



**THE SCIENCE COUNCIL
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012**

REGISTERED CHARITY No 1131661



THE SCIENCE COUNCIL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012
TABLE OF CONTENTS

Page:

1	Table of contents
2	Organisation information
3 - 9	Board of Trustees' Report
10	Statement of Trustees' Responsibilities
11	Report of the Independent Auditors
12	Statement of Financial Activities
13	Balance sheet
14-19	Notes to the Financial Statements

**THE SCIENCE COUNCIL
ORGANISATION INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2012**



Registered Office	Hodgkin Huxley House 30 Farringdon Lane London EC1R 3AW
Bankers	HSBC 39 Tottenham Court Road London W1T 2AR
Accountants	The Kings Mill Partnership Chartered Accountants 75 Park Lane Croydon Surrey CR9 1XS
Legal advisers	Farrer and Co LLP 66 Lincoln Inn's Fields London WC2A 3LH
Auditors	H W Fisher & Company Chartered Accountants and Statutory Auditors Acre House 11-15 William Road London NW1 3ER
Web sites	www.sciencecouncil.org www.charteredscientist.org www.professionalregisters.org www.futuremorph.org www.hiddensciencemap.org



**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2012**

TRUSTEES' REPORT

The Board of Trustees present their annual report and the audited financial statements for the year ended 31st December 2012.

CONSTITUTION AND PRINCIPAL ACTIVITY

The Science Council was established under Royal Charter in October 2003 and was registered as a charity with the Charity Commission in September 2009. The principal activity of The Science Council is to promote the advancement and dissemination of knowledge of and education in science, pure and applied, for public benefit. An amended Charter received Privy Council seal on 10th December 2008.

STRUCTURE AND GOVERNANCE

The Science Council is a membership organisation governed by a Board of Trustees answerable to the Full Council of Member Bodies. The Board of Trustees is chaired by the President and there are currently nine elected trustees and three co-opted trustees.

The Trustees have complied with their duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

RESULTS FOR THE YEAR

Incoming resources for the year totalled £631,775 (2011: £583,417). After total expenditure of £585,564 (2011: £662,180) which includes an exceptional item of £9,244 (2011: £31,525) the year's activities showed a surplus of £46,211 (2011: deficit £78,762) which, when accumulated with the funds brought forward from previous years, leaves the Science Council with total funds at the yearend of £267,296 (2011: £221,087). This is represented by unrestricted funds of £255,296 (2011: £209,085) and restricted funds of £12,000 (2011: £12,000).

A financial plan for future years is in place to ensure that projects are funded from additional income.

TRUSTEES 2012

Prof Sir Tom Blundell CSci (President of Council and Chair of the Board)

Dr Helaina Black (elected June 2012)

Jennifer Blumhof (retired June 2012)

Elaine Boyes (elected June 2012)

Dr David Brown (retired June 2012)

Dr Mark Downs CSci vice-chair of the Board)

Dr David Evans (Honorary Treasurer, co-opted April 2009)

Prof David Garner

Dr Colin Grant CSci (elected June 2012)

Prof Paul Hardaker (retired June 2012, co-opted November 2012)

Dr Robert Kirby-Harris (retired June 2012)

Edmund Nickless CSci (elected June 2012)

Robert Parker CSci (previously co-opted, elected June 2012)

Jon Poole

Keith Read (vice-chair of the Board, retired June 2012)

Jill Rodney

Trustees are elected by Member Bodies to serve in this capacity as individuals and not as representatives of organisations, interest groups or sectors. Elected Trustees normally serve a four year term and one quarter of elected Trustees will retire each year.

There are two Board sub-committees:

Audit and Risk Committee members are: Dr Colin Grant, Prof Paul Hardaker (Chair) and Jill Rodney. There are also up to three external Audit and Risk Committee members. Simon Jackson is an external member of the Audit and Risk Committee and, following the retirement of Elisabeth Goodwin nominations are currently being considered for the vacancies.



**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Nominations Committee members are: Mark Downs (chair); Elaine Boyes; Dr Helaina Black; Edmund Nickless and Dr Robert Parker.

