

**NATIONAL ASSOCIATION FOR
COLITIS AND CROHN'S DISEASE**

Registered Charity No. 282732

ACCOUNTS

FOR THE YEAR ENDED

31st DECEMBER 2003

National Association for Colitis and Crohn's Disease Trustees' Responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with the applicable law. 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.

Independent Auditors' Report to the Trustees of the National Association for Colitis and Crohn's Disease

We have audited the financial statements of the National Association for Colitis and Crohn's Disease for the year ended 31st December 2003 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under Section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees 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 charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

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

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

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

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

Basis of Audit Opinion

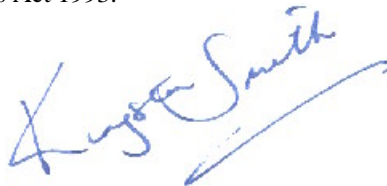
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's and its subsidiary's affairs as at 31st December 2003 and of their incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

Devonshire House
60 Goswell Road
London EC1M 7AD



Kingston Smith
Chartered Accountants
and Registered Auditors

14th April 2004

National Association for Colitis and Crohn's Disease
Consolidated Statement of Financial Activities
For the year ended 31st December 2003

| | Note | Unrestricted funds (inc. designated funds note 22) £ | Restricted funds £ | Total funds 2003 £ | Total funds 2002 £ |
|---|------|--|--------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Donations, legacies and similar incoming resources | 2 | 471,508 | 298,653 | 770,161 | 651,668 |
| Income from activities in furtherance of the objects | 3 | 281,276 | 49,125 | 330,401 | 409,837 |
| Income from activities for generating funds | 4 | 192,888 | 69,041 | 261,929 | 250,296 |
| Investment income and interest | 5 | 23,458 | 52,230 | 75,688 | 70,574 |
| Total incoming resources | | 969,130 | 469,049 | 1,438,179 | 1,382,375 |
| less: Cost of generating funds | 6 | 168,950 | 7,219 | 176,169 | 134,386 |
| Net income available for charitable application | | 800,180 | 461,830 | 1,262,010 | 1,247,989 |
| Charitable expenditure | | | | | |
| Cost of activities in furtherance of the objects of the charity | | | | | |
| Grants paid | 8 | 5,979 | 297,540 | 303,519 | 496,948 |
| Grant support costs | 9 | - | 19,631 | 19,631 | 31,394 |
| Information line, booklets and newsletters | | 177,348 | 38,441 | 215,789 | 217,303 |
| Counselling Project | | 27,530 | - | 27,530 | 3,232 |
| Raising awareness | | 86,800 | 2,000 | 88,800 | 39,742 |
| NACC Groups | | 102,377 | 3,010 | 105,387 | 95,220 |
| NACC in Contact | | 42,976 | 3,000 | 45,976 | 37,034 |
| Membership costs | | 105,333 | | 105,333 | 93,602 |
| Family and young people support | | 6,399 | 1,725 | 8,124 | 6,768 |
| Disability Benefits Project | | 31,233 | 3,000 | 34,233 | 49,926 |
| Managing and administering the charity | 10 | 87,337 | 100 | 87,437 | 95,148 |
| Total charitable expenditure | 11 | 673,312 | 368,447 | 1,041,759 | 1,166,317 |
| Net incoming resources before transfers | | 126,868 | 93,383 | 220,251 | 81,672 |
| Transfers between funds | 15 | (71,129) | 71,129 | - | - |
| Net incoming resources before revaluations | | 55,739 | 164,512 | 220,251 | 81,672 |
| Unrealised gain/(loss) on investment assets | | 12,777 | 18,716 | 31,493 | (97,339) |
| Net movement in funds for the year | | 68,516 | 183,228 | 251,744 | (15,667) |
| Fund balances brought forward at 1st January 2003 | | 708,734 | 845,295 | 1,554,029 | 1,569,696 |
| Fund balances carried forward at 31st December 2003 (page 4) | | 777,250 | 1,028,523 | 1,805,773 | 1,554,029 |
| | | Note 22 | Note 23 | | |

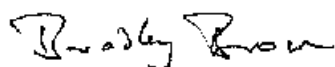
All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing operations.

