



THE FOUNDATION
FOR SCIENCE AND
TECHNOLOGY

**REPORT OF COUNCIL
AND
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2006**

Registered Company Number: 01327814
Registered Charity Number: 00274727

FOUNDATION FOR SCIENCE AND TECHNOLOGY

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FOR THE YEAR ENDED 31 DECEMBER 2006

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FOUNDATION FOR SCIENCE AND TECHNOLOGY

CHARITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2006

REGISTERED OFFICE

10 Carlton House Terrace
London
SW1Y 5AH

AUDITORS

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

SOLICITORS

Allen & Overy
One New Change
London
EC4M 9QQ

Edwards Duthie Solicitors
9/15 York Road
Ilford
Essex
IG1 3AD

BANKERS

Coutts & Co
440 Strand
London
WC2R 0QS

Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
Hampshire
GU14 7NR

FOUNDATION FOR SCIENCE AND TECHNOLOGY

COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The Council¹ presents its twenty-eighth annual report and audited financial statements for the year ended 31 December, 2006. The legal and administrative information set out on page 1 forms part of this Report. The financial statements have been prepared to current statutory requirements and in accordance with the Memorandum and Articles of Association and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005).

The objects of the charitable company are:

- The promotion and development of science and technology and to bring about the greater efficiency of the industry of the United Kingdom; and
- The promotion of research in furtherance of the above object and the publication of the useful results of any such research.

In order to achieve the above objects, the Foundation's main purpose is to bring together in a neutral forum representatives of both Houses of Parliament, officials from Whitehall, industrialists, academics and others to debate policy issues with a science or technology element. This has been fulfilled by organising a wide range of dinner/discussions, lectures and workshops. A secondary role to support the objects of the charity is the publication of guidelines and newsletters to assist learned and professional societies improve their efficiency.

1 **REVIEW OF ACTIVITIES**

Dinner/discussions, workshops and a lecture were organised on topics as diverse as how government should support innovation, horizon scanning, data mashing and pension policy. The highlight of the year was the presentation and debate on the report by Sir Nicholas Stern FBA on the economics of climate change. Details of all the meetings are on the Foundation's web site - www.foundation.org.uk.

The 2006 Lord Lloyd of Kilgerran Award Lecture was given by Professor William Hardcastle FBA on novel techniques for helping patients with speech defects. The Earl of Selborne KBE FRS spoke at the annual Christmas Reception. The Foundation once again visited Scotland and held a dinner/discussion jointly with the Royal Society of Edinburgh at the University of Glasgow on "science education". Two-page summaries of each meeting were circulated to those who attended and placed on the Foundation's web site. Most of these summaries were written by Sir Geoffrey Chipperfield KCB. Papers by the speakers at selected events were published in the Foundation's journal, *FST Journal*, edited by Sir John Maddox FRS. We are most grateful to Sir Geoffrey and Sir John for their support for the work of the Foundation.

A luncheon at the House of Lords was held in October at which Sir Gareth Roberts FRS FREng spoke. Four newsletters were published providing an awareness service to Learned and Professional Society members of changes to legislation, accounting practice and charity regulation. A number of guidance notes were also published.

The Foundation is very grateful to The British Academy for providing accommodation for the Foundation at 10 Carlton House Terrace in London.

2 **FINANCIAL REVIEW**

The Foundation's revenue is from subscribing Associate Members, Accredited and Affiliated Learned Society Members, individual members, sponsorship of events and from grants. The Council is most grateful to the many individuals, companies, organisations and departments who support the work of the Foundation.

Subscriptions totalled £74,225 and income from Learned Society activities and journal subscriptions was £3,567.

Donations and sponsorship, for which Council is most grateful, totalling £209,585 were made to the Foundation from The Office of Science and Innovation, DTI, The Royal Society, the Engineering and Technology Board, The British Academy, The Department for Environment and Rural Affairs, The Department for Transport, The Wellcome Trust, Gatsby Charitable Foundation, The Kohn Foundation, the Research Councils, The Michael John Trust, QinetiQ, the Comino Foundation and others.

