

Charity Registration No 1043255

Company Registration Number 3005933 (England and Wales)

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006



**NYMAN LIBSON PAUL
CHARTERED ACCOUNTANTS
REGINA HOUSE
124 FINCHLEY ROAD
LONDON NW3 5JS**

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Report of the Trustees	2 - 8
Independent auditors' report	9 - 10
Consolidated income and expenditure account	11
Consolidated statement of financial activities	12
Balance sheets	13
Notes to the financial statements	14 - 21
Detailed notes to the income and expenditure account	22

BRITISH SOCIETY FOR IMMUNOLOGY (A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Name	British Society For Immunology
Registered Charity Number	1043255
Directors (trustees)	Professor A M Mowat Professor N A Williams Professor A Hayday Professor C E Rudd Dr D Morgan
Chief Executive	Ms J Willetts
Company Secretary	Ms J Willetts
Registered Company Number	3005933
Auditors	Nyman Libson Paul Chartered Accountants Regina House 124 Finchley Road London NW3 5JS
Registered Office	Triangle House Broomhill Road London SW18 4HX
Bankers	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL
Solicitors	Radcliffes LeBrasseur 5 Great College Street London SW1P 3SJ
Investment Adviser	Gerrard Limited 1 Colmore Square Birmingham B4 6ES

BRITISH SOCIETY FOR IMMUNOLOGY (A COMPANY LIMITED BY GUARANTEE) REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 30 JUNE 2006

The Trustees present herewith their annual report, together with the consolidated audited financial statements for the year ended 30 June 2006

Information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (the SORP) - Accounting and Reporting by Charities

Structure, governance and management

Governing document

The British Society for Immunology (BSI) was formerly incorporated on 4 January 1995 as a private company, limited by guarantee. It has no issued share capital and the liability of its members is limited to a sum not exceeding £1. The Society's governing document is the Memorandum and Articles of Association.

The Society registered as a charity on 19 December 1966.

Trustees

Members of the Board of Trustees are company directors for the purposes of the Companies Act and charity Trustees for the purposes of the Charities Act 1993. The Trustees serving during the year and since the year end were as follows -

Professor A M Mowat
Professor N A Williams
Professor A Hayday
Professor C E Rudd (Appointed 8 December 2005)
Dr D Morgan (Appointed 14 November 2006)
Dr M Moore (Resigned 14 October 2005)
Dr J Henwood (Resigned 10 July 2006)
Dr G Entrican (Resigned 14 November 2006)
Professor B P Morgan (Resigned 27 November 2006)

Recruitment and appointment of trustees

The business of the BSI is conducted by the Board of Trustees. In any matters concerning interpretation of the rules, the decision shall rest with the Trustees, who will also decide any matters concerning the Society which are not covered by the rules.

The Trustees of the Society, known as officers, are the General Secretary, Treasurer, Meetings Secretary, Education Secretary, International Secretary and Group Secretary, together with the ordinary member elected to chair the Council. One or more additional Trustees may be co-opted at the Trustees' discretion and would stand for formal election to the Board at the AGM following their joining. New Trustees shall be elected at the annual general meeting and will normally shadow the incumbent officer until the next full meeting of the Trustees at which time the incumbent will retire, the exception being the Meetings Secretary, who will shadow for a period of one year.

The Trustees of the BSI are appointed by general meetings, each individual appointment for a term of office not exceeding the number of successive years specified in the Rules. No person may be appointed as a Trustee

- (i) unless he or she has attained the age of 18 years
-

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

Recruitment and appointment of trustees (cont)

- (ii) in circumstances such that, had he or she already been a Trustee, he or she would have been disqualified from acting under provisions of Article 29 of the Memorandum and Articles of Association, and
- (iii) unless he or she has been a member of the Society for at least twelve successive months and unless all monies then payable by him or her to the Society have been paid, and
- (iv) unless he or she has been elected by a ballot preceding the general meeting, which has been open to all members eligible to vote under regulations determined by the Trustees and adopted by general resolution

The Society may, by an ordinary resolution, appoint a person who, not having been duly elected in accordance with Article 26(iv), is willing to act as a Trustee either to fill a vacancy or as an additional Trustee and may also determine the rotation in which any additional Trustees are to retire. A Trustee so appointed shall hold office only until the next following annual general meeting. If not reappointed having been duly elected in accordance with Article 26(iv), she or he shall vacate office at the conclusion thereof.