MEETINGS

The Board of Trustees met formally four times during 2012. In addition there was a full day meeting to review the organisation's strategy and priorities.

TRUSTEE RECRUITMENT

Trustees are nominated for election by Member Bodies. A Nominations Committee ensures that the process for the recruitment of Trustees follows the procedures set out in the Bylaws and Regulations and leads the process in identifying nominees. The Board may have a maximum of twelve elected Trustees and up to three further co-opted trustees.

TRUSTEE INDUCTION

Newly elected Trustees are expected to participate in trustee induction sessions and the majority of trustees have now completed an induction session and several trustees have participated in additional training and development opportunities. A Trustee Manual that includes essential information is made available to all trustees in both printed and electronic format.

OFFICE LOCATION

The Science Council was located at 32-36 Loman Street in Southwark in shared office space for voluntary and social enterprise organisations run by Can-Mezzanine until March 2013 when it moved to newly refurbished offices owned by the Physiological Society.

CHIEF EXECUTIVE AND SENIOR STAFF

Diana Garnham continued in the role of Chief Executive and in January 2012 Ali Orr was promoted to take over the role of Registrar. Nicola Hannam continued as Director, Education and Skills until September 2012 when her role was amended to Director, Policy and Development.

RESERVES POLICY

In April 2013, the Board reviewed the Science Council's minimum reserves policy. It was agreed that minimum reserves should be increased from £200,000 to £250,000 to reflect the additional potential liabilities relating to the office lease, and the increase in overall activities. During 2012 the Board kept the financial position, including cash flow, closely under review following the reduction in the reserves in 2011. The Board remains committed to rebuilding reserves in order to give the Science Council the ability to invest in key development opportunities and projects.

RISK REVIEW

The Trustees maintain a comprehensive risk register covering all recommended areas including mission, governance, laws and regulation, reputation, income generation, IT and communications, staffing and internal issues and financial risks. During 2012 the Risk Register was kept under review by the Audit and Risk Committee against impact and likelihood criteria and the Registration Authority reviewed registration activities. The review process is a continual activity and the Audit and Risk Committee reports regularly to the Board on areas of high and significant risk.

HUMAN RESOURCES

The Board has established an informal sub-committee to oversee human resource issues, the terms of reference for which were reviewed in 2012. The sub-committee is now chaired by Jon Poole and it has met as necessary during the year to review salaries and some restructuring of roles and recruitment. Other members are the President, Honorary Treasurer and chairs of both the Audit and Risk and Nominations sub-committees.

**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**

REPORT ON ACTIVITIES

OBJECTIVES FOR PUBLIC BENEFIT

The Science Council works to provide public benefit by:

- creating a forum that brings together learned societies and professional bodies in science and its applications;
- increasing the effectiveness and impact of member bodies on science and its applications by encouraging the sharing of good practice; in working together to maintain and support high standards in the quality of education in both core and applied STEM disciplines; and in enabling and supporting disciplines and professions to respond to new knowledge and challenges;
- fostering inter-disciplinary partnership and collaboration in science to address some of the key challenges facing today's society;
- providing a point of contact with others including the technology, engineering, mathematics and medical communities;
- working across disciplines and in collaboration with member bodies to provide informed and expert advocacy on a wide range of policy issues that impact on the advancement of science and its applications, including consultations undertaken by government departments, parliaments and assemblies;
- by advancing professionalism in science through a register of Chartered Scientists who meet high standards of competence and follow an established code of conduct and continuing professional development that contributes to society's safety in the effective application of science; and
- furthering the creation of better health, sustainable societies and wealth by encouraging the study and pursuit of science and its applications by society and by individuals; raising awareness of the profession of scientist and their roles in society; fostering increased take up of STEM qualifications post 16 both vocational and academic; and providing high quality information for students about career opportunities available to those with STEM qualifications.

