managers for the acquisition of further stocks.

INTANGIBLE INCOME

No value has been placed on the support given to the BA by way of volunteer assistance or accommodation.

ALLOCATION OF EXPENDITURE

Staff costs and related indirect costs have been allocated between direct charitable and other expenditure on the basis of time spent.

DEPRECIATION

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the fixed assets.

Fixed assets are depreciated over the following periods:-

Office Equipment	5 years
Computer Equipment	3 years

Expenditure incurred on office and computer equipment is capitalised when the amount incurred is £1,000 or more. Items below this level are charged to the Statement of Financial Activities (SOFA) in the year of acquisition.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

British Association for the Advancement of Science

ACCOUNTING POLICIES

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

INVESTMENTS

Investments held as fixed assets are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates. Both realised and unrealised gains or losses are reflected in the SOFA as net gains/losses on investment assets.

INVESTMENT POLICY

The BA's Investment Fund is be invested in accordance with the Powers of Investment set out in the Schedule to the 1977 Supplemental Charter, which requires that at least 15% of the fund must comprise investments in Government and/or fixed interest securities, including interest-bearing cash deposits. Council has determined that the primary objective of investment policy should be to maintain the capital value of the fund in real terms over the long term.

Consistent with the primary investment objectives, investments should nevertheless be considered on ethical grounds and a socially responsible investment policy should form part of the selection process. In case of doubt the investment manager shall seek the guidance of the BA's Investment Committee.

Council has appointed an Investment Committee to implement the above, to establish further policy and objectives and to monitor the investment performance of the appointed Fund Manager, currently Arbuthnot Fund Managers Limited. The Investment Committee normally meets twice a year and its minutes are submitted to Council for consideration.

STOCKS

No valuation has been made of stocks of paper, publications, regalia or other sundry items.

PENSION SCHEME

The BA's contributions to 2 defined contribution pension schemes, the funds for which were administered and held separately from those of the BA ceased during 2004. No contributions were outstanding at the year end (2003: £3,944).

RESERVES POLICY

The BA's objective is to build its reserves, in the form of unrestricted funds, to a level where they equate in value to approximately three months charitable and other expenditure, thereby providing the BA with a reasonably secure financial base on which to plan future projects and to commit to related expenditures, before external funding has been fully secured.

Restricted funds are disbursed in accordance with the terms of the applicable restrictions; should these restrictions prove difficult or impractical to fulfil, necessary consent is sought to amend those restrictions in those cases where it is cost effective to do so.

FOREIGN CURRENCY

Remittances received or payments made in a foreign currency are converted into Sterling at the date of receipt or payment. Balances held at the year end are converted at the year end rate.

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

1	GRANT INCOME	2004	2003
		£	£
	The major sources of grant income are:		
	Government (including the EU)	786,275	692,688
	Scientific Societies, Charities and Trusts	700,435	825,565
	Companies and others	101,140	137,362
		<u>1,587,850</u>	<u>1,655,615</u>

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total
	£	£	£	£
Activities	640,019	1,213,220	-	1,853,239
Activity support costs	96,765	120,442	8,268	225,475
Other expenditure:				
Fundraising, marketing and public relations	138,819	141,380	-	280,199
Planning and control	188,270	30,107	2,067	220,444
	<u>1,063,873</u>	<u>1,505,149</u>	<u>10,335</u>	<u>2,579,357</u>
			2004	2003
			£	£
Staff costs comprise:				
Wages and salaries			911,467	847,642
Social security costs			93,623	83,928
Pension contributions			58,783	57,014
			<u>1,063,873</u>	<u>988,584</u>

The average monthly number of employees during the year was 45 (2003: 46).

Neither Members of the Council nor persons connected with them received any remuneration or other benefits from the BA or any connected organisation. The expenses claimed by and reimbursed to Members of the Council during the year in respect of expenses amounted to £3,906. (2003: £4,121).

	2004	2003
	No.	No.
The number of employees whose emoluments exceeded		
£50,000 were:	1	-
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

2 ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)

	2004	2003
	£	£
Other costs include:		
Auditors remuneration: audit	10,340	10,000
accountancy support	6,660	4,459
VAT advice	1,835	6,065
Payroll bureau	3,360	3,120
Legal and professional fees	7,888	7,776
	<u> </u>	<u> </u>

Re-location and equipping new head quarters costs of £100,000 in 2003 related to the move to the Wellcome Wolfson Building and includes the purchase of computer and other office equipment. These costs were funded via grant income from the Wellcome Trust which is included within restricted grant income.