A Trustee who retires shall not be eligible for reappointment unless one year has elapsed since his or her retirement.

Trustee induction and training

Trustees will have been members of the Society for at least twelve months. As part of their induction process, they spend 2 days at head office, with the Chief Executive and staff. They are provided with a Trustee resource pack and are taken through a number of key areas outlining the history of the Society, background information, job description, areas of responsibility and useful information from the Charity Commission. Information and documents provided include:

- Legal organisation
- Trustee declaration
- Code of conduct
- Memorandum and Articles of Association
- Society rules
- NCVO briefing papers
- Role of a Board of Trustees
- Responsibility and Liability of Trustees
- Governance and management
- Payments and benefits to Trustees
- Charity and company status
- Guide to the Charities Acts
- Charity commission guidance - SORP 2005
- Charity commission guidance - Reserves
- Charity commission guidance - Trading
- Professional advisers

In addition, Trustees are provided with regular updates and good practice guidelines through an organisational subscription to *Governance*.

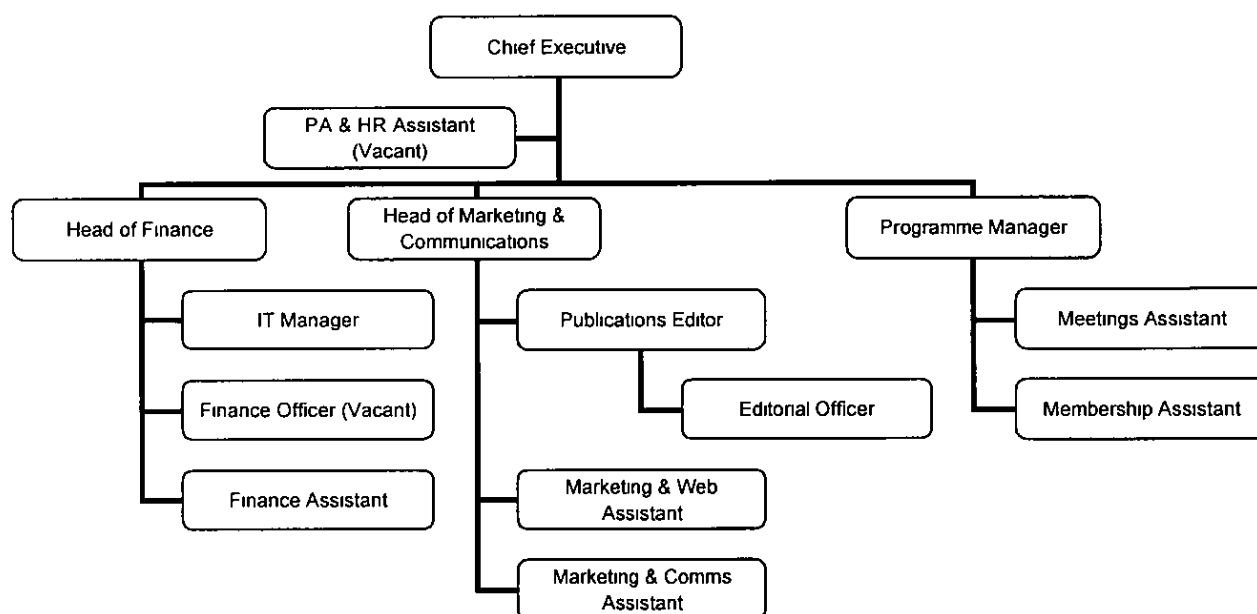
BRITISH SOCIETY FOR IMMUNOLOGY (A COMPANY LIMITED BY GUARANTEE) REPORT OF THE TRUSTEES (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

Organisational structure

As stated, the business of the Society is conducted by the Trustees, who have legal responsibility for the organisation. The day to day management of the Society is delegated to the Chief Executive (CEO) and, through her, the members of the senior management team. In addition, the BSI has a representative body, called the Council, which is deliberative and focuses on policy. This body has no legal or management responsibility.

The Board of Trustees meets quarterly and the minutes of the meetings are recorded and are in the public domain. The Board decides the business priorities for the BSI and delegates the management and implementation of these to the CEO, who reports to the Board of Trustees. The three members of the senior management team report to the CEO.