MEMBER ORGANISATIONS

The Regulations set out the criteria for membership of the Science Council. The criteria are as follows:

- the profession represented by the Organisation shall be based on a recognised body of scientific learning where knowledge and understanding of the natural and social world are pursued through a systematic methodology based on evidence;
- the Organisation is an independent body which exists for the collective pursuit of professional aims and objectives in science as set out in a Royal Charter or Memorandum and Articles of Association incorporated under the Companies Acts or formally registered in the UK some other way;
- the Organisation has, among its objectives, the practice of the profession in the interest of the public as well as that of its members;
- admission to full membership of the Organisation shall be based on standards of competence as attested by an appropriate qualification, as well as relevant professional practice. If an Organisation does not have strict entry standards for its members it must be able to demonstrate that the majority of its members are so qualified;
- the Organisation recognises its responsibility to advance and extend the body of learning on which the profession is based, and
- the Organisation recognises its responsibility to concern itself with facilities, methods and provision for educating and training future entrants to the profession and for enhancing the knowledge of present practitioners.

SUBSCRIPTIONS

Member bodies pay an annual subscription to the Science Council. The subscription rate in 2012 was £0.719 (2011: £0.686) per qualifying individual member. The maximum subscription is capped at 30,000 qualifying individual members and the minimum subscription is £750.

During the year five organisations joined the Science Council bringing the total number of member bodies to 40.



**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Current member bodies are:

Association for Clinical Biochemistry	Institute of Measurement and Control
Association of Neurophysiological Scientists	Institute of Physics
Association for Science Education	Institute of Physics and Engineering in Medicine
British Academy of Audiology	Institute of Science and Technology*
British Association of Sport and Exercise Sciences*	Institute of Water*
BCS, the Chartered Institute for IT	Institution of Chemical Engineers
British Psychological Society	Institution of Environmental Sciences
British Society of Soil Science	London Mathematical Society
Chartered Institution of Water and Environmental Management	Mineralogical Society
College of Podiatry*	Nuclear Institute
Energy Institute	Oil and Colour Chemists' Association
Geological Society of London	Physiological Society*
Institute of Biomedical Science	Royal Astronomical Society
Institute of Brewing and Distilling	Royal Meteorological Society
Institute of Clinical Research	Royal Society of Chemistry
Institute of Corrosion	Royal Statistical Society
Institute of Food Science and Technology	Society of Biology
Institute of Marine Engineering, Science and Technology	Society for General Microbiology
Institute of Materials, Minerals and Mining	Society of Cardiological Science and Technology
Institute of Mathematics and its Applications	Society of Dyers and Colourists

* New members in 2012.

FULL COUNCIL AND GENERAL MEETINGS

The Member Bodies met as the Full Council three times during the year including the Annual General Meeting in June 2012. All Member Bodies are entitled to send two representatives to General Meetings/Council.

STRATEGY AND BUSINESS PLAN

The Board has reviewed the strategy and priorities for the Science Council and new strategy was agreed at the AGM in June 2012. The agreed the aims for 2012-2017 are for the Science Council to:

- Serve society and the economy by enhancing the professionalism of the science workforce and building trust and confidence in science.
- Provide a voice on policy issues affecting the science community, fostering debate and the exchange of ideas.
- Support its member bodies to be more effective in meeting the needs of the science community.

Priorities for 2013 will maintain a focus of activities on the breadth of the UK science workforce, including a second phase of research into the shape of the science workforce. The Science Council will continue to promote professional registration and will be working with Licensed Bodies and employers to develop common approaches that will benefit both employers and individuals. Both the new professional registers and the Careers from Science project will be evaluated, and the Board will be developing two or three key cross-disciplinary policy areas of work. 2013 will also mark the Science Council's tenth anniversary and a number of activities will serve to celebrate the role and achievements of the organisation, including a fourth Gareth Roberts Lecture which will take place in October 2013.

PROJECTS AND ACTIVITIES 2012

Science Policy

Science policy is a key area of interest for the Science Council community and during the year the Science Council responded to a wide range of policy consultations during the year, on subjects ranging from science education, migration policies, HE STEM provision, postgraduate qualifications, charity regulation, access to the professions, science and society and sector skills. In addition, the Science Council provided member bodies with regular reviews and briefings on policy developments and worked to strengthen the links between the science professional bodies, Parliament and Whitehall. The Science Council, in partnership with member bodies, hosted three fringe events at the political party conferences (Liberal, Labour and Conservative).