3 TRANSFERS

The balances on three of the five restricted funds have been transferred to unrestricted funds following approval by the Council and the Charity Commission, these totalled £14,287. Transfers of £527,887 between the funds represent the allocation of funds raised for the general use of the BA to those specific activities, which are primarily funded by restricted funds. They are principally utilised for activity support costs and to fund programmes where income is insufficient to meet direct costs.

4 FIXED ASSETS	Computer equipment £	Office equipment £	Total £
Cost			
1 January 2004	31,625	1,002	32,627
Additions	599	-	599
31 December 2004	<u>32,224</u>	<u>1,002</u>	<u>33,226</u>
Depreciation			
1 January 2004	15,117	334	15,451
Charge for year	10,001	334	10,335
31 December 2004	<u>25,118</u>	<u>668</u>	<u>25,786</u>
Net book Value			
31 December 2004	<u>7,106</u>	<u>334</u>	<u>7,440</u>
31 December 2003	<u>16,508</u>	<u>668</u>	<u>17,176</u>

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

5	INVESTMENTS	Unrestricted £	Restricted £	Total 2004 £	Total 2003 £
	Market value at 1 January	541,977	-	541,977	473,296
	Additions at cost	210,399	-	210,399	197,310
	Disposals at cost	(236,085)	-	(236,085)	(204,768)
	Unrealised gains/(losses)	19,944	-	19,944	106,294
	Movements in cash	51,636	-	51,636	(30,155)
	Market value at 31 December	<u>587,870</u>	<u>-</u>	<u>587,870</u>	<u>541,977</u>
	Historical cost of investments	<u>513,481</u>	<u>-</u>	<u>513,481</u>	<u>488,222</u>
	Investment gains/(losses) comprise:				
	Realised			11,757	(50,936)
	Unrealised			19,944	106,294
				<u>31,701</u>	<u>55,358</u>
	Investments comprise the following:				
	Government and fixed interest			26,114	87,721
	Investments and Unit Trusts			101,841	70,350
	Equities			370,998	346,625
	Listed on UK Stock Exchange			498,953	504,696
	Cash awaiting re-investment			88,917	37,281
				<u>587,870</u>	<u>541,977</u>

The BA had investment holdings of greater than 5% of overall market value in the following:

12,500 Serco Group shares	30,000	21,500
£45,000 4 ³ / ₈ % Treasury Stock index linked 2004	-	61,371
	<u>30,000</u>	<u>82,871</u>

6	DEBTORS	2004 £	2003 £
	Sundry debtors	148,511	170,527
	Income tax recoverable	586	830
	Prepayments	17,646	9,795
	Accrued income	142,131	153,791
		<u>308,874</u>	<u>334,943</u>

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

7	OTHER CREDITORS		2004 £	2003 £	
	Sundry creditors		62,689	114,189	
	Accruals		201,881	187,432	
	VAT payable		5,545	-	
			<u>270,115</u>	<u>301,621</u>	
8	ALLOCATION OF NET ASSETS				
	Fund balances at 31 December 2004 are represented by:	Unrestricted funds £	Restricted funds £	Total £	
	Tangible fixed assets	7,440	-	7,440	
	Investments	587,871	-	587,871	
	Current assets	797,956	4,159	802,115	
	Current liabilities	(684,942)	-	(684,942)	
	Total net assets	<u>708,325</u>	<u>4,159</u>	<u>712,484</u>	
	Unrealised gains included above on investment assets (see below)	<u>73,699</u>	<u>-</u>	<u>73,699</u>	
	Reconciliation of movements in unrealised gains on investment assets.				
	Unrealised gains at 31 December 2003	53,755	-	53,755	
	Net unrealised gains arising in the year	19,944	-	19,944	
	Unrealised gains at 31 December 2004	<u>73,699</u>	<u>-</u>	<u>73,699</u>	
9	RESTRICTED FUNDS	Balance 1.1.2004 £	Income £	Expenditure/ Transfers £	Balance 31.12.2004 £
	Activities		948,681	1,476,568	
	Adele Gurney Fund	777	62	-	839
	Dainton Award	1,638	25	1,663	-
	Magnus Pyke Fund	1,932	29	1,961	-
	Experimental Earthworks Fund	3,271	49	-	3,320
	Community Scientists	10,505	158	10,663	-
			<u>949,004</u>	<u>1,490,855</u>	
	Balance transferred from General Funds		527,887		
		<u>18,123</u>	<u>1,476,891</u>	<u>1,490,855</u>	<u>4,159</u>

