

**THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES AND FINANCIAL
STATEMENTS**

**FOR THE PERIOD 19TH JULY 2004
TO 31ST DECEMBER 2005**

DAVIES MAYERS BARNETT LLP
PILLAR HOUSE
113/115 BATH ROAD
CHELTENHAM
GLOUCESTERSHIRE
GL53 7LS

THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
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For the period 19th July 2004 to 31st December 2005

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THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)

CHARITY INFORMATION

Registered Company Number : 5183502

Charity Number : 1106172

Registered Office : EAUC National Office
Medway Building
University of Gloucestershire
The Park
Cheltenham
Gloucestershire
GL50 2RH

Banker : The Co-operative Bank
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

Solicitor : Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

Auditor : Davies Mayers Barnett LLP
Chartered Accountants & Registered Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

**THE ENVIRONMENTAL ASSOCIATION FOR
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TRUSTEES' REPORT

The trustees present their report and the audited financial statements for the period 19th July 2004 to 31st December 2005.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees who served during the period were as follows:-

	<u>Appointed</u>	<u>Resigned</u>
J Simpson, University of Bristol, Company Secretary (until 26th May 2005)	19th July 2004	27th May 2005
A Nolan, University of Sheffield, UK Convenor (until 5th April 2005)	19th July 2004	29th July 2005
J Fulton, Sheffield Hallam University	19th July 2004	5th April 2005
N Corrigan, University of Hertfordshire	19th July 2004	5th April 2005
J Woods, St Helens College	19th July 2004	17th December 2004
A Van Winsum, Queens University Belfast	19th July 2004	
S-L Miles, Bishop Burton College	19th July 2004	
M Wiles, University of Bristol, UK Convenor (as of 5th April 2005)	19th July 2004	
I Burton, University of St Andrews	19th July 2004	16th February 2005
J-A Hasbury, University of Derby	4th January 2005	
E May, Swansea Institute of Higher Education, Welsh Convenor	16th February 2005	
D Somervell, University of Edinburgh, Scottish Convenor	16th February 2005	30th November 2005
H Waters, Oxford Brookes University	5th April 2005	
K Pitcher, University of Leeds	5th April 2005	
J G Snook, Plymouth College of Further Education, Company Secretary (as of 26th May 2005)	5th April 2005	
A Moss, University of Westminster	26th May 2005	
D Dewar, University of East Anglia	26th May 2005	

Structure, Governance and Management

Governing Instrument

The Environmental Association for Universities and Colleges (EAUC) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 14th July 2004. The company was incorporated on 19th July 2004 and was registered as charity on 4th October 2004 with the Charity Commission. On 6th April 2005 all assets and charitable activities of the unincorporated EAUC Association were transferred to the charity.

The members of the company are those Universities and Colleges, referred to as Full Members, subscribing to the EAUC and totalled 175 at 31st December 2005. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per full member of the charity.

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TRUSTEES' REPORT
(continued)

Structure, Governance and Management (continued)

Appointment of Trustees

The full members will at each AGM appoint up to nine individuals to act as trustees providing that those persons work for a university or college. The Executive Committee must ensure that at all times at least two trustees are designated as representatives of higher education institutions and at least two trustees are designated as representatives of further education institutions. Each trustee can hold office until the expiry of the fifth AGM after the AGM at which they were appointed.

The Executive Committee has the power at any time to appoint any person to become a trustee to fill a casual vacancy. The number of persons so appointed must not exceed five and these trustees only hold office until the next AGM following appointment and then shall be considered for re-election.

Individuals are appointed as Branch Convenors, as required, with the consent of the Executive Committee and are branch trustees of the Company while he or she continues to hold office as Branch Convenor. Branch trustees are members of the Executive Committee.

Trustees Training and Induction

Trustees for this period have been informally inducted. For the next period a formal induction and training pack is being developed.

Organisation

The board of trustees, which can have up to nine members and such number of branch trustees as required, administers the charity. The board meets quarterly. The day to day organisation and running of the charity is undertaken by the Executive Director, Iain Patton, who was appointed by the trustees. Clear action planning, reporting and authorisation channels have been set.

Related Parties

From September 2005 a partnership with the University of Gloucestershire was formed. The partnership involves the University undertaking administration of payroll and providing office accommodation.