¹ Throughout this document the term Council refers to the Trustees and Directors of the Foundation for Science and Technology

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COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The net of incoming and outgoing resources of the Foundation at the year-end was a deficit of £34,059 (2005 deficit £45,099) after the realised gain of £2,787 and before the unrealised gain in the equity investment of £44,378. Consequently the total reserves of the Foundation at the end of the financial year were increased from £671,146 to £681,465. The five-year trend is shown in the table:

	2001	2002	2003	2004	2005	2006
Surplus/Deficit before unrealised gain or loss	1,572	11,243	(12,706)	(24,830)	(45,099)	(34,060)
Surplus/Deficit	(31,816)	(34,378)	16,946	10,286	(11,356)	10,319

3 CORPORATE STATUS

The Foundation was incorporated on 31st August, 1977 as a private Company Limited by Guarantee, registered in England number 01327814. Authorisation to dispense with the word "Limited" was given on 1st February, 1978. The Foundation for Science and Technology is a Registered Charity, registered charity number 274727.

4 STATEMENT OF COUNCIL'S RESPONSIBILITIES

Company Law requires the Council to prepare financial statements for each financial year, which give a true and fair view of the state of the charitable company's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Council is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that:

- In so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

5 GOVERNANCE

The Foundation is governed by a Council that meets three times a year to oversee the work of the charity and delegate day-to-day management of the Foundation to the Director, Dr Goodman. The Finance and General Purposes Committee also meet three times a year to review progress on the implementation of the strategy agreed with Dr Goodman and to monitor financial matters.

During the year, three directors were appointed to the Council. As part of their induction they were informed of the activities of the Foundation and the working procedure of the Council as well as provided with relevant strategy papers and past financial statements.

6 INVESTMENT POWERS AND POLICY

Under the Memorandum and Articles of Association, the Foundation has the power to make any investment that the Council see fit and operates to an agreed Investment Policy. The Investment Policy is to maintain a low risk investment strategy for the portfolio of investments held.

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COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

As part of the investment policy, the trustees have laid down a series of guidelines, which are rigorously followed. These are as follows:

- The maximum invested in any one commercial bank or building society should not exceed 20% of the Foundation's funds.
- At least £150,000 should be invested in deposits with building societies, banks or government securities.
- Working capital in immediate access accounts should not normally exceed £100,000.
- Remaining funds, but not more than normally 50% of total funds, may be invested in Common Investment Funds where the balance as between UK/World, sectors and specific funds should be reviewed by the Finance and General Purposes Committee on a regular basis.

7 **RESERVE POLICY**

The Council reviewed the financial position of the Foundation during the year and judged that the level of reserves is prudent to underpin the Members' guarantee and to enable the Foundation to commit to its forward programme with confidence, usually before sponsorship or other sources have been arranged or assured and to organise topical events at short notice. Adequate financial resources ensure that the Foundation remains independent of, and not reliant on, the financial support of any one organisation or interest. Independence is crucial to the fulfilment of the Foundation's charitable objectives.

On the 24th of April 2006, the Council considered their Reserves policy in conjunction with a revised investment policy and, in so doing, identified four main purposes of their financial reserves. These are to:

- Ensure the Foundation can cover administrative and operating costs;
- Assure the Foundation's position of independence, freedom and responsiveness of action;
- Provide financial headroom for the Foundation to develop its activities for both future and current members; and
- Provide reassurance to suppliers.

In order to satisfy the above purposes, the Trustees believe the level of reserves should be in the range of 18 months to 2 years expenditure. The current level of reserves is within this range.

8 **RISK MANAGEMENT**

The Council advised by the Finance and General Purposes Committee, regularly reviews the risks to which the Foundation is exposed and systems have been established to mitigate those risks and their possible impacts identified and strategies developed to eliminate, manage, mitigate or transfer the risk. These procedures are periodically reviewed to ensure that they still meet the needs of the Foundation.

9 **VICE-PRESIDENTS**

The following served as Vice-Presidents during the year ended 31st December, 2006:

The Lord Flowers FRS	Vice President (not a director)
The Rt Hon the Earl of Shannon	Vice President (not a director)
The Earl of Selborne KBE FRS	Vice President (not a director) (elected Chairman, May 2006)
Sir Brian Jenkins GBE	Vice President (not a director)

10 **COUNCIL MEMBERS**

The following served on the Council during the year ended 31st December, 2006:

The Rt Hon the Lord Jenkin of Roding	Chairman (elected President, May 2006)
The Earl of Selborne KBE FRS	Chairman (elected May 2006)
Dr Robert Hawley CBE DSc FRSE FREng	Deputy Chairman
The President of The Royal Society	The Lord Rees of Ludlow PRS
The President of The Royal Academy of Engineering	The Lord Broers FRS FREng (to July 2006)

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COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The President of the Academy of Medical Sciences	The Lord Browne of Madingley FRS FREng (from July 2006) Professor Sir Keith Peters FRS FMedSci (to November 2006) Professor John Bell FMedSci (from November 2006)
The President of The Science Council	Professor Sir Gareth Roberts FRS FREng
The Chairman of The Engineering and Technology Board	Sir Peter Williams CBE FRS FREng (to June 2006) Sir Gareth Roberts FRS FREng (from June 2006) Sir Brian Follett FRS
The Chairman of the Arts and Humanities Board	Dr Peter Ringrose
The Chairman of The Biotechnology and Biological Sciences Research Council	Professor Sir Graeme Davies FRSE FREng
The Chairman of The Council for the Central Laboratory of the Research Councils	Ms Frances Cairncross CBE FRSE
The Chairman of The Economic and Social Research Council	Professor Dame Julia Higgins DBE FRS FREng
The Chairman of The Engineering and Physical Sciences Research Council	Sir Anthony Cleaver (to November 2006) Sir John Chisholm FREng (from November 2006)
The Chairman of The Medical Research Council	Sir Robert Margetts CBE FREng
The Chairman of The Natural Environment Research Council	Mr Peter Warry FREng
The Chairman of The Particle Physics and Astronomy Research Council	
Sir Michael Atiyah OM FRS PRSE	
Professor Polina Bayvel FREng	
The Lord Broers FRS FREng	
The Lord Browne of Madingley FRS FREng	(elected President of The Royal Academy of Engineering form July)
Sir Geoffrey Chipperfield KCB	
The Lord Haskel	
Dr Geraldine Kenney-Wallace FRSC	
The Lord Krebs FRS FMedSci	
Sir Hugh Laddie	
The Lord May of Oxford OM AC FRS	
The Baroness O'Neill of Bengarve PBA	(from May, 2006)
The Lord Oxburgh KBE FRS	
The Lord Soulsby of Swaffham Prior FMedSci	
Professor Sir William Stewart FRS FRSE	
The Lord Sutherland of Houndwood KT FBA FRSE	
Professor Mark Walport FMedSci	
The Baroness Wilcox	
Mr Tony Quigley	Honorary Treasurer
Mr Patrick McHugh	Honorary Secretary

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COUNCIL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

11 HONORARY OFFICERS

During 2006 the following served as Honorary Officers of the Foundation - The Rt Hon the Lord Jenkin of Roding, Chairman (to 9th May, 2006, President thereafter), The Earl of Selborne KBE FRS (Chairman from 9th May, 2006), Dr Robert Hawley CBE FRSE FREng, Deputy Chairman, Mr Tony Quigley, Honorary Treasurer, and Mr Patrick McHugh, Honorary Secretary. In accordance with Article 35 of the Constitution, the Honorary Officers retire each year and offer themselves for reappointment by the Council.

12 FUTURE DEVELOPMENTS

The Council intends the Foundation to continue to first to provide a neutral platform for debate by Members of both Houses of Parliament, officials from Whitehall, industrialists, academics and others about issues of importance and relevance to society involving science and technology. Issues raised during the debates will be published by the Foundation in a report of the meeting, in *FST Journal* and on the Foundation web site. Secondly, the Foundation will provide guidance and support to Learned Society members to improve the efficiency of their administration and reduce their risk exposures.

The Foundation will continue to invite companies and government bodies to join as Associate Members and will strive to maintain a balance between the interest, size and nature of the organisations represented.

13 AUDITORS

On 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

By Order of the Council

_____ Date _____
The Earl of Selborne KBE FRS
Chairman

FOUNDATION FOR SCIENCE AND TECHNOLOGY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of the Foundation for Science and Technology for the year ended 31 December 2006 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's members 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' (who are also the directors of the Foundation for Science and Technology for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report, which incorporates the Directors' Report required by the Companies Act 1985, and report to you our opinion on whether it is consistent with the 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 AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 charitable company'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, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31st December 2006 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the Trustees' Annual Report is consistent with the financial statements.