National Association for Colitis and Crohn's Disease

Balance Sheets at 31st December 2003

| | Note | Group* | | Charity | |
|---|------|------------------|------------------|------------------|------------------|
| | | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| Fixed assets | | | | | |
| Tangible assets | 16 | 89,747 | 98,125 | 89,201 | 97,960 |
| Investment | 17 | 943,559 | 912,066 | 943,560 | 912,067 |
| | | <u>1,033,306</u> | <u>1,010,191</u> | <u>1,032,761</u> | <u>1,010,027</u> |
| Current assets | | | | | |
| Stock of goods for resale | | 5,998 | 4,325 | - | - |
| Debtors | 18 | 110,613 | 17,089 | 114,823 | 25,788 |
| Cash at bank and in hand | 19 | 1,299,612 | 1,131,423 | 1,287,553 | 1,112,608 |
| | | <u>1,416,223</u> | <u>1,152,837</u> | <u>1,402,376</u> | <u>1,138,396</u> |
| Creditors: amounts falling due within one year | 20 | <u>(643,756)</u> | <u>(608,999)</u> | <u>(630,649)</u> | <u>(593,393)</u> |
| Net current assets | | <u>772,467</u> | <u>543,838</u> | <u>771,727</u> | <u>545,003</u> |
| Total net assets | | <u>1,805,773</u> | <u>1,554,029</u> | <u>1,804,488</u> | <u>1,555,030</u> |
| Funds | | | | | |
| Unrestricted funds | | | | | |
| Designated funds held nationally | 22 | 376,548 | 352,112 | 376,548 | 352,112 |
| General Reserve Fund held nationally | | 200,000 | 147,810 | 200,000 | 147,810 |
| Unrestricted funds held by NACC Groups | | 199,417 | 209,813 | 199,417 | 209,813 |
| Non charitable trading funds | | 1,285 | (1,001) | - | - |
| Total unrestricted funds | | <u>777,250</u> | <u>708,734</u> | <u>775,965</u> | <u>709,735</u> |
| Restricted funds | | | | | |
| Held nationally | 23 | 901,940 | 728,315 | 901,940 | 728,315 |
| Held by NACC Groups | | 126,583 | 116,980 | 126,583 | 116,980 |
| Total restricted funds | | <u>1,028,523</u> | <u>845,295</u> | <u>1,028,523</u> | <u>845,295</u> |
| Total funds | | <u>1,805,773</u> | <u>1,554,029</u> | <u>1,804,488</u> | <u>1,555,030</u> |

The accounts, which comprise the consolidated statement of financial activities, the balance sheets and the related notes, were approved by the Council of Trustees on 1st April 2004 and signed on its behalf on 1st April 2004 by:



Chairman



Treasurer

*Group represents the consolidation of the charity with its trading company.

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2003

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Charities "Accounting and Reporting by Charities" (2000), the Charities Act 1993 and applicable accounting standards.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned trading subsidiary NACC Merchandise Limited, on a line by line basis. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of the provisions of paragraph 304 of the SORP.

NACC Groups

The charity had more than 70 local groups that were active to some degree during the year. All active groups are required to make returns of income and expenditure for the year which are consolidated in the financial statements. By the nature of the charity, however, the deadline for returns to be received cannot always be met which means that some results are omitted, and some groups are inactive. Returns had not been received from 2 groups at the time of the audit.

Income

- i) All income is included in the accounts without netting off expenditure
- ii) Members' subscriptions are taken to income in full in the year of receipt.
- iii) Investment income is taken to income when received and then allocated annually to the various funds in proportion to their average balance throughout the year.
- iv) Donations received are treated as unrestricted funds unless they are specifically designated by the donor for either research or the welfare of sufferers, in which cases they are kept in the separate funds. All donations received "in memory" are treated as research unless the donor specifies otherwise.
- v) Legacies are included in the financial statements as soon as their receipt can be anticipated with a high degree of certainty. This frequently coincides with the funds being received.