From November 2005 a partnership with the Higher Education Environmental Performance Improvement (HEEPI) Project was formed to fund 50% of the post, including costs of the Events and Communications Officer until the end of the HEEPI project at 31 March 2007. HEEPI is a project funded under the Leadership, Governance and Management initiative of the Higher Education Funding Council for England. The project is based at, and led by, the University of Bradford.

Risk Management

Further to the Business Plan Risk Assessment, the trustees are developing a risk management strategy which will comprise:-

- a review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to mitigate any potential impact on the charity should those risks materialise.

Regular trustees meetings consider the charity's activities and risks faced. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees which will take place in the next accounting period.

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TRUSTEES' REPORT
(continued)

Objectives and Activities

The objects of the charity are as follows:-

- to promote sustainable development for the benefit of the public by the preservation, conservation and protection of the environment and the prudent use of natural resources, particularly by and in relation to Universities and Colleges;
- to advance the education of the public and in particular those attending or working in Universities and Colleges, in all aspects of sustainable development, and the preservation, conservation and protection of the environment;
- to promote research into all aspects of sustainable development, and the preservation, conservation and protection of the environment particularly in relation to Universities and Colleges, provided that the useful results of such research are disseminated to the public.

The strategies employed to achieve the charity's objectives are to:-

- provide training events and conferences;
- provide advice and support in integrating environmental and sustainability good practice through discussion networks, monthly and termly newsletters and guidance materials;
- promote strategic partnerships within the sector;
- provide bursaries to full members;
- promote research and dissemination of good practice through projects.

Achievements and Performance

The last year has been both a challenging and successful year for the EAUC. The Association started the year as a newly constituted company with charitable status and an ambitious business plan. At the heart of these changes is the aim of improving member services, widening best practice and acting as a catalyst for improved sustainable development within the education sector.

Over the last year the following services/projects have been started or delivered:-

- A hugely successful 9th Annual Conference at the University of Hertfordshire, with keynote speakers including, Kim Howells MP and HEFCE CEO Sir Howard Newby.
- The Transport Database has gone live providing an invaluable bank of information on transport and transport planning within the sector.
- The Sustainable Procurement project has started with 20 member organisations being involved. The project aims to develop a range of tools and training to overcome the barriers members face in making their procurement more sustainable.
- The Business in the Environment Index project also started this year, championed by the EAUC. Leeds Metropolitan University project manages this programme, which aims to test out the appropriateness of the Business in the Community Environment and Corporate Responsibility indexes for the HE sector.
- With legislation moving rapidly, the updated web based Waste Guide will be released just at the right time. The guide offers a wealth of information on legislation and how this translates to the everyday management of waste. The Guide will be launched at the 10th Annual Conference.
- The Biodiversity Guide is also to be launched at the conference in 2006; this provides a comprehensive approach to developing and implementing biodiversity actions, offering a range of case studies as support.

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

- The first EAUC Insight Guides on pertinent sustainable development issues will be produced early in the next period to support members understanding and implementing the Hazardous Waste Directive. Further Insight Guides are planned.
- In conjunction with HEEPI, a number of seminars have been run across the UK, including ones on Sustainable Construction, Waste Management and Sustainable Buildings and Operations.
- A number of EAUC Regional groups have met, with the aim of more collaborative working.
- EAUC Scotland have been very active in this period. During the year funding was approved for the Campus Sustainability Programme (CaSpr), which involves development of toolkits, workshops and information provision. The Scottish branch also held a conference in November with the key note speaker Leith Sharp, director of Harvard University's Green Campus initiative.
- EAUC Wales continues to meet on a regular basis to discuss and share ideas on waste, energy and curriculum.
- Finally, after a number of years of development, project funding has been obtained to run a trial implementation project for a number of members to go through the EcoCampus process with Nottingham Trent University taking the project management role. EcoCampus is an environmental management system specifically developed for the sector.

The Association would like to thank the following for all their hard work in delivering new services for the EAUC; Peter Hayward (Transport Database), Jimmy Brannigan and Iain Patton (Sustainable Procurement project), Ann Galbraith, Mary Webb, Bob Gilmore and Helen Manns (Updated Waste Guide), Michelle Dixon, John Forster, Gillian Cook and Mary Webb (Biodiversity Guide), Peter James and Peter Hopkinson (HEEPI – for a number of seminars and ongoing support), Andy Nolan and Peter Redfern (EcoCampus), David Somervell, John Forster and Inga Burton (EAUC Scotland - CaSpr), Nicola Corrigan and Joanna Fulton (EAUC Annual Conference 2005) and particular thanks must go to former convenor Andy Nolan and Treasurer Joanna Simpson for their vision, commitment and hard work, and all our members who have taken part and contributed information, time and thoughts to these projects.