Advancing Professionalism in Science

The professional registration of scientists and technicians is central to the Science Council's activities to advance professionalism in science. Registration recognises high levels of professionalism and competence in science and individuals must show evidence of continued competence throughout their working lives in order to remain on the register. All registrants are required to declare annually that they continue to meet the Science Council standards for CPD (Continuous Professional Development), with Licensed Bodies auditing at least 2.5% of their registrants' CPD records.

In 2012, supported by a grant from the Gatsby Charitable Foundation, the Science Council launched two additional registers – Registered Science Technician (RSciTech) and Registered Scientist (RSci) – alongside the established Chartered Scientist designation (CSci) to create a framework of professional recognition and a mechanism for supporting career progression. Eight member bodies were selected to pilot the new titles and by the year end had made just under 500 awards across the two registers.

CSci registrant numbers remained steady at just over 12,000, including 170 Chartered Science Teachers.

Registration Authority

The Board is advised on matters relating to the Professional Registers by a Registration Authority. The Registration Authority (RA) is responsible for upholding the standards of the professional registers. Its membership comprises of elected individuals nominated by the Licensed Bodies and appointed experts from other areas. It meets four times a year, reporting to the Science Council Board, and is chaired by Dr Bob Chaplow. During 2012, Jenny Blumhof, Jane Emery and Charles Evans retired from the RA, with Kathryn Allton, David Barr, Trevor Lewis and Sarah May joining the Authority, and Colin Grant appointed as the Board observer.

Registration Authority Membership:

Dr Bob Chaplow CSci (Chair)	Alan Harper CSci
Dr Kathryn Allton (from October 2012)	Dr Trevor Lewis CSci (from October 2012)
Dr David Barr CSci (from October 2012)	Sarah May CSci (from October 2012)
Jennifer Blumhof CSci (until June 2012)	Professor Peter Sharp CSci
Jane Emery (until October 2012)	Dr Colin Grant CSci (Board Observer, from October 2012)
Dr Charles Evans (until October 2012)	Trish Hall (Observer, Society for the Environment)
Elizabeth Friend	Dave Hogan (Observer, Engineering Council)
Trevor Holme CSci	

Licensed Bodies

The Science Council grants licences to Professional Bodies within its membership to admit their own individual members to the Professional Registers. Three new licences were awarded in 2012: the Institute of Measurement and Control (CSci), the Institute of Science and Technology (RSciTech and RSci) and the Society of Biology (RSciTech, RSci and CSci). Licensed bodies pay an annual fee to the Science Council of £1,000. At the end of December 2012 there were 27 Licensed Bodies:

Association for Clinical Biochemistry	Institute of Marine Engineering, Science and Technology
Association of Neurophysiological Scientists	Institute of Materials, Minerals and Mining
Association for Science Education	Institute of Mathematics and its Applications
BCS, the Chartered Institute for IT	Institute of Measurement and Control
British Psychological Society	Institute of Physics and Engineering in Medicine
British Society of Soil Science	Institute of Science and Technology
Chartered Institution of Water and Environmental Management	Institution of Chemical Engineers
Energy Institute	
Geological Society of London	Institution of Environmental Sciences
Institute of Biomedical Science	Mineralogical Society
Institute of Brewing and Distilling	Nuclear Institute
Institute of Clinical Research	Royal Society of Chemistry
Institute of Corrosion	Royal Statistical Society
Institute of Food Science and Technology	Society of Biology

**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Member support and networking

Member organisations value opportunities to come together to discuss issues of common concern and to share good practice and there have been many opportunities for members to come together during the year. For example, three meetings of the informal CEO Forum, a significant number of project and activity related meetings around professionalism and registration, careers from science as well as smaller group meetings on policy issues and consultations. The Science Council has developed a strand of work focused on the retention of members and identifying potential areas of growth: some benchmarking work on current membership, including diversity. The formal Council meetings also included informal networking lunches either before or after the formal business.

Technician Council

The Science Council and Engineering Council are working in partnership to lead a second phase of the work of the Technician Council. The project is being funded by the Gatsby Charitable Foundation and brings together professional bodies in science, engineering and IT with sector skills councils, employers, unions and other stakeholders. It will promote professional registration as a means to increase the overall capability of the UK technician workforce for the long term benefit of the UK economy. It will raise the profile and status of technicians working in science, engineering and technology sectors in order to increase the number of individuals registering, or choosing technical career paths. Dr Graham Spittle was appointed to chair the Council.