Date

KINGSTON SMITH LLP
Chartered Accountants
Devonshire House
60 Goswell Road
London EC1M 7A

FOUNDATION FOR SCIENCE AND TECHNOLOGY

STATEMENT OF FINANCIAL ACTIVITIES
AT 31 DECEMBER 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming Resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations		96,040	-	96,040	79,500
<i>Investment income</i>					
Listed investment income		13,290	-	13,290	13,631
Bank deposit interest		13,399	569	13,968	14,986
Incoming resources from charitable activities					
Sponsorship		113,545		113,545	109,243
Accreditation fees and subscriptions		74,225	-	74,225	82,405
Learned societies activities and journal		3,567	-	3,567	3,680
Total Incoming Resources		<u>314,066</u>	<u>569</u>	<u>314,635</u>	<u>303,445</u>
Resources Expended					
Costs of generating funds	4	31,170	-	31,170	40,728
Charitable activities	4	307,585	-	307,585	289,283
Governance costs	4	12,526	200	12,726	21,636
Total Resources Expended		<u>351,281</u>	<u>200</u>	<u>351,481</u>	<u>351,646</u>
Net (outgoing)/incoming resources	2	(37,215)	369	(36,846)	(48,201)
Realised gain from investment assets	7	2,787	-	2,787	3,102
Excess of Income/(Expenditure) for the Year		(34,428)	369	(34,059)	(45,099)
Other Recognised Gains and Losses					
Unrealised gains/(losses) for investment assets	7	44,378	-	44,378	33,743
Net Movement in Funds		9,950	369	10,319	(11,356)
Retained funds brought forward		655,556	15,590	671,146	682,502
Retained Funds Carried Forward	10, 12	<u>665,506</u>	<u>15,959</u>	<u>681,465</u>	<u>671,146</u>

The notes on pages 11 to 15 form part of the financial statements.

FOUNDATION FOR SCIENCE AND TECHNOLOGY

BALANCE SHEET AT 31 DECEMBER 2006

	Notes	2006 £	2006 £	2005 £	2005 £
Fixed Assets					
Tangible assets	6		4,196		1,963
Investments	7		<u>538,677</u>		<u>551,097</u>
			542,873		553,060
Current Assets					
Debtors	8	17,643		10,469	
Cash at bank - on deposit		119,432		105,255	
- current account		2,501		2,500	
- The Harold Silman Fund		16,159		15,590	
Cash in hand		<u>225</u>		<u>70</u>	
		155,960		133,884	
Creditors: Amounts falling due within one year	9	<u>(17,368)</u>		<u>(15,798)</u>	
Net Current Assets			<u>138,592</u>		<u>118,086</u>
Net Assets			<u><u>681,465</u></u>		<u><u>671,146</u></u>
Financed by:					
Funds					
Restricted	10		15,959		15,590
Unrestricted			<u>665,506</u>		<u>655,556</u>
	12		<u><u>681,465</u></u>		<u><u>671,146</u></u>

Approved by the Council on
and signed on its behalf by:

The Earl of Selborne KBE FRS - Chairman

Mr A L C Quigley - Honorary Treasurer

The notes on pages 10 to 14 form part of the financial statements.

FOUNDATION FOR SCIENCE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements are prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the provision of the Companies Act 1985, the revised Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards. The classification of certain categories of income and expenditure has been amended to comply with SORP 2005 and the comparative figures have been restated accordingly.

The charity has taken advantage of the provisions of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

1.2 Costs

The costs of generating funds are those costs of seeking potential funders and applying for funding. This also includes an element of apportioned costs (see below).

Support costs are those costs incurred in support of the charitable objectives. (See below.)

Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

1.3 Depreciation of Tangible Assets

Depreciation is provided on tangible assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life. For furniture, furnishings and office equipment a depreciation figure of 20% to 25% per annum on cost is used.

1.4 Investment Assets and Income

Investment assets have been included at the closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken into the Statement of Financial Activities.

1.5 Subscriptions

Subscriptions are included in income when they are received.

1.6 Conferences and Public Lectures

Sponsorships received through the Gift Aid Scheme are inclusive of income tax recoverable.

1.7 Operating Leases

Rentals paid under operating leases are charged to the Income and Expenditure account as incurred.

1.8 Donations

All donations are included in income when they are received. Donations under deeds of covenant together with the associated income tax recovery are recognised as income upon receipt of the donation.