The aim of the business plan was to identify how the EAUC could provide its members with a range of new and improved services to face the growing challenges arising within the FHE sector relating to Sustainable Development. One of the key actions the plan identified was the need for full time professional staff to be able to improve services and exploit new opportunities. To do this it was agreed to increase membership charges, to introduce new rates for commercial members and to actively seek sponsorship.

The EAUC UK Office was set up in the autumn of 2005 at the University of Gloucestershire (based at Cheltenham). Three new posts were created and staff recruited; Iain Patton as the Executive Director, Fiona Goodwin as the Events and Communications Officer and Katy Richardson as the Administration Officer. The team has a number of functions including:-

- Set-up systems and procedures to improve the day to day operation and service provision for the association. This includes areas such as management of membership, financial procedures and statutory obligations.
- Increase membership (both full and associate).
- Identify and progress sponsorship opportunities.
- Identify and implement potential new services and projects, securing funding where necessary.
- Help develop seminars and conferences for members.
- Provide members with a point of contact for information about the association, as well as wider sustainable development issues.

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

- Develop and implement a marketing strategy that will strengthen the association both financially and in terms of reputation.

Already we have seen signs of success, which include:-

- Increased full members up from 163 to 175, 7% growth.
- 3 commercial members recruited, a new associate membership category, with a further 11 recruited early in the next period.
- Overall membership at the end of this period was at 205, 9% growth, including strategic and associate (individual and commercial) members.
- Sponsorship of £5,070 for the 2005 Conference, with a further £14,000 secured for the 2006 Annual Conference.
- The securing of a location for the UK office.
- Reviewed and improved marketing information, including the relaunch of EARTH, our termly newsletter, regular and improved monthly e newsletter and ever improving website.
- Represented the association at a range of important national events leading to the association having a much higher profile including the AOC Estates Conference, Global Citizenship Conference and the UK launch of the UN Decade for ESD.
- Written a provisional marketing plan.
- Developing potential funding bids for new projects, including Defra's climate change fund.

The University of Gloucestershire has given invaluable support to the EAUC over the year and the Executive Committee would like to thank them for this. The University of Gloucestershire is striving for high sustainable standards and has joined a small group of institutions with ISO14001 accreditation. EAUC's association with the University of Gloucestershire is something that the Executive is proud of.

HEEPI (Higher Education Environmental Performance Improvement) project has also given the EAUC invaluable support, assisting with the development and implementation of a range of events and seminars, as well as helping to part-fund the Events and Communications Officer post. Again the EAUC executive would like to thank HEEPI for this support and look forward to the next year of partnership work.

Other areas of activity include; the association agreeing a sustainability policy, increased partnership working with organisations such as HEEPI and the American based Campus Consortium for Environmental Excellence. Also the EAUC has had representation at a number of working groups and support organisations including the Learning and Skills Council Sustainable Development working groups, UUK/SCOP sustainability Group, purchasing consortia, HEFCE Sustainable Development Advisory Group, HE Estates Forum and the HE Carbon Management steering group.

Finally, the Executive Committee has a number of new faces following the departure of Joanna Fulton, Nicola Corrigan, Joanna Simpson, Joy Woods, Inga Burton, David Somervell and Andy Nolan. The EAUC welcomes Gilbert Snook, Harriet Waters, Jo Hasbury, Alison Moss, Elizabeth May, Keith Pitcher and Dawn Dewar. Gilbert has taken on the challenging role of treasurer and company secretary; Alison and Harriet have done an excellent job in organising the 10th Annual Conference. Martin Wiles (EAUC UK convenor) would like to thank all the Executive members for their hard work over this last year. The EAUC has a sound footing for the future.

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TRUSTEES' REPORT
(continued)

Financial Review

These are our first accounts as a company and charity and as such it has been a challenging period. In order to fulfil the business plan, Companies Act and the Charity Commission obligations we have implemented new financial and management procedures. We have fulltime staff and a permanent office, significant new commitments.

The major point to make is that the accounting basis has changed from a cash basis to an accruals basis accounting system in order to be compliant with Companies Act 1985. Therefore membership income is now apportioned by the period of membership across accounting years. This transition in accounting is the major fact behind the result shown in the accounts.