The senior management team meet every fortnight at minuted meetings. Each department head holds team meetings and one-to-one meetings. Monthly staff meetings are also held, which are informal by nature.

Related parties

The Society has a wholly owned trading subsidiary, Triangle 3 Limited, which exists to provide additional income to the Society by organising scientific conferences and providing management services for other organisations.

In the year ended 30 June 2006, turnover fell to £657,693 compared to £711,959 for the year ended 30 June 2005. The level of profit generated, and subsequently covenanted to the Society, also decreased to £261 this year from £5,001 in 2005.

In view of the highly competitive environment that Triangle 3 Limited operates within and the level of profits that have been covenanted to the Society in recent years, following an in-depth financial appraisal of the business the Board of Trustees, supported by the Senior Management Team, have decided that the long-term growth and development of the Society should take precedence over subsidiary business activities.

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

Risk management

The Trustees are satisfied that there are in place adequate control systems to provide reasonable assurance against misstatement or loss. These include a strategic business plan reviewed by the Trustees annually, reviews of performance against targets, delegation of authority to spend within defined limits, and segregation of duties where appropriate. Other external risks to which the society may be exposed are identified and discussed at regular Trustees' meetings and any appropriate action implemented.

Objectives and activities

The Society's main objective as stated in the Memorandum and Articles of Association is to advance the science of Immunology for the benefit of the public. The BSI does this by

- Running and providing innovative meetings and programmes in Immunology research
- Promoting and disseminating research and good practice in Immunology and translational medicine and vaccination
- Raising the profile of the BSI and its members
- Working for and with its members to develop the benefits of membership and the relevance of the society to their professional goals
- Providing bursaries and grants
- Enhancing the public appreciation of the efforts and accomplishments of British Immunology in research, education and clinical practice

Achievements and performance

The key mechanisms for achievement during the year were

The BSI Annual Congress and regional meetings and events

The annual congress took place in Harrogate in December 2005. The congress attracted over 1,000 attendees from all over the world and saw the dissemination and discussion of new research outcomes from leading people in the field. In addition to the congress, there were a large number of successful Regional and Affinity Group meetings held during 2005/06 for which the Society provided both financial and administrative support.

The publication of its journals, *Immunology* and *Clinical & Experimental Immunology*

The quality of the journals continues to rise, with impact factors for both journals increasing. Both journals have benefited from redesign and by online promotion through the BSI's publishing partner, Blackwell Publishing Limited, with whom it continues to work closely. The management of the journals has been taken on by the Head of Marketing and Communications and a new post of Publications Editor was created to strengthen further the journals and publications team.

The promotion of Immunology as a discipline among students at PhD, masters, undergraduate and secondary school levels through BSI events, resources and awards

The BSI's travel award scheme proved popular with travel awards totaling £30,975 paid to members to enable attendance and participation at events throughout the world. In addition, BSI members gave talks and conducted workshops at schools and colleges throughout the UK.

The provision of education and careers materials and attendance at education conferences

Representatives of the Society attended three career fairs and distributed education material to over 1,000 schools.

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

Achievements and performance (cont)

Involvement in the wider bio-medical community through committee and specialist group membership

The Society is a member of the BioSciences Federation and the CEO attended regular BSF meetings throughout the year. She also joined the Royal College of Physicians Group that comprises heads of learned societies and which discusses topical issues on a quarterly basis. The CEO attends the Parliamentary and Scientific Committee meetings and regularly attends meetings and events run by other scientific societies.

Financial review

A summary copy of the annual report and financial statements providing an overview of the Society's financial performance for the year ended 30 June 2006 has been sent to all members of the Society. Further copies of the summary of the annual report and copies of the full financial statements and further copies of the summary of the annual report may be obtained from the Company Secretary at the Society's offices or downloaded from the Society's website (www.immunology.org).

Financially, the Society enjoyed a successful year in 2006. The combined net incoming resources for the Society and its trading subsidiary, Triangle 3 Limited, amounted to £188,128. After recognising gains on assets held in our investment portfolio during the year of £28,083, the net movement of funds, and therefore the amount by which the group reserves increased during the year to 30 June 2006, was £216,211. At the end of the financial period, reserves for the Group, necessary to provide a strong financial basis for the long-term growth and development of the Society, amounted to £1,091,022.