1.9 Apportionment of Expenditure

The Statement of Financial Activities, where possible, reflects the proportion of expenditure relating to generating funds, charitable activities and governance costs. However, certain costs are allocated to each cost area on a basis that fairly reflects the true use of that resource within the organisation. The basis of apportionment is 15%:80%:5%, respectively.

FOUNDATION FOR SCIENCE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting Policies (Continued)

Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in note 10 to the financial statements.

Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income including the associated income tax recoverable is credited to income on a receivable basis.

2 Net (Outgoing)/Incoming Resources	2006	Restated 2005
	£	£
This is stated after charging:		
Auditors' remuneration	1,655	1,763
Depreciation on tangible fixed assets	1,314	1,644
	<u>1,314</u>	<u>1,644</u>

3 Transactions with Trustees

During the year one trustee received reimbursement for travel and subsistence expenses totalling £47 (2005 - £328). None of the trustees received any emoluments for their services during the year.

4 Total Resources Expended	Cost of Generating Funds £	Charitable Activities £	Governance Costs £	2006 £	Restated 2005 £
Rent, rates and services	4,786	25,527	1,595	31,908	34,272
Salaries and agency staff (see note 5)	23,585	125,789	7,862	157,236	158,554
Printing, postage and stationery	1,958	10,444	653	13,055	10,754
General maintenance and cleaning	90	-	-	90	140
Insurance	252	1,344	84	1,680	2,536
Sundry expenses	302	579	36	917	2,741
Event expenditure	-	122,155	-	122,155	114,464
Journals and publications	-	20,696	-	20,696	24,215
Legal and professional fees	-	-	-	-	-
Accountancy and bookkeeping fees	-	-	728	728	499
Audit fees	-	-	1,655	1,655	1,500
Honorary officer's expenses	-	-	47	47	328
Depreciation	197	1,051	66	1,314	1,644
	<u>31,170</u>	<u>307,585</u>	<u>12,726</u>	<u>351,481</u>	<u>351,647</u>

FOUNDATION FOR SCIENCE AND TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

5 Employee Information	2006	Restated 2005
	£	£
Staff costs:		
Wages and salaries	122,319	134,360
Social security costs	13,941	14,566
	<u>136,260</u>	<u>148,926</u>
Agency staff costs	20,976	9,628
	<u>157,236</u>	<u>158,554</u>
The average monthly number of employees during the year was made up as follows:	No.	No.
The director	1	1
Office staff	<u>2</u>	<u>3</u>
	<u>3</u>	<u>4</u>
Number of employees whose emoluments fell within the following ranges for the year:		
£90,001 - £100,000	<u>1</u>	<u>1</u>
6 Tangible Fixed Assets		Furniture, Furnishings and Office Equipment
Cost or Valuation		£
At 1 January 2006		47,253
Additions		<u>3,547</u>
At 31 December 2006		<u>50,800</u>
Depreciation		
At 1 January 2006		(45,290)
Charge for the year		<u>(1,314)</u>
At 31 December 2006		<u>(46,604)</u>
Net Book Value		
At 31 December 2006		<u>4,196</u>

FOUNDATION FOR SCIENCE AND TECHNOLOGY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

7 Fixed Asset Investments	Quoted	Unquoted	Total 2006	Total 2005
	£	£	£	£
Market value at 1 January 2006	289,872	261,225	551,097	586,394
Additions	-	10,415	10,415	7,858
Disposals (Proceeds £70,000, Realised Gain £2,787)	(17,213)	(50,000)	(67,213)	(76,898)
Net unrealised gains/(losses)	<u>44,378</u>	<u></u>	<u>44,378</u>	<u>33,743</u>
Market value at 31 December 2006	<u>317,037</u>	<u>221,640</u>	<u>538,677</u>	<u>551,097</u>
Historical cost at 31 December 2006	<u>129,971</u>	<u>221,640</u>	<u>351,611</u>	<u>408,409</u>

All investment assets are held within the United Kingdom.