The outstanding funds from the old Association were transferred into the new company as a donation mainly of restricted funds. There was no deferred income from the previous accounting period, but there was deferred expenditure.

The trustees highlight the lack of reserves and over the next 3 years will have a key target for the reserves policy to be implemented.

The charity is benefiting greatly from the arrangement with the University of Gloucestershire and HEEPI, for which we thank them.

We are at the final stage of installing an advanced accounting software system and completing the necessary financial and auditing procedures. This is in response to Companies Act and the Charities Commission audit and reporting requirements and our own need to report on income and expenditure by project, budget heading, region etc.

Projects with restricted funds, Defra Environmental Action Fund and the Scottish Executive Sustainable Action Grant will continue into the next accounting period, being separately audited after their year end 31st March 2006.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Reserves Policy

The trustees have forecast the level of free reserves (that is those reserves not tied up in fixed assets, restricted or designated funds) the charity will require to sustain operations. The trustees consider that the most appropriate level of free reserves would be £20,000 - £24,000, to cover 2 months operational costs. The reserves are currently in deficit. However, the trustees anticipate the reserves will start to accumulate during the next period of account. The trustee's acknowledge that it is prudent to ensure there are sufficient free reserves in future periods to provide financial flexibility. The reserves requirements should have also been taken into account as part of the risk assessment referred to above. The trustees acknowledge that the present level of reserves will be insufficient to support the planned programme of development, and contingency plans have been established to ensure the reserves level is sufficient going forward.

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TRUSTEES' REPORT
(continued)

Financial Review (continued)

Plans for Future Periods

The EAUC Executive Committee will continue to implement the actions set out in the business plan (available at www.eauc.org.uk), especially with respect to service provision. Projects like the Sustainable Procurement project and CaSPr will continue to deliver resources to members over the next two years, but new projects will also be investigated. These will include, NetRegs for the FHE sector, developing the jiscmail, sustainable construction, making links between estates practice and staff and student learning and hazardous waste. More Insight Guides will be scheduled relating to specific key topical areas. Opportunities for funding from HEFCE, Defra and other national bodies will also be investigated.

It is important that members make their views known to the Executive Committee and to this end if you have any comments on what services could be improved and what new services could be provided please contact Martin Wiles, EAUC UK Convenor at m.r.wiles@bristol.ac.uk, or contact the EAUC office.

The financial viability of the association continues to be a main thrust of the work of the UK office and the Executive Committee. Work on recruiting more full and commercial members will continue, as will the work on sponsorship.

The last year has been a period of ambitious development for the new association. The coming year will see a consolidation of this, but also the seeds of new projects.

Trustees' Responsibilities in Relation to the Financial Statements

Company Law 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 its incoming resources and application of resources 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;
- state whether the policies adopted are in accordance with the Charities SORP and 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 which disclose with reasonable accuracy at any time, the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT
(continued)

Auditors

A resolution to reappoint Davies Mayers Barnett LLP as the charity's auditors will be put to the members at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2000) and in accordance with the Special Provisions of Part VII of the Companies Act 1985, relating to small entities.

By order of the Board on 11th April 2006



J G Snook
Secretary

**THE ENVIRONMENTAL ASSOCIATION FOR
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**Report of the Independent Auditors to the Members of
Environmental Association for Universities and Colleges**

We have audited the financial statements of The Environmental Association for Universities and Colleges for the period ended 31st December 2005 on pages 12 to 21. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the trustees, as a body. 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 auditors' 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 trustees 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 auditors

As described on page 8 the trustees are responsible for the preparation of the Trustees' Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if 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 Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

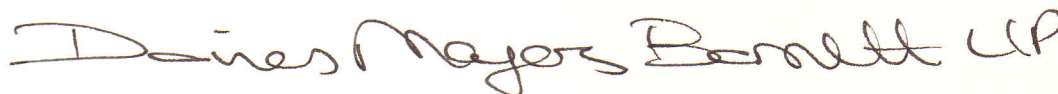
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

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**Report of the Independent Auditors to the Members of
Environmental Association for Universities and Colleges
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and charity as at 31st December 2005 and of its incoming resources and application of resources including the company's income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



DAVIES MAYERS BARNETT LLP

Chartered Accountants
Registered Auditors
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Dated: 20/4/06

THE ENVIRONMENTAL ASSOCIATION FOR
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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD 19TH JULY 2004 TO 31ST DECEMBER 2005