Expenditure

- i) Expenditure is charged on an accruals basis.
- ii) The full cost of booklets, leaflets etc. is charged in the year the expenditure is incurred.
- iii) Research grants are charged to expenditure at the time they are allocated.

Grants are allocated to cover the cost of equipment and/or the salaries of research staff.

The majority of grants, which can be for more than one year, are paid quarterly in arrears. For administrative reasons it can take some time for the grantee to appoint suitable staff and consequently some grants may remain partly unpaid at the year end.

Full provision is made for amounts allocated but not yet paid and this provision is shown as a creditor falling due within one year.

- iv) The majority of costs are directly attributable to specific activities. Costs incurred in the furtherance of the charitable activities include elements of staff costs and attributable overhead that have been allocated on the basis of time spent on the individual activity.
- v) Support costs for grants represent those costs incurred in administering the award and payment of grants by the charity. Support costs were not previously allocated to grants and it would not be practicable to restate comparatives in respect of this change in policy.
- vi) Costs of managing and administering the charity include both the direct costs of the charity meeting its statutory obligations and a portion of officer and overhead time spent on the management of assets, organisational administration and compliance with constitutional and statutory requirements.

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2003 (continued)

1 Accounting policies (continued)

Stocks

Stocks of goods for resale are valued at the lower of cost and net realisable value.

Capitalisation and depreciation of tangible fixed assets

All assets costing more than £500 are capitalised at the cost to the charity.

With the exception of leasehold improvements, depreciation is provided in respect of fixed assets at a rate of 25% per year which rate it is believed fairly reflects the average estimated life of the charity's assets. Leasehold improvements are depreciated over the life of the lease.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA.

Pension Contributions

The charity makes contributions for employees to a group personal pension scheme. This is a defined contribution scheme to which the Association makes employer's contributions of 8% of gross pay. Where employees prefer to maintain their personal pension schemes similar employer contributions are made. Outstanding contributions to the scheme at 31st December 2003 amounted to £603, these are included in creditors.

Funds Accounting

Funds held by the charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes in accordance with the development plans of the organisation and to enable the completion of existing projects.

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 purposes.

These funds are further divided between those held Nationally and those held by NACC Groups. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA as they arise.

2 Donations, legacies and similar incoming resources

| | 2003 | 2002 |
|--------------------------|---------|---------|
| | £ | £ |
| Donations from members | 319,430 | 279,491 |
| Donations to NACC Groups | 101,910 | 128,998 |
| Other donations | 213,502 | 169,887 |
| Legacies - National | 135,319 | 66,090 |
| - NACC Groups | - | 7,202 |
| | 770,161 | 651,668 |
| | 770,161 | 651,668 |

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2003 (continued)

| | | | |
|----------|--|----------------|----------------|
| 3 | Income from activities in furtherance of the objects | 2003 | 2002 |
| | | £ | £ |
| | Subscriptions | 270,234 | 284,746 |
| | Grants from Government and Public Authorities (see below) | 21,252 | 30,155 |
| | Other Grants | 38,915 | 94,936 |
| | | <u>330,401</u> | <u>409,837</u> |
| | <i>Grants from Government and Public Authorities</i> | | |
| | Community Fund (formerly National Lottery Charities Board) | | |
| | - Research Project on Self-Management by Patients | <u>21,252</u> | <u>30,155</u> |
| | This grant has been expended only on those matters for which it was received. The portion of grant unspent at the year end is carried forward as restricted funds. | | |
| 4 | Income from activities for generating funds | 2003 | 2002 |
| | | £ | £ |
| | National fundraising appeals | 78,395 | 56,111 |
| | NACC Groups' fundraising | 117,340 | 125,630 |
| | Turnover of Trading Subsidiary (note 7) | 58,101 | 56,851 |
| | Other income | 8,093 | 11,704 |
| | | <u>261,929</u> | <u>250,296</u> |
| 5 | Investment income and interest | 2003 | 2002 |
| | | £ | £ |
| | Income from quoted investments | 46,571 | 48,942 |
| | Other Interest - Charity | 29,025 | 21,541 |
| | - Trading Subsidiary | 92 | 91 |
| | | <u>75,688</u> | <u>70,574</u> |
| 6 | Cost of generating funds | 2003 | 2002 |
| | | £ | £ |
| | Costs of Trading Subsidiary (note 7) | 55,330 | 53,004 |
| | National fundraising support costs | 113,620 | 61,401 |
| | NACC Groups' fundraising | 7,219 | 19,981 |
| | | <u>176,169</u> | <u>134,386</u> |