The following investments represent holdings in excess of 5% of the portfolio value at 31 December 2006:

	Quoted £	Unquoted £
M & G - Equities Fund for Charities	317,037	-
National Savings - Treasurer's Account	-	114,006
Abbey National - Charity Investment Trust	<u>-</u>	<u>107,634</u>

8 Debtors	2006 £	2005 £
Prepayments	643	459
Other debtors	<u>17,000</u>	<u>10,010</u>
	<u>17,643</u>	<u>10,469</u>

9 Creditors: Amounts falling due within one year	2006 £	2005 £
Other taxes and social security costs	9,923	8,137
Other creditors	5,836	6,161
Accruals	<u>1,609</u>	<u>1,500</u>
	<u>17,368</u>	<u>15,798</u>

10 Restricted Funds	Brought Forward £	Income from Investments £	Governance Costs £	2006 £
Harold Silman Fund	<u>15,590</u>	<u>569</u>	<u>200</u>	<u>15,959</u>

The Harold Silman Fund was established in 1992 to provide support for travel to Foundation meetings particularly for participants travelling from outside London.

FOUNDATION FOR SCIENCE AND TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

11 Liability of Members

The company is limited by guarantee and therefore has no share capital. Each member's guarantee is limited to £1.

12 Reconciliation of Movements in Reserves

	2006	2005
	£	£
Net movement in funds for the year	(34,059)	(45,099)
Other recognised gains and losses	44,378	33,743
	<u>10,319</u>	<u>(11,356)</u>
Opening funds at 1 January 2006	671,146	682,502
	<u>681,465</u>	<u>671,146</u>

13 Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2006 £	2005 £
Tangible Assets	4,196	-	4,196	1,963
Investments	538,677	-	538,677	551,097
Debtors	17,643	-	17,643	10,469
Cash at bank and in hand	122,158	16,159	138,317	123,415
Creditors	(17,368)	-	(17,368)	(15,798)
	<u>665,306</u>	<u>16,159</u>	<u>681,465</u>	<u>671,146</u>

FOUNDATION FOR SCIENCE AND TECHNOLOGY

DETAILED INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

	Unrestricted Funds (£)	Restricted Funds (£)	Total 2006 (£)	Total 2005 (£)
Income				
Donations	96,040	-	96,040	79,500
Sponsorship income	113,545	-	113,545	109,243
Accreditation fees and subscriptions	74,225	-	74,225	82,405
Learned societies activities	3,567	-	3,567	3,680
Listed investment income	13,290	-	13,290	13,631
Bank deposit interest	13,399	569	13,968	14,986
	<u>314,066</u>	<u>569</u>	<u>314,635</u>	<u>303,445</u>
Expenditure				
<i>Governance Costs (5%)</i>				
Salaries and national insurance	7,662	200	7,862	15,855
Printing, computing, stationery, postage and telephone	653	-	653	1,074
Rent, rates and service charges	1,595	-	1,595	1,714
Legal and professional fees	-	-	-	-
Accountancy and bookkeeping fees	728	-	728	499
Audit fees	1,655	-	1,655	1,500
Insurance	84	-	84	254
Sundry expenses	36	-	36	249
Depreciation	66	-	66	164
Honorary officer's expenses	47	-	47	328
<i>Charitable Activities (80%)</i>				
Rent, rates and services	25,527	-	25,527	27,418
Salaries and national insurance	125,789	-	125,789	110,988
Event expenditure	122,155	-	122,155	114,464
Printing, computing, stationery, postage and telephone	10,444	-	10,444	7,533
Insurance	1,344	-	1,344	1,775
Sundry expenses	579	-	579	1,740
Depreciation	1,051	-	1,051	1,151
Journal and publications	20,696	-	20,696	24,215
<i>Other costs of Generating Funds (15%)</i>				
Rent, rates and services	4,786	-	4,786	5,141
Salaries and national insurance	23,585	-	23,585	31,711
Printing, computing, stationery, postage and telephone	1,958	-	1,958	2,147
General maintenance and cleaning	90	-	90	140
Insurance	252	-	252	507
Bank charges	193	-	193	256
Sundry expenses	109	-	109	497
P/L on disposals	-	-	-	-
Depreciation	197	-	197	329
	<u>351,281</u>	<u>200</u>	<u>351,481</u>	<u>351,646</u>
Excess of expenditure over income before investments				
	<u>(37,215)</u>	<u>369</u>	<u>(36,846)</u>	<u>(48,201)</u>
Realised gain on investments	2,787	-	2,787	3,102
Unrealised gain on investments	44,378	-	44,378	33,743
Net Movement in Funds	<u>9,950</u>	<u>369</u>	<u>10,319</u>	<u>(11,356)</u>