Total incoming resources for the year, excluding gains associated with the Society's investment portfolio, were £1,475,512. This is a reduction of £61,744, or 4%, when compared to 2005 levels and can, in the main, be attributed to lower membership subscriptions and a decrease in income received from the Society's journals. Total resources expended in 2006 also fell from 2005 levels, being £1,287,384 and £1,377,563 respectively – a net reduction of £90,179 or 6.55%.

Revenue associated with the Society's two journals continues to form the largest proportion of income and contributed £719,982 – equivalent to more than 48% of the total income generated in the year. The long-term financial implications for journal royalty income cannot be forecast with any degree of certainty with the likely effects of increased online access, consortia agreements and Open Access initiatives remaining unclear. Against this backdrop, the Board of Trustees believes that the continued effective financial management and strategic development of the Society are paramount.

As in previous years, the Society provided a significant financial subsidy to ensure that the Annual Congress, the last to be held in Harrogate for the foreseeable future, maintained its reputation as a world-renowned scientific meeting, attracting eminent speakers and in excess of 1,000 attendees. The Society subsidised the Annual Congress by £126,754.

In addition to the Annual Congress, there were a large number of Regional and Affinity Group meetings held during 2005/06 for which the Society provided both financial and administrative support. The Society's travel award scheme also proved popular with travel awards totaling £30,975 paid to members to enable attendance and participation at events throughout the world.

The Board of Trustees, working with Judith, other members of the management team and external stakeholders, are committed to the continued development of the Society, to ensure that it can deliver its primary objective of advancing the science of immunology.

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

Reserves policy

The Society's reserves policy is derived from a risk assessment of each category of income and expenditure which determines the level of reserves required to cover costs and any commitments during periods of unforeseen difficulty. The Society believes that it is prudent to maintain net current assets, plus the value of its investment portfolio, at a level equivalent to a minimum of six months average expenditure and reviews this target annually as part of the overall approach to managing risk.

Asset cover for funds

The Trustees are of the opinion that as of at the balance sheet date, the assets are sufficient to meet the charities obligations.

Investment powers, policy and performance

In general terms, worldwide investment markets continued to return positive gains during the year, and the Society's financial statements report a significant increase in the market value of its quoted investments from £244,454 as at 30 June 2005, to £327,974 as at 30 June 2006.

When considering year-on-year movement, the level of cash balances available to the Society's investment managers within the portfolio at the respective year-end dates needs to be taken into account. As at 30 June 2005 cash held by investment managers amounted to £46,744 whereas this amounted to £15,628 as at 30 June 2006.

Therefore, the total value of the Society's managed investment portfolio increased from £291,198 to £343,602 during the 12 months to 30 June 2006. During this period, the Society reinvested capital, withdrawn from the investment portfolio in the previous financial year, of £25,000.

After accounting for the capital reinvested during the year, in real terms the Society's investment portfolio achieved annual growth of 9.4%.

Working with its current investment managers, the Society continues to review and develop its investment strategy to ensure it remains appropriate and consistent with overall strategic and financial management aims.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nyman Libson Paul be re-appointed as auditors of the company will be put to the Annual General Meeting.

Disclosure of information to auditors

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

(a) So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 company's auditors are aware of that information.

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE TRUSTEES (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

Statement of trustees responsibilities

The Trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

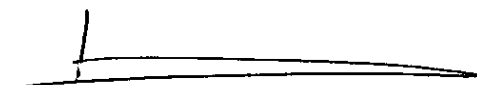
The Trustees are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society and group and of its surplus or deficit for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in existence

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the society and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

For and on behalf of the Board of Trustees



Professor A Hayday
Trustee

12 January 2007

Nyman Libson Paul

Chartered accountants

Regina House, 124 Finchley Road, London NW3 5JS

t 020 7433 2400 f 020 7433 2401

e mail@nlpca.co.uk dx: 38864 Swiss Cottage

www.nlpca.co.uk

**NYman
LIBSON
PAUL****INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE BRITISH SOCIETY FOR IMMUNOLOGY**

We have audited the financial statements of the British Society for Immunology for the year ended 30 June 2006 set out on pages 11 to 22. These financial statements have been prepared in accordance with 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 so that we might state to the charitable company's members 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 charitable company and its 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 responsibilities of the trustees (who are also the directors of the British Society for Immunology for the purpose of company law) for preparing the 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 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 whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity 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 transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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.