Careers from Science

The Science Council's careers information website for young people, Future Morph, has undergone a refresh this year; a grant from the Gatsby Charitable Foundation supported a move to new hosting at the National STEM Centre that was combined with light-touch design changes and structure adjustments. This work drew on the findings of audience consultation, a series of focus groups with young people exploring how they used the website and seeking their feedback on content ideas. The new hosting provides a more sustainable home for Future Morph, improved functionality and opportunities for closer working with the National STEM Centre itself including the development of a more extensive database of careers material. This builds on the existing database that provides dynamic signposting to related material and can be interrogated through Future Morph itself but also through an interface embedded in partner websites. It is hoped that this will help to raise awareness of STEM careers information through a wider range of websites.

The design refresh also provided an opportunity to re-launch Future Morph in September with targeted promotional activities including the use of social media and the twitter account now has over a thousand followers. The website traffic continues to vary in tune with the school year and key decision points for young people, in the period between the re-launch and the Christmas break the average number of unique users increased by 30%.

A number of new themed sections have been added to Future Morph with articles and case studies illustrating the science related careers associated with space, sport, water, space and, fashion and textiles. A significant amount of the content for these themed sections including videos and articles, has been provided through contributions in kind, this reflects a recognition of the value of working in partnership and the thematic approach. The Fashion and Textiles theme was supported by a grant from the Drapers' Company that funded content and illustrations, the latter were used to produce promotional postcards. To support the Science Council's new registers additional information relating to technician level roles and vocational routes in to science has been created.

The partnership with Orange continues, the Future Morph "action" within their "Do Some Good" mobile volunteering app has been adjusted to respond to the age of the users. The action now seeks views relating to how individuals would advise their children, it is hoped that this will help to inform future work targeting parents.



**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Partnership activities

During the year the Science Council has continued to work with many partner organisations around a number of different projects including the Big Bang Fair (Engineering UK), diversity in the science and engineering workforce (Royal Academy of Engineering), Engineering Council on the professional registration; the National STEM Centre on web-based careers.

The Science Council continued to participate actively in the Inter-Professional CPD Forum and the UK Inter-Professional group, and to serve as an observer on the Engineering Council's Quality Assurance Committee and the Registration Authority of the Society for the Environment. Ali Orr joined the HEaTED Advisory Board and the Professional Development Consortium's Advisory Panel.

In addition, the Science Council was a partner with TBR in successful bids to undertake two research/consultancy projects: for the Royal Society on diversity in the science workforce, and for the Royal Academy of Engineering on lapsing membership of professional bodies. Two other TBR projects commenced in 2011, were completed during the year (Chwarae Teg (supported by the European Social Fund and Welsh Government exploring why many women and girls do not progress in STEM careers in Wales) and a European ChemClust project exploring future skills needs in the chemicals sector.)

Science Council Staff at year end

Michael Alborough	Executive Assistant
Diana Garnham	Chief Executive and Registrar
Oliver O'Hanlon	Policy and Administration Executive
Nicola Hannam	Director, Policy and Development
Alisdair Orr	Registrar
William Ravis	Registration Executive

From time to time the Science Council also employs graduate interns on short-term contracts, providing opportunities for STEM graduates to gain experience in the different ways in which STEM skills are valued in the workplace.



**THE SCIENCE COUNCIL
BOARD OF TRUSTEES' REPORT (CONT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AUDITORS

The Science Council market tested the provision of audit services. Following a tender process the H W Fisher & Company were appointed Auditors to the Science Council in February 2013.

On behalf of the Board

Sir Tom Blundell
President

Dr David Evans
Treasurer

Date 22/04/13



**THE SCIENCE COUNCIL
REPORT OF THE INDEPENDENT AUDITORS
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Independent Auditor's Report to the Trustees of the Science Council

We have audited the Financial Statements of the Science Council for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 Council and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees are responsible for the preparation of Financial Statements which give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2012 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to Report by Exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the Financial Statements; or
- sufficient accounting records have not been kept; or
- the Financial Statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.