FOUNDATION FOR SCIENCE AND TECHNOLOGY

DETAILED INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
Professional Fees		
Accountant's fees	1,655	1,763
	<u>1,655</u>	<u>-</u>
	<u><u>1,655</u></u>	<u><u>1,763</u></u>
Donations		
Comino Foundation	4,000	4,000
Department of Trade and Industry	30,000	30,000
Engineering and Technology Board	5,000	2,000
Gatsby Charitable Foundation	12,000	8,000
Ipsos Mori	40	
Michael John Trust	2,000	2,000
Sir William Francis	500	
The British Academy	2,500	2,500
The Kohn Foundation	5,000	5,000
The Royal Academy of Engineering	-	3,000
The Royal Society	30,000	18,000
The Wellcome Trust	5,000	5,000
	<u>96,040</u>	<u>79,500</u>
	<u><u>96,040</u></u>	<u><u>79,500</u></u>
Debtors		
Prepayments	643	459
Conference and public lectures for 2006 sponsorship due	17,000	10,010
	<u>17,643</u>	<u>10,469</u>
	<u><u>17,643</u></u>	<u><u>10,469</u></u>
Creditors		
Auditors' fees	1,609	1,500
Other creditors	5,836	2,311
Salaries - PAYE and NI	5,094	4,298
VAT	4,829	7,689
	<u>17,368</u>	<u>15,798</u>
	<u><u>17,368</u></u>	<u><u>15,798</u></u>

FOUNDATION FOR SCIENCE AND TECHNOLOGY

DETAILED INCOME AND EXPENDITURE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006

E DONATIONS THROUGH SPONSORSHIP OF FOUNDATION LECTURES

List of sponsors:

ALSTOM Power

ARAG, Defence Academy of the United Kingdom

Areva T&D (UK) Limited

Arts and Humanities Research Council

Atomic Energy Authority

Biotechnology and Biological Sciences Research Council

British Council, Science Section

City & Guilds London Institute

Council for the Central Laboratory of the Research Councils

Department of Trade and Industry (Office of Science and Innovation)

Department for Transport

Engineering and Physical Sciences Research Council

GlaxoSmithKline

Hospital Saturday Fund

Institute of Physics

Lloyd's

Natural Environment Research Council

Nuclear Industry Association

QinetiQ

Research Councils UK

£113,545

FOUNDATION FOR SCIENCE AND TECHNOLOGY

EVENTS HELD IN 2006

DINNER/DISCUSSIONS, WORKSHOPS AND LECTURES HELD

7th February, 2006

Bioterrorism: what can we do to respond to the threat?

QinetiQ, The Wellcome Trust and The Biotechnology & Biological Sciences Research Council (BBSRC)

Dr Nigel Lightfoot, Director, Emergency Response Division, Health Protection Agency, Margaret Aldred CBE, Cabinet Office, and Professor Sir Roy Anderson FRS, Chief Scientific Adviser, Ministry of Defence

8th March, 2006

UK Energy Policy - what are the economically attractive supply options and what percentage should each option supply?

AEA, ALSTOM Power, ARAG, Defence Academy, MoD, CCLRC, and the Nuclear Industry Association

Peter Mather, Head of Country (UK) Vice President Europe Region, BP, BP, Dr Robert Hawley, Former Chief Executive, British Energy, and Dr Keith Palmer, Non-executive Vice-Chairman, NM Rothschild

25th April, 2006

How should the government support innovation in the economy?

Innovation Team, DTI, QinetiQ and SEEDA

Sir Keith O'Nions FRS, Director General of Science and Innovation, Office of Science and Innovation, DTI, Stephen Heal, Director, Business Development, Tesco, and Norman Pickavance, Group Corporate Services Director, Nothern Foods

9th May, 2006

Merging diverse datasets can produce new insights. What new applications are possible and are there new privacy and regulatory issues?

Department for Transport and City & Guilds of London Institute

Professor Frank Kelly FRS, Chief Scientific Adviser, Department for Transport, Dr Mike Lynch OBE, CEO, Autonomy, and Professor Mark Walport FMedSci, Director, The Wellcome Trust

24th May, 2006

Looking into the future - can we anticipate technological change?