Nyman Libson Paul

Chartered accountants

Regina House, 124 Finchley Road, London NW3 5JS

t 020 7433 2400 f: 020 7433 2401

e mail@nlpca.co.uk dx 38864 Swiss Cottage

www.nlpca.co.uk

NYman
LIBSON
PAUL

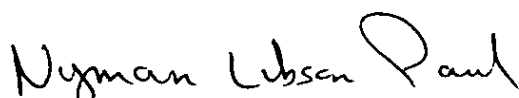
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF THE BRITISH SOCIETY FOR IMMUNOLOGY

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 United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's and the group's affairs as at 30 June 2006 and of their incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements



Nyman Libson Paul

Chartered Accountants
& Registered Auditors

12 January 2007

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 £	2005 £
Income		1,453,560	1,519,935
Net operating expenses		(1,287,384)	(1,377,563)
Operating profit		166,176	142,372
Interest receivable and investment income		21,952	17,321
Realised gains on investments		5,868	12,978
Profit for the year		193,996	172,671
Reconciliation to statement of financial activities			
Profit for the year - as above		193,996	172,671
Unrealised gains on investments	9	22,215	7,469
Net movement in funds in statement of financial activities		216,211	180,140

Income and operating profit all derive from continuing operations

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 As restated
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income		37	17,942	17,979	5,167
Donations and legacies					
Activities for generating funds					
Secretariat and consultancy services		235,400	-	235,400	205,148
Advertising exhibitions and sponsorship		4,079	-	4,079	20,424
Sale of publications		883	-	883	17,827
Investment income	3	20,572	1,380	21,952	17,321
Incoming resources from charitable activities					
Member subscriptions		124,003	-	124,003	149,010
Corporate subscriptions		17,400	-	17,400	19,483
Congress		295,364	-	295,364	300,041
Other scientific meetings		38,470	-	38,470	54,220
Journal royalties and editorial office contribution		719,982	-	719,982	748,615
Total incoming resources		<u>1,456,190</u>	<u>19,322</u>	<u>1,475,512</u>	<u>1,537,256</u>
Resources expended					
Charitable activities					
Membership administration and development		147,561	-	147,561	168,069
General travel awards		38,265	1,000	39,265	50,427
Congress		422,118	-	422,118	452,619
Other scientific meetings		288,466	30,337	318,803	294,443
Society journals and other publications		214,389	-	214,389	259,423
Publication orders		3,982	-	3,982	18,594
Affiliations		8,450	-	8,450	7,699
Education		34,553	-	34,553	32,136
Governance costs		98,263	-	98,263	94,153
Total resources expended	5	<u>1,256,047</u>	<u>31,337</u>	<u>1,287,384</u>	<u>1,377,563</u>
Net incoming/(outgoing) resources before transfers		200,143	(12,015)	188,128	159,693
Transfers between funds		(13,193)	13,193	-	-
Net incoming resources		186,950	1,178	188,128	159,693
Realised gains on assets		5,868	-	5,868	12,978
Unrealised gains on assets	9	22,215	-	22,215	7,469
Net movement in funds for the year		<u>215,033</u>	<u>1,178</u>	<u>216,211</u>	<u>180,140</u>
Reconciliation of funds					
Retained funds at 1 July 2005		835,736	39,075	874,811	694,671
Retained funds at 30 June 2006		<u>1,050,769</u>	<u>40,253</u>	<u>1,091,022</u>	<u>874,811</u>

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEETS**

AS AT 30 JUNE 2006

		Group		Society	
	Note	2006 £	2005 £	2006 £	2005 £
Fixed assets					
Tangible assets	8	375,637	395,288	375,637	395,288
Investments	9	327,973	244,454	327,980	244,460
		-----	-----	-----	-----
		703,610	639,742	703,617	639,748
Current assets					
Debtors	10	238,997	183,967	234,769	100,886
Investments	11	15,628	46,744	15,628	46,744
Cash at bank and in hand		360,295	204,113	272,115	197,179
		-----	-----	-----	-----
		614,920	434,824	522,512	344,809
Creditors amounts falling due within one year	12	(227,508)	(199,755)	(135,125)	(109,769)
		-----	-----	-----	-----
Net current assets		387,412	235,069	387,387	235,040
		-----	-----	-----	-----
Total assets less current liabilities		1,091,022	874,811	1,091,003	874,788
		-----	-----	-----	-----
Represented by					
Unrestricted funds		1,050,769	835,736	1,050,750	835,713
Restricted funds	13	40,253	39,075	40,253	39,075
		-----	-----	-----	-----
		1,091,022	874,811	1,091,003	874,788
		-----	-----	-----	-----

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board for issue on 12 January 2007 and signed on its behalf by



Professor A Hayday
Trustee

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed asset investments and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", issued in 2005 and applicable accounting standards. This represents a change in accounting policy. In the prior year the accounts were prepared in accordance with SORP 2000. The effect on the primary statements is that the resources expended on the Statement of Financial Activities have been reanalysed on a different basis into new categories.