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

10 UNRESTRICTED FUNDS

	Balance 1.1.2004 £	Income £	Expenditure £	Balance 31.12.2004 £
SECTIONS:				
Agriculture & Forestry	1,233	1,003	3,132	(896)
Anthropology and Archaeology	896	6,377	6,928	345
Biological Sciences	2,116	537	1,039	1,614
Chemistry	2,066	2,751	2,680	2,137
Economics	378	5,393	4,294	1,477
Education	649	1,011	1,188	472
Engineering	1,330	1,521	2,071	780
General	2,896	519	3,908	(493)
Geography	804	1,011	1,512	303
Geology	552	1,534	196	1,890
History of Science	139	1,456	3,508	(1,913)
Mathematics	3,596	576	51	4,121
Medical Sciences	2,533	541	1,475	1,599
Physics	563	885	1,937	(489)
Psychology	1,359	3,335	2,580	2,114
Sociology	2,090	524	421	2,193
BRANCHES:				
Aberdeen (Branch)	1,862	634	634	1,862
Aberdeen (Region)	4,873	2,348	-	7,221
Bedfordshire	1,567	536	-	2,103
Birmingham	432	513	-	945
Bristol and Bath	5,247	1,037	1,113	5,171
Cambridge	2,165	43	-	2,208
Cornwall	535	516	-	1,051
Cumbria	1,662	33	42	1,653
Derby	83	4,360	500	3,943
Devon	1,329	26	106	1,249
Edinburgh & SE Scotland	849	1,686	925	1,610
Glasgow and West of Scotland	574	1,749	899	1,424
Hampstead (North London)	-	250	250	-
Hertfordshire	1,323	22	455	890
Leicester	3,787	64	1,181	2,670
Lincolnshire	1,137	528	-	1,665
Merseyside	1,556	3	368	1,191
Moray	1,576	531	568	1,539
North & East Yorkshire	-	500	500	-
North Wales	1,930	39	-	1,969
Northumbria	3,931	101	828	3,204
North Western	4,951	1,595	989	5,557
Nottingham	3,530	69	948	2,651
Oxford	657	913	200	1,370
Plymouth Eddystone	2,252	44	100	2,196
Pembrokeshire	1,575	532	500	1,607
Richmond (South London)	-	250	250	-
Sheffield	2,048	41	-	2,089
South Wales	14,157	220	2,711	11,666
Tayside and Fife	2,536	3,943	2,483	3,996

British Association for the Advancement of Science

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

10 UNRESTRICTED FUNDS (continued)

	Balance 1.1.2004 £	Income £	Expenditure £	Balance 31.12.2004 £
Tees Valley	3,535	67	348	3,254
Thames Valley	981	896	949	928
Wessex	201	2,044	730	1,515
Yorkshire	1,882	7	155	1,734
	<u>97,923</u>	<u>55,114</u>	<u>55,652</u>	<u>97,385</u>
Other General Funds }	571,872	1,599,805	1,047,137	610,940
Transfers to restricted funds }		14,287	527,887	
Transfers between head office and branches and sections		-	-	
	<u>669,795</u>	<u>1,669,206</u>	<u>1,630,676</u>	<u>708,325</u>

11 CAPITAL COMMITMENTS

There were no capital commitments authorised by the Council and contracted for at 31 December 2004 (2003: £Nil).

12 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the BA had annual commitments under an operating lease as follows:

	2004 £	2003 £
Land and buildings expiring after five years	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

The commitment relates to the service charge due under the Wellcome Wolfson Building lease

13 GROSS CASH FLOWS

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	10,212	12,428
Dividend income	17,567	19,967
	<u>27,779</u>	<u>32,395</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(599)	(13,596)
Purchase of investments	(210,399)	(197,310)
Receipts from sale of investments	247,842	153,832
	<u>36,844</u>	<u>(57,074)</u>

British Association for the Advancement of Science
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

14 ANALYSIS OF CHANGES IN NET CASH FUNDS

	1 January 2004 £	Cash flows £	31 December 2004 £
Cash awaiting investment	37,281	51,636	88,917
Cash on deposit	353,182	123,640	476,822
Cash at bank and in hand	20,736	(4,317)	16,419
	<u>411,199</u>	<u>170,959</u>	<u>582,158</u>