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2003 (continued)

7 Trading Subsidiary

The charity has a wholly owned trading subsidiary NACC Merchandise Limited, a company incorporated in the UK. The company sells Christmas cards and other products. The company pays interest on a loan for working capital to the charity and covenants its taxable profits to NACC. A summary of the trading results of the company is shown below. Audited accounts have been filed with the Registrar of Companies.

| | 2003 | 2002 |
|--|---------------------|-----------------------|
| | £ | £ |
| Profit and loss account | | |
| Turnover | 58,101 | 56,851 |
| Cost of sales | <u>(38,198)</u> | <u>(34,530)</u> |
| Gross profit | 19,903 | 22,321 |
| Distribution costs | (12,356) | (14,926) |
| Administration expenses | (4,776) | (3,548) |
| Interest payable | (577) | (600) |
| Interest receivable | <u>92</u> | <u>91</u> |
| Net profit | 2,286 | 3,338 |
| Amount covenanted to NACC | <u>-</u> | <u>-</u> |
| Profit on ordinary activities | 2,286 | 3,338 |
| Retained loss brought forward | <u>(1,001)</u> | <u>(4,339)</u> |
| Retained profit/(loss) carried forward | <u><u>1,285</u></u> | <u><u>(1,001)</u></u> |

8 Grants paid

Welfare grants

Grants are made by NACC's Welfare Fund Committee to individual people who have a particular need arising as a result of their inflammatory bowel disease. The maximum level of grant in 2003 was £300 (2002 - £300). 145 grants were made in the year totalling £36,550

Research grants

Grants are made by NACC's Research Committees to fund research projects that have been approved by peer review. Grants may be for equipment, consumables or salaries, the institutions to which grants were paid in 2003 are listed below. NACC does not contribute to the overhead costs of such institutions.

| | 2003 |
|--|-----------------------|
| | £ |
| Medical research | |
| University of East Anglia | 5,995 |
| Liverpool University (Gastroenterology Research Group) | 76,790 |
| Royal Free and University College | 74,724 |
| Liverpool University (Department of Medicine) | 29,887 |
| St Thomas's Hospital | 36,812 |
| University of Manchester | <u>5,920</u> |
| | <u>230,128</u> |
| Research project on self-management by patients | |
| Newcastle University | <u>13,763</u> |
| | <u><u>243,891</u></u> |

(note continued overleaf)

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2003 (continued)

8 Grants paid (continued)

Other grants

In addition NACC Groups raised funds for local projects to which grants were made totalling £23,078.

| Summary | Unrestricted | Restricted | Total |
|---------------------|---------------------|-------------------|----------------|
| | £ | £ | £ |
| Welfare | - | 36,550 | 36,550 |
| Research | - | 243,891 | 243,891 |
| Other - NACC Groups | 5,979 | 17,099 | 23,078 |
| | <u>5,979</u> | <u>297,540</u> | <u>303,519</u> |

9 Grant support costs

| | 2003 | 2002 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Direct costs | 3,405 | 13,625 |
| Attributable staff costs | 9,823 | 11,023 |
| Attributable overheads | 6,403 | 6,746 |
| | <u>19,631</u> | <u>31,394</u> |

10 Costs of managing and administering the charity

| | 2003 | 2002 |
|---------------------------|---------------|---------------|
| | £ | £ |
| NACC Groups - local costs | 4,517 | 2,801 |
| Direct costs | 47,772 | 32,845 |
| Staff costs | 18,072 | 29,062 |
| Overheads | 17,076 | 30,440 |
| | <u>87,437</u> | <u>95,148</u> |