1.2 Incoming resources

Subscriptions and orders are included in income on a receivable basis and full provision is made for subscriptions received in advance. Voluntary income is included upon receipt whilst all other income is recognised on an accruals basis.

1.3 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of irrecoverable VAT and are classified as follows:

- i) Charitable expenditure - This comprises all costs incurred by the Society in the delivery of its activities and services for its beneficiaries.
- ii) Support costs - These comprise central costs including salaries and other expenses necessary to support the activities. These costs have been allocated to activity costs on a basis consistent with the use of
- iii) Governance costs - These comprise all costs associated with meeting the constitutional and statutory requirements of the charity.

1.4 Tangible fixed assets

The Society records all tangible assets at their historic cost. The Society has introduced a capitalisation threshold of £500. Any individual items purchased costing less than £500 are treated as revenue expenditure. Assets are inspected annually to determine that they have not become damaged or obsolete to an extent that would adversely affect their estimated value, as represented by the net book value shown in the accounts. The Society does not own any historic or inalienable assets.

1.5 Depreciation of tangible assets

Depreciation of tangible assets, other than on freehold land, at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	- 2% per annum on cost
Computer hardware and software	- 20% per annum on cost
Office equipment	- 20% per annum on cost

1.6 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities as incurred.

1.7 Finance leases and hire purchase contracts

Assets under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Investment assets and income

Investment assets have been included in the Balance Sheet at their market value on 30 June 2006. Investment income, including the associated tax credits, is credited to the Statement of Financial Activities on a receivable basis.

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2006

1.9 Fund Accounting

The Society has certain restricted funds and these are increased by interest based on the average gross yield of the Society's investments during the year. Details of the funds are given in note 13 to the financial statements.

1.10 Basis of Consolidation

The consolidated financial statements have been prepared using the acquisition method of accounting and incorporate the financial statements of the Society and its trading subsidiary, Triangle 3 Limited, for the year ended 30 June 2006. The Society has taken advantage of the exemption from presenting its own income and expenditure account. The net addition of funds of the Society for the financial year amounted to £216,211 (2005 - £180,140).

1.11 Cash flow statement

The charitable company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

1.12 Pension contributions

The charitable company operates a defined contribution scheme on behalf of its employees. The scheme is held in a separately administered fund. The total contribution for the year ended 30 June 2006 amounted to £43,672 (2005 - £50,642).

2 Incoming resources

The income of the society includes subscriptions, royalties from sales of journals and publications, advertising, exhibiting and sponsorship income, as well as investment income, interest received and rent receivable. The income arises entirely in the United Kingdom.

3 Investment income and interest	2006	2005
	£	£
Investment income and interest arises from		
Listed investments	11,485	6,940
Bank deposit interest (gross)	10,272	10,204
Triangle 3 interest (gross)	195	177
	-----	-----
	21,952	17,321
	-----	-----

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

4 Trading subsidiary activities

The Society has a wholly owned trading subsidiary which is incorporated in England and Wales Triangle 3 Limited organises conferences and provides secretariat and consultancy services Its taxable profits are covenanted to the Society A summary of its trading results are shown below Audited financial statements will be filed with the Registrar of Companies

	2006 £	2005 £
Turnover	657,693	711,959
Direct costs	(422,293)	(366,811)
Gross profit	235,400	345,148
Administrative expenses	(235,334)	(340,324)
Investment income and interest receivable	195	177
Net profit before taxation	261	5,001
Taxation	-	-
Net profit after taxation	261	5,001
Deed of covenant to The British Society for Immunology	(261)	(5,001)
Retained in subsidiary	-	-