	<u>Note</u>	<u>Unrestricted Funds</u> <u>£</u>	<u>Restricted Funds</u> <u>£</u>	<u>2005 Total</u> <u>£</u>
Incoming resources: -				
- Donations	3	4,350	10,173	14,523
Activities in furtherance of the charity's objects:				
- Conference and training workshop income		32,336	-	32,336
- Grants for projects	4	-	33,519	33,519
- Membership income		19,288	-	19,288
Activities for generating funds: -				
- Bank interest receivable		138	-	138
Total incoming resources		<u>56,112</u>	<u>43,692</u>	<u>99,804</u>
Resources expended				
Activities in furtherance of the charity's objects:				
- Conference and training workshop costs		23,011	-	23,011
- Project costs		-	40,937	40,937
Management and administration	5	40,320	-	40,320
Total resources expended	6	<u>63,331</u>	<u>40,937</u>	<u>104,268</u>
Net resources expended/(incoming resources)	7	<u>(7,219)</u>	<u>2,755</u>	<u>(4,464)</u>
Transfers between funds		-	-	-
Net movement in funds		<u>(7,219)</u>	<u>2,755</u>	<u>(4,464)</u>
Income fund balances carried forward at 31st December 2005	15	<u>(7,219)</u>	<u>2,755</u>	<u>(4,464)</u>



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BALANCE SHEET

AT 31ST DECEMBER 2005

	<u>Note</u>	<u>2005</u>	
		<u>£</u>	<u>£</u>
Fixed assets			
Tangible assets	10		5,273
Current assets			
Debtors	11	57,529	
Cash at bank and in hand		39,635	
		<u>97,164</u>	
Creditors : amounts falling due within one year	12	(106,901)	
Net current liabilities			<u>(9,737)</u>
Total assets less current liabilities			<u>(4,464)</u>
Creditors : amounts falling due after more than one year			-
Net liabilities			<u>(4,464)</u>
Funds			
Income funds	15		<u>(4,464)</u>

These accounts were prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies, and were approved by the board of trustees on 11th April 2006 and signed on its behalf by: -

		M Wiles	}	
		J G Snook	}	
			}	<u>TRUSTEES</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 19TH JULY 2004 TO 31ST DECEMBER 2005

1. Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985, and follow the recommendations in Accounting and Reporting by Charities : Statement of Recommended Practice, issued in October 2000.

2. Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's accounts.

a) Company status

The charity is a company limited by guarantee. The members of the company are those Universities and Colleges subscribing to the EAUC and totalled 175 at 31st December 2005. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

b) Fund Accounting

Funds held by the charity are either:-

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

c) Allocation of Costs

Costs are allocated between direct charitable and other expenditure according to the nature of the cost. Where items involve more than one category they are apportioned between the categories according to the nature of the cost.

All costs are deemed directly attributable to charities activities, apart from those arising from the management and administration of the group. In the opinion of the trustees, the calculation of absorption rates for such costs into direct charitable and other expenditure would be costly and the costs would outweigh the benefits.

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FOR THE PERIOD 19TH JULY 2004 TO 31ST DECEMBER 2005

(continued)

d) Fixed Assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation. Cost is defined as purchase cost less any residual value.

Net book values are regularly reviewed by the trustees and any appropriate adjustments are made to carrying values.

e) Amortisation and Depreciation

Depreciation will be provided on fixtures, fittings and computer equipment to write off the cost of each asset over its expected useful life on the straight line method at the rates of 20% and 50% respectively per annum.

f) Membership Income

Membership income is accounted for on an accruals basis, therefore membership income is apportioned by the period of membership across accounting periods.

g) Profit and Loss Account

In accordance with the regulations of the Charities SORP (Paragraph 304), the statutory format for the profit and loss account has been replaced by the Statement of Financial Activities as a primary statement. The trustees consider that this accounting policy, which represents a departure from the Companies Act 1985, is necessary to provide a true and fair view.

h) Treatment of Grants

Revenue grants are credited to the profit and loss account in the same period as the revenue expenditure to which they relate is charged. Where the receipt is designated or restricted for a special project, the income is deferred until the project expenditure is incurred.

i) Legacies, Bequests and Donations

Legacies, bequests and donations are recognised in the accounts on receipt. Where the receipt is designated or restricted for a special project, the income is deferred until the project expenditure is incurred.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 19TH JULY 2004 TO 31ST DECEMBER 2005
(continued)