**Andrew Rich (Senior Statutory Auditor) for and
on behalf of H W Fisher & Company**

Chartered Accountants
Acre House
11-15 William Road
London NW1 3ER
United Kingdom

Dated: 4th June 2013

H W Fisher & Company is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

**THE SCIENCE COUNCIL
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2012**



	Notes	Restricted Funds £	Unrestricted Funds £	2012 Total £	2011 Total £
INCOMING RESOURCES					
<i>Voluntary Income</i>					
Members Subscriptions		-	151,954	151,954	147,226
<i>Incoming resources from charitable activities</i>					
Professional registration and development		-	268,301	268,301	208,983
Grants / Donations / Contracts	3	169,101	30,711	199,812	223,938
Sundry Income		-	11,581	11,581	3,168
<i>Investment income</i>					
Bank Interest		-	126	126	102
Total Incoming Resources		169,101	462,674	631,775	583,417
RESOURCES EXPENDED					
	4				
Professional registration and professionalism		-	121,995	121,995	111,115
Science Policy and Representation		-	79,646	79,646	86,073
Membership support and activities		-	67,651	67,651	75,473
Special projects		102,662	44,114	146,776	217,062
Careers from Science		66,439	59,575	126,014	123,616
Governance Costs		-	34,238	34,238	17,316
Other resources expended	5		9,244	9,244	31,525
Total Resources Expended		169,101	416,463	585,564	662,180
Surplus/(Deficit) for the year		-	46,211	46,211	(78,762)
Total funds brought forward 1 January 2011		12,000	209,085	221,085	299,849
Total funds carried forward 31 December 2012		12,000	255,296	267,296	221,087

There were no recognised gains and losses other than those shown above in the Statement of Financial Activities.

The accounting policies and notes on pages 14-19 form part of these financial statements.



**THE SCIENCE COUNCIL
BALANCE SHEET AS AT 31ST DECEMBER 2012**

		2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		5,543		8,537
CURRENT ASSETS					
Debtors	9	82,232		114,657	
Cash at bank and in hand		214,540		155,705	
		<u>296,772</u>		<u>270,362</u>	
CREDITORS					
Amount falling due within one year	10	35,019		57,814	
		<u>35,019</u>		<u>57,814</u>	
NET CURRENT ASSETS			261,753		212,548
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>267,296</u>		<u>221,085</u>
REPRESENTED BY:					
Accumulated funds					
Unrestricted funds	12		255,296		209,085
Restricted funds	13		12,000		12,000
			<u>267,296</u>		<u>221,085</u>

These financial statements were approved by the Board members on 22nd April 2013 and were signed on their behalf by:

Sir Tom Blundell, President

Dr David Evans, Honorary Treasurer

The accounting policies and notes on pages 14-19 form part of these financial statements.



**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR TO 31ST DECEMBER 2012**

1. COUNCIL STATUS

A Royal Charter was granted to the Science Council (the Council) on 12th June 2003 and was signed and sealed on 14th October 2003. Following a review an amended Charter received Privy Council seal on 10th December 2008. The Science Council registered as a charity with the Charity Commission in England in September 2009.

2. ACCOUNTING POLICIES

The Financial Statements have been prepared under the historical cost convention and applicable Accounting and Financial Reporting Standards. The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities: Statement of Recommended Practice" published in March 2005 and applicable Financial Reporting Standards.

Fixed Assets

Fixed assets with a cost of up to £500 (including computer equipment) and/or those purchased in relation to a fixed term project, are written off in the year of purchase. All other fixed assets are capitalised and depreciated to write off the cost of the asset, less any residual value, over its useful economic life. Web site development costs are written off in the year in which they are incurred.

Provision is made for depreciation on the following bases:

Computer equipment	33% straight line
Office equipment	25% straight line

CASH FLOW

The Financial Statements do not include a cash flow statement because the Council, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 1.

TAXATION

The Council has been granted charitable status for tax purposes with effect from 10 February 2004, therefore there is no Corporation tax liability on surpluses arising or investment income. The Council is not registered for Value Added Tax and is therefore unable to recover input tax on its costs.