11 Total charitable expenditure

| | 2003 | 2002 |
|---------------------------------|---------------|---------------|
| | £ | £ |
| This includes: | | |
| Auditors' remuneration | 9,702 | 9,100 |
| Other fees paid to auditors | 1,672 | 1,395 |
| Legal and professional expenses | 4,318 | 1,669 |
| Depreciation | 23,486 | 26,884 |
| Property rental | 34,310 | 34,310 |
| | <u>73,888</u> | <u>73,858</u> |

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2003 (continued)

| | | | |
|-----------------------|--|----------------|----------------|
| 12 Staff costs | | 2003 | 2002 |
| | | £ | £ |
| Wages and salaries | | 232,400 | 215,699 |
| Social security costs | | 23,160 | 18,275 |
| Pension costs | | 12,840 | 14,527 |
| | | <u>268,400</u> | <u>248,501</u> |

The average number of staff in terms of full time equivalents and the allocation of their time was:

| | | | |
|--|--|--------------|--------------|
| Activities in furtherance of the objects | | | |
| Grant support costs | | 0.30 | 0.41 |
| Other activities | | 10.72 | 7.89 |
| Managing and administering the charity | | 1.20 | 1.19 |
| Cost of generating funds | | <u>1.96</u> | <u>1.22</u> |
| | | <u>14.18</u> | <u>10.70</u> |

No staff were paid more than £50,000 in the year.

13 Transactions with trustees

No trustee received any remuneration for their services.

A total of £7,313 (2002 - £8,420) was reimbursed to 11 (2002 - 11) trustees in respect of travelling expenses and other costs incurred in carrying out their responsibilities as trustees.

During the year the charity purchased trustees indemnity insurance costing £585 (2002: £588)

14 Lease rentals

The charity is committed to making payments of £34,310 per annum in respect of rent in the next year. The lease expires after more than five years (2002: £34,310)

15 Transfers

Transfers are made for a variety of reasons, between types of funds and between national and NACC Groups, the note below illustrates these:

| | Unrestricted Funds | Designated Funds | Restricted Funds | Total |
|--------------------------------------|-------------------------------|-----------------------------|-----------------------------|------------------|
| | £ | £ | £ | £ |
| National | | | | |
| Transfers from NACC Groups' funds | 29,619 | - | 116,982 | 146,601 |
| Release of funds with donor approval | 9,989 | | (9,989) | - |
| Transfers (from)/to designated funds | <u>(54,050)</u> | 54,050 | | - |
| Total national funds | <u>(14,442)</u> | <u>54,050</u> | <u>106,993</u> | <u>146,601</u> |
| NACC Groups | | | | |
| Transfers between NACC Groups' funds | (81,118) | - | 81,118 | - |
| Transfers to national funds | <u>(29,619)</u> | | <u>(116,982)</u> | <u>(146,601)</u> |
| Total NACC Groups | <u>(110,737)</u> | <u>-</u> | <u>(35,864)</u> | <u>(146,601)</u> |
| Total funds | <u>(125,179)</u> | <u>54,050</u> | <u>71,129</u> | <u>-</u> |
| | (note 22) | (note 22) | (note 23) | |

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2003 (continued)

16 Fixed assets

All assets held for use by the charity.