5 Total resources expended

Allocation of support costs to charitable activities

	Establishment expenses £	Staff costs £	Office expenses £	2006 Total £	2005 £
General travel awards	466	4,227	2,807	7,500	8,555
Membership admin and development	9,150	83,257	55,155	147,562	168,069
Congress	-	74,247	-	74,247	85,807
Other scientific meetings	-	260,379	-	260,379	235,324
Society journals and other publications	8,185	74,465	49,350	132,000	150,334
Publication orders	125	1,122	753	2,000	2,294
Affiliations	297	2,710	1,792	4,799	5,461
Education	1,598	14,546	9,631	25,775	29,342
	19,821	514,953	119,488	654,262	685,186

Governance costs include auditors remuneration of £7,500 (2005 £7,000)

6 Employee information

	2006 £	2005 £
Staff costs		
Salaries	468,757	475,255
Social security costs	51,847	50,276
Pension costs	43,672	50,642
	564,276	576,173

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

Employee information (continued)

	2006	2005
	No	No
The average monthly number of employees during the year was made up as follows		
Direct charitable activity	10	9
Administration of charity	6	6
	-----	-----
	16	15
	-----	-----
Number of employees whose emoluments fell within following ranges for the year	2006	2005
£60,001 - £70,000	-	1
£70,001 - £80,000	2	-
	-----	-----

The number of staff for whom retirement benefits are accruing under money purchase pension schemes amounted to 12 (2005 12)

7 Transactions with trustees

No trustee received any remuneration for his or her services during the year. During the year travelling expenses totalling £10,554 (2005 £11,827) were reimbursed to six trustees.

8 Tangible fixed assets

Group and society	Freehold land and buildings £	Computer hardware & software £	Office equipment £	Total £
Cost or valuation:				
At 1 July 2005	367,468	321,665	70,826	759,959
Additions	-	7,293	-	7,293
Disposals	-	-	-	-
At 30 June 2006	-----	-----	-----	-----
	367,468	328,958	70,826	767,252
	-----	-----	-----	-----
Depreciation:				
At 1 July 2005	22,256	273,199	69,216	364,671
Charge for the year	3,780	22,371	793	26,944
Eliminated on disposal	-	-	-	-
At 30 June 2006	-----	-----	-----	-----
	26,036	295,570	70,009	391,615
	-----	-----	-----	-----
Net book value at 30 June 2006	-----	-----	-----	-----
	341,432	33,388	817	375,637
	-----	-----	-----	-----
Net book value at 30 June 2005	-----	-----	-----	-----
	345,212	48,466	1,610	395,288
	-----	-----	-----	-----

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

9 Fixed asset investments
Group and charity

	Group		Society	
	UK Listed investments £	Investment in subsidiary £	UK Listed investments £	Total £
Cost or market value at 1 July				
2005	244,454	7	244,453	244,460
Additions	82,120	-	82,120	82,120
Disposals	(20,815)	-	(20,815)	(20,815)
Net gain on revaluation	22,215	-	22,215	22,215
	-----	-----	-----	-----
Market value				
30 June 2006	327,974	7	327,973	327,980
	-----	-----	-----	-----
30 June 2005	244,454	7	244,453	244,460
	-----	-----	-----	-----
Historical cost				
30 June 2006	285,132	7	285,132	285,139
	-----	-----	-----	-----
30 June 2005	223,827	7	223,827	223,834
	-----	-----	-----	-----

Investments representing more than 5% of the total market value of the portfolio are as follows

	Cost £	Market value £	Of portfolio
4 25% and 4 5% Euro Inv Bank	51,513	49,584	15 12%
Gerrard (Smaller Companies Fund)	3,659	18,168	5 54%
	-----	-----	

The breakdown of unquoted investments is as follows

Share capital in Triangle 3 Limited at cost (see note 4)	7	7
	-----	-----

None of the investments are subject to any restrictions on realisation

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

10 Debtors	Group		Society	
	2006 £	2005 £	2006 £	2005 £
Trade debtors	95,396	58,756	7,763	6,251
Amounts owed by subsidiary undertaking	-	-	173,124	71,079
Other debtors	80,207	75,280	2,936	2,551
Prepayments	63,394	49,931	50,946	21,005
	<u>238,997</u>	<u>183,967</u>	<u>234,769</u>	<u>100,886</u>
11 Current asset investments	Group		Society	
	2006 £	2005 £	2006 £	2005 £
Cash held with investment managers	15,628	46,744	15,628	46,744
12 Creditors: amounts falling due within one year	Group		Society	
	2006 £	2005 £	2006 £	2005 £
Trade creditors	23,624	24,017	21,965	8,390
Other taxes and social security costs	53,387	36,064	39,596	26,437
Net obligations under finance leases and hire purchase agreements	-	1,512	-	1,512
Other creditors	75,711	53,384	14,195	14,195
Accruals	74,786	84,778	59,369	59,235
	<u>227,508</u>	<u>199,755</u>	<u>135,125</u>	<u>109,769</u>