FUND ACCOUNTING

Unrestricted funds are available for use at the discretion of the Board members in furtherance of the general activities of the organisation and which have not been designated for other purposes. Where a donor has specified a particular purpose for a grant or donation, the income is shown as restricted income in the Statement of Financial Activities. Any such income unexpended at the year end is shown as a restricted fund in the balance sheet.

INCOMING RESOURCES

All incoming resources are recognised by the Council during the year when the criteria of entitlement, certainty of receipt and ability to be measured have been met.

RESOURCES EXPENDED

Expenditure is accounted for on the accruals basis. Direct costs comprise costs that are wholly attributable to that activity; support costs are apportioned to activities on the basis of analysis of staff time. Governance costs are those associated with the running of the Council itself and the review of the Charter, Bylaws and Regulations undertaken during the year.

PENSION SCHEME

The Council does not maintain a staff pension scheme but, instead, contributes to individual staff personal pension plans.

GIFTS IN KIND

Gifts in kind received towards projects and activities are included as grant income (Note 3). The total value of such gifts during the year was £46,740 (2011:£21,840).

**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR TO 31ST DECEMBER 2012**



3. CONTRACT, GRANT INCOME AND GIFTS IN KIND	Total 2012	Total 2011
Contracts, grants and gifts comprise:	£	£
Association of Clinical Biochemistry	-	700
British Psychological Society	-	5,750
Department for Business Innovation and Skills	-	66,848
Energy Institute	-	750
Drapers Company	9,000	-
Engineering UK	-	3,459
Gatsby Charitable Trust	111,240	109,365
The Geological Society	-	3,400
Institute of Biomedical Science	2,400	2,650
Institute of Corrosion	-	310
Institute of Environmental Science	-	300
Institute of Food Science and Technology	1,200	1,950
Institute of Physics	5,000	5,000
Institute of Physics & Engineering in Medicine	-	1,600
Institute of Professional Soil Scientists	-	500
National STEM Centre	7,500	-
Royal Astronomical Society	-	950
Royal Meteorological Society	-	750
Royal Society of Chemistry	1,190	-
Royal Statistical Society	-	960
Society of Biology	-	2,160
Society for the Environment	-	750
Society for General Microbiology	-	2,750
Trends Business Research	17,732	2,565
Gifts in kind	46,740	21,840
	£199,812	£110,818

**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR TO 31ST DECEMBER 2012**

4. RESOURCES EXPENDED

a) *Analysis of total resources expended*

	Direct	Support	Total	Total
	Costs	Costs	2012	2011
	£	£	£	£
Activities				
Professional registers and professionalism	16,276	105,719	121,995	111,115
Science Policy and Representation	8,669	70,977	79,646	86,073
Membership support and activities	4,255	63,396	67,671	75,473
Special projects	59,263	87,513	146,776	217,062
Careers from Science	61,791	64,223	126,014	123,616
	150,254	391,828	542,082	613,339
Governance costs	12,248	21,990	34,238	17,316
Total resources expended	£162,502	413,818	576,320	630,655

The above analysis of expended resources excludes the exceptional item of £9,244 referred to in Note 5.

Total resources expended 2011 £219,804 £410,851 £630,655

b) **Analysis of support costs**

	Total	Total
	2012	2011
	£	£
Staff Costs	341,817	340,631
Premises Costs	41,061	40,750
Office and Administration costs	21,466	21,270
Professional fees	6,480	6,462
Depreciation	2,994	1,748
	£413,818	£410,851

c) **Direct costs**

Direct costs include design and content development for print and web communications, printing and distribution, dissemination including events and advertising.

	Total	Total
	2012	2011
	£	£
d) Governance costs		
Audit Fees	3,729	4,500
Meeting and other costs	4,156	729
Staff costs	21,990	12,037
Legal and Professional costs	4,363	-
	£34,238	£17,316

**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR TO 31ST DECEMBER 2012**



5. EXCEPTIONAL ITEM

This arises following a member going into voluntary administration.

6. REMUNERATION AND EXPENSES OF TRUSTEES

The Trustees receive no remuneration for carrying out their duties. £1,325 (2011: £438) was paid to three Trustees for travel expenses incurred in relation to attendance at meetings.