Research Councils UK and the OSI Horizon Scanning Centre

Sir Brian Bender GCB, Permanent Secretary, Department of Trade and Industry, Sir David King FRS, Chief Scientific Adviser, UK Government and Head, OSI, and Jeremy Bentham, Vice-President, Global Business Environment, Royal Dutch Shell

6th June, 2006

Water Management in the UK

Department for Environment, Food and Rural Affairs (Defra), The Engineering & Physical Sciences Research Council (EPSRC) and HR Wallingford Group

The Earl of Selborne KBE FRS, Chairman, House of Lords Select Committee on Science and Technology Inquiry into Water Management, Dr David P King, Director, Water Management, Environment Agency, Philip Fletcher CBE, Chairman, Water Services Regulation Authority (Ofwat), and Paul Butler, Managing Director, Mid-Kent Water

21st June, 2006

How is technology changing the nature of broadcasting?

Arts and Humanities Research Council (AHRC)

John Dickie, Head of Public Affairs, BBC, Anthony Lilley, Chief Executive, Magic Lantern Productions, and Professor Philip Esler, Chief Executive, Arts and Humanities Research Council

11th July, 2006

Pensions Policy - What are the liabilities for government and business and how should they be managed?

The Gatsby Charitable Foundation

The Rt Hon the Lord Turner of Ecchinswell, Chairman, Pensions Commission, Alison O'Connell, Director, Pensions Policy Institute, and Dr Reg Hinkley, Chief Executive, BP Pensions Fund

FOUNDATION FOR SCIENCE AND TECHNOLOGY

EVENTS HELD IN 2006

18th July, 2006

Sustainable Development - how should policy and business decisions reflect pressures on natural resources and global climate?

Natural Environment Research Council (NERC)

Barry Gardiner MP, Minister for Biodiversity, Landscape & Rural Affairs, Department of Environment, Food and Rural Affairs, Department of Environment, Food and Rural Affairs, Professor Alan Thorpe, Chief Executive, Natural Environment Research Council, and Dorian Emmett, Head of Sustainable Development, Anglo American

14th to 16th September, 2006

The Innovation Challenge – Workshop

Joint workshop organised with CCLRC, EPSRC, IMechE, Institute of Physics and the Automotive Academy

6th October, 2006

Annual Luncheon for the Learned and Professional Societies

Sir Gareth Roberts FRS FREng, President, The Science Council, Chairman, Engineering and Technology Board and President, Wolfson College, Oxford

25th October, 2006

What are universities for?

The Comino Foundation, Engineering and Physical Sciences Research Council, QinetiQ and The Royal Society

The Lord Rees of Ludlow PRS, President of The Royal Society, , Professor David Eastwood, Chief Executive, Higher Education Funding Council for England, and Nick Butler, GVP BP and member of the Advisory Board for the Centre for European Reform

2nd November, 2006

Science Education - are we losing the plot?

The Gatsby Charitable Foundation, The Institute of Physics and The Royal Society of Edinburgh

Executive, Professor John Holman, Director, National Science Learning Centre, York and National STEM Director, DFES, and Bob Kibble, Senior Lecturer, The Moray House School of Education, University of Edinburgh

8th November, 2006

Stern Review on the economics of climate change

Areva, The British Council, Department for Environment, Food and Rural Affairs (Defra), Lloyd's and The Royal Society

Sir Nicholas Stern FBA, Chair, The Stern Review on the economics of climate change, James Smith, Chairman, Shell UK, Andy Harrison, Chief Executive, easyJet and Sir Partha Dasgupta FBA, University of Cambridge

15th November, 2006

Scientific advice, risk and evidence based policy making

Pitchill Consulting and QinetiQ

Phil Willis MP, Chair, House of Commons Select Committee on Science and Technology, Professor Paul Wiles CB, Chief Scientific Adviser and Director, Research, Development and Statistics, Home Office, and the Rt Hon John Gummer MP, House of Commons

5th December, 2006

The Lord Lloyd of Kilgerran Award Lecture

Kohn Foundation and Michael John Trust (Peter Jost)

Professor William Hardcastle FBA, Director, Speech Science Research Centre, Queen Margaret University College, Edinburgh

5th December, 2006

Christmas Reception

Kohn Foundation and Michael John Trust (Peter Jost)

The Earl of Selborne KBE FRS, Chairman, The Foundation for Science and Technology

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