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

13 Restricted funds

	Brought Forward	Donations and income from activity	Income from investments	Expenditure	Transfers from general fund	Total
	£	£	£	£	£	£
Peter Gorer fund	11,327	-	383	(1,000)	-	10,710
Alan Williams fund	1,458	-	52	-	-	1,510
John Humphrey fund	18,413	7,781	666	(6,983)	-	19,877
Nalinaj Fernando fund	6,007	-	213	-	-	6,220
Eastern European fund	1,870	-	66	-	-	1,936
Regional and affinity groups	-	10,161	-	(23,354)	13,193	-
	39,075	17,942	1,380	(31,337)	13,193	40,253

The income from investments is represented by the average percentage yield on investments for the year of 3.54% (2005 - 3.61%)

Restricted funds have been established over many years from the receipt of donations, bequests and legacies. All expenditure is closely controlled and monitored to ensure that it complies with the restrictions that apply, and supports the overall purpose of the individual fund.

14 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fixed assets	703,610	-	703,610
Cash at bank and in hand	320,042	40,253	360,295
Other net assets	27,116	-	27,116
	1,050,768	40,253	1,091,021

15 Share capital

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

16 Reconciliation of movements in funds

	2006 £	2005 £
Net movement in funds for the year	216,211	180,140
Opening funds at 1 July 2005	874,811	694,671
Closing funds at 30 June 2006	1,091,022	874,811

**BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2006

17 Related party transactions

During the year, the charity paid a fee of £126,754 (2005 £206,770) to its subsidiary, Triangle 3 Limited, in respect of services provided and, in addition, recharged salaries of £234,036 (2005 £252,186) and rent of £25,000 (2005 £25,000) to that company. An office service charge of £35,000 in 2005 was reversed in 2006.

At the balance sheet date a trading balance of £173,124 (2005 £71,079) was due to the company from Triangle 3 Limited.

BRITISH SOCIETY FOR IMMUNOLOGY
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2006

	Included within charitable activities £	Governance costs £	Total 2006 £	Total 2005 £
Analysis of support and governance expenditure				
Establishment expenses (see note A)	19,821	3,498	23,319	28,245
Staff salaries, pensions and insurance	514,953	49,323	564,276	582,710
Office expenses (see note B)	119,488	30,174	149,663	136,513
Audit and accountancy	-	7,512	7,512	16,408
Legal and professional fees	-	7,857	7,857	7,532
Bank charges and interest	-	(102)	(102)	3,872
Bad debts	-	-	-	4,059
	654,262	98,262	752,525	779,339
A Establishment expenses				
Office expenses - rates and office service	2,599	459	3,058	2,867
Insurance	3,993	705	4,698	4,490
Light and heat	2,442	431	2,873	3,381
Repairs and maintenance to property	5,001	882	5,883	10,879
Cleaning	5,786	1,021	6,807	6,628
	19,821	3,498	23,319	28,245
B Office expenses				
Committees	9,276	5,187	14,463	18,553
Staff training and recruitment	9,853	-	9,853	16,776
Staff travelling	7,148	-	7,148	5,251
Printing, postage and stationery	24,454	-	24,454	16,733
Advertising	3,857	-	3,857	3,029
Computer costs	25,066	4,423	29,489	13,968
Equipment hire	5,544	977	6,522	6,351
Electronic communications	6,967	1,229	8,196	8,008
Equipment repairs and maintenance	493	87	580	1,389
Subscriptions	-	14,229	14,229	10,218
Special meetings	3,929	-	3,929	8,607
Miscellaneous expenses	-	-	-	121
Depreciation				
Freehold buildings	3,213	567	3,780	3,780
Computer equipment	19,015	3,356	22,371	21,785
Office equipment	673	119	792	1,261
Loss on disposal	-	-	-	683
	119,488	30,174	149,663	136,513