7. STAFF COSTS

	Total 2012	<i>Total 2011</i>
	£	£
Wages and salaries	275,964	283,370
Social Security Costs	29,748	30,953
Other Pension Costs	30,661	22,355
Staff training	1,532	3,953
Recruitment	3,910	-
	<u>£341,815</u>	<u>£340,632</u>

2012 *2011*

Number	<i>Number</i>
<u>7</u>	<u>6</u>

The average number of employees

One member of staff received emoluments in the year in the following band: £109,999 - £119,999

Expenditure includes:

	2012	<i>2011</i>
Auditors' remuneration: current year	£3,600	£4,500
Auditors' remuneration: prior year under accrual	130	-
Trustees' expenses	£1,325	£438



**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR TO 31ST DECEMBER 2012**

8. TANGIBLE ASSETS

	Office Equipment	Computer Equipment	TOTAL
Cost	£	£	£
1 January 2012	7,833	15,188	23,021
Additions	-	-	-
31 December 2012	<u>7,833</u>	<u>15,188</u>	<u>23,021</u>
Depreciation			
1 January 2012	6,735	7,749	14,484
Charge for year	381	2,613	2,994
31 December 2012	<u>7,116</u>	<u>10,362</u>	<u>17,478</u>
Net Book Value			
31 December 2012	<u>£717</u>	<u>£4,826</u>	<u>£5,543</u>
31 December 2011	<u>£1,098</u>	<u>£7,439</u>	<u>£8,537</u>

9. DEBTORS

	2012	2011
	£	£
Debtors (subscriptions and CSci registration)	28,795	30,884
Other debtors	35,609	62,287
Prepayments and accrued income	17,828	21,486
	<u>£82,232</u>	<u>£114,657</u>

10. LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade Creditors	4,094	14,180
Deferred Income	485	240
Taxation and social security costs	7,467	22,244
Other creditors and accruals	22,973	21,150
	<u>35,019</u>	<u>57,814</u>

11. Related party disclosures

Related party transactions included in this note are transactions related to Board member interests and exclude membership subscriptions, registrant fees and grants (see grants listed in Note 3 above). Expenditure items totaled £3,092 and relate exclusively to meetings and events where costs are shared or for refreshments or venue costs met by the Science Council: loP: £1520 (2012: £781); IChemE: £394 (2012: £0); Geological Society £347 (2012: £0); IBMS: £187 (2012: £380); Society of Biology: £644 (2012: £0). Related party transactions relating to income include a total of £3,568 towards the costs of events or activities: SoB: £1574; loP: £1910; RSC: £84.

**THE SCIENCE COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT)
FOR THE YEAR TO 31ST DECEMBER 2012**



12. Unrestricted funds

	2012	<i>2011</i>
	£	£
Balance at 1 January 2012	209,085	287,849
Net movement in funds	46,211	(78,764)
As 31 December 2012	255,296	209,085

13. Restricted funds

	Balance Brought Forward	Net Incoming Resources	Resources Expended	Balance Carried Forward
	£	£	£	£
Careers from Science	-	66,439	66,439	-
Special Project – Gatsby New Registers	-	111,240	111,240	-
Special Project – BIS Science for Careers	-	66,848	66,848	-
Gareth Roberts Memorial Lecture	12,000	-	-	12,000
Total	£12,000	£177,679	£177,679	£12,000

The **Careers from Science** fund relates to funding received specifically for Careers from Science activities, including Future Morph.

The **Gatsby New Registers** Special Project fund relates to grant funding from the Gatsby Charitable Trust to develop new

14. Analysis of net assets between funds

	2012	2012	2012	<i>2011</i>	<i>2011</i>	<i>2011</i>
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
Fund balances at 31st December are represented by:						
Fixed assets	5,543	-	5,543	8,537	-	8,537
Current assets	284,772	12,000	296,772	258,362	12,000	270,362
Creditors (Amounts falling due within one year)	(35,019)	-	(35,019)	(57,814)	-	(57,814)
	255,296	12,000	267,296	209,085	12,000	221,085