3. Donations

	Unrestricted	Restricted	2005
	<u>Funds</u>	<u>Funds</u>	<u>£</u>
	<u>£</u>	<u>£</u>	<u>£</u>
- Unincorporated EAUC Association	869	10,173	11,042
- HEEPI – contribution to EAUC costs	3,481	-	3,481
	4,350	10,173	14,523
	4,350	10,173	14,523

Included in donations is £11,042 relating to the transfer of assets from the unincorporated EAUC Association on 6th April 2005. The analysis between restricted and unrestricted funds has been obtained from the members of the old EAUC Association. The other unrestricted donation relates to contributions from HEEPI which were received to reimburse costs incurred by EAUC.

4. Revenue Grants

Revenue grants can be analysed as follows:-

	<u>2005</u>
	<u>£</u>
<u>Grants received:-</u>	
<u>Restricted funds</u>	
- Environmental Action Fund Grants	12,615
- Sustainable Action Grant	15,391
	28,006
	28,006

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(continued)

5. Management and Administration of the Charity

	<u>2005 Total £</u>
<u>Unrestricted General Funds</u>	
Bank charges	447
Bursaries	250
Legal and professional fees	817
Sundry expenses	1,091
Printing, stationery and postage	3,236
Travel, subsistence and training	2,756
Advertising and marketing	2,451
Audit and accountancy	2,765
Administrative wages	10,094
Website costs	234
Consultancy	16,179
	<u>40,320</u>

6. Total Resources Expended

	<u>Staff costs £</u>	<u>Other direct costs £</u>	<u>Other allocated costs £</u>	<u>2005 Total £</u>
Conference and training workshop costs	-	23,011	-	23,011
Project costs	5,513	35,424	-	40,937
Management and administration	10,094	16,179	14,047	40,320
Total resources expended	<u>15,607</u>	<u>74,614</u>	<u>14,047</u>	<u>104,268</u>

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(continued)

7. Net Resources Expended/(Incoming Resources)

Net resources expended/(incoming resources) re stated
after charging/(crediting):-

	<u>2005</u>
	£
Auditors' remuneration	2,500
Depreciation of tangible owned fixed assets	-
	-

8. Staff Costs

The aggregate employment costs amounted to:-

	<u>2005</u>
	£
Wages and salaries	12,852
Social Security costs	917
Pension costs	1,838
	15,607

The charity has no employees. The above relates to recharges of staff costs from the University of Gloucestershire (a member of the charity) for 3 seconded employees.

The trustees received no remuneration during the period. A total of £1,355 was reimbursed for directly incurred travel expenses to 10 trustees.

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(continued)

9. Taxation

The charity's activities are exempt from Corporation Tax.

10. Tangible Fixed Assets

	<u>Fixtures & Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
Additions	3,957	1,316	5,273
Disposals	-	-	-
At 31st December 2005	<u>3,957</u>	<u>1,316</u>	<u>5,273</u>
Depreciation			
Charge for the year	-	-	-
Disposals	-	-	-
At 31st December 2005	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31st December 2005	<u>3,957</u>	<u>1,316</u>	<u>5,273</u>

All assets are used in direct furtherance of the charity's objects.

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(continued)

11. Debtors

	2005
	£
Trade debtors	38,300
Prepayments and accrued income	19,229
	57,529

12. Creditors

	2005
	£
Amounts falling due within one year: -	
Accruals	24,904
Deferred income	81,997
	106,901

Deferred income is comprised of the following items:

	2005
	£
<u>Unrestricted funds: -</u>	
- Membership received in advance	34,369
- Conference sponsorship received in advance	3,000
	37,369

Restricted funds:-

- Grant income for projects	44,628
	81,997

The restricted funds represent grant monies received in advance of specific projects in furtherance of the charity's objectives, and have been deferred in order to properly coincide with planned expenditure.

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13. Capital Commitments

There were no capital commitments at the balance sheet date.

14. Contingent liabilities

There were no contingent liabilities at the balance sheet date.

15. Analysis of Funds

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Creditors Due Within One Year</u> £	<u>Creditors Due After One Year</u> £	<u>Funds</u> £
Restricted Funds	-	47,936	(45,181)	-	2,755
Unrestricted Funds:					
- General	5,273	49,228	(61,720)	-	(7,219)
	<u>5,273</u>	<u>97,164</u>	<u>(106,901)</u>	<u>-</u>	<u>(4,464)</u>