| Charity | Leasehold premises | Equipment and furniture | NACC Groups | Total |
|--|-------------------------------|------------------------------------|------------------------|----------------|
| Cost | £ | £ | £ | £ |
| Brought forward 1st January 2003 | 124,743 | 77,439 | 9,598 | 211,780 |
| Additions | - | 13,313 | 1,067 | 14,380 |
| Disposals & fully depreciated assets written off | - | (23,688) | - | (23,688) |
| | <u>124,743</u> | <u>67,064</u> | <u>10,665</u> | <u>202,472</u> |
| Carried forward at 31st December 2003 | <u>124,743</u> | <u>67,064</u> | <u>10,665</u> | <u>202,472</u> |
| Depreciation | | | | |
| Brought forward 1st January 2003 | 52,775 | 53,676 | 7,369 | 113,820 |
| Charge for the year | 5,164 | 16,756 | 1,219 | 23,139 |
| Fully depreciated assets written off | - | (23,688) | - | (23,688) |
| | <u>57,939</u> | <u>46,744</u> | <u>8,588</u> | <u>113,271</u> |
| Carried forward 31st December 2003 | <u>57,939</u> | <u>46,744</u> | <u>8,588</u> | <u>113,271</u> |
| Net book value | | | | |
| At 31st December 2003 | <u>66,804</u> | <u>20,320</u> | <u>2,077</u> | <u>89,201</u> |
| At 31st December 2002 | <u>71,968</u> | <u>23,763</u> | <u>2,229</u> | <u>97,960</u> |
| Group* | | | | |
| Cost | Leasehold premises | Equipment and furniture | NACC Groups | Total |
| Cost | £ | £ | £ | £ |
| Brought forward 1st January 2003 | 124,743 | 78,102 | 9,598 | 212,443 |
| Additions | - | 14,041 | 1,067 | 15,108 |
| Disposals & fully depreciated assets written off | - | (23,688) | - | (23,688) |
| | <u>124,743</u> | <u>68,455</u> | <u>10,665</u> | <u>203,863</u> |
| Carried forward at 31st December 2003 | <u>124,743</u> | <u>68,455</u> | <u>10,665</u> | <u>203,863</u> |
| Depreciation | | | | |
| Brought forward 1st January 2003 | 52,775 | 54,174 | 7,369 | 114,318 |
| Charge for the year | 5,164 | 17,103 | 1,219 | 23,486 |
| Fully depreciated assets written off | - | (23,688) | - | (23,688) |
| | <u>57,939</u> | <u>47,589</u> | <u>8,588</u> | <u>114,116</u> |
| Carried forward 31st December 2003 | <u>57,939</u> | <u>47,589</u> | <u>8,588</u> | <u>114,116</u> |
| Net book value | | | | |
| At 31st December 2003 | <u>66,804</u> | <u>20,866</u> | <u>2,077</u> | <u>89,747</u> |
| At 31st December 2002 | <u>71,968</u> | <u>23,928</u> | <u>2,229</u> | <u>98,125</u> |

*Group represents the consolidation of the charity with its trading company.

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2003 (continued)

| 17 Investments | Group | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| <i>Charities Aid Foundation investment funds</i> | | | | |
| Market value at 1st January 2003 | 912,066 | 1,009,405 | 912,066 | 1,009,405 |
| Acquired in the year | - | - | - | - |
| Net unrealised gains/(losses) at 31st December 2003 | 31,493 | (97,339) | 31,493 | (97,339) |
| Market value at 31st December 2003 | 943,559 | 912,066 | 943,559 | 912,066 |
| Investment in subsidiary | - | - | 1 | 1 |
| | <u>943,559</u> | <u>912,066</u> | <u>943,560</u> | <u>912,067</u> |
| Cost at 31st December 2003 | <u>1,100,000</u> | <u>1,100,000</u> | <u>1,100,000</u> | <u>1,100,001</u> |

| 18 Debtors | Group | | Charity | |
|---|----------------|---------------|----------------|---------------|
| | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| All amounts fall due within one year | | | | |
| Balance with trading subsidiary | - | - | 5,000 | 7,500 |
| Prepayments | 23,572 | 16,438 | 23,572 | 16,438 |
| Tax recoverable | 84,701 | - | 84,701 | - |
| Other debtors | 790 | 651 | - | 450 |
| Accrued income | 1,550 | - | 1,550 | 1,400 |
| | <u>110,613</u> | <u>17,089</u> | <u>114,823</u> | <u>25,788</u> |

The balance due from the trading subsidiary includes a £10,000 secured loan on which interest is payable at 4% above base rate. The loan is repayable by 4 equal instalments commencing in December 2002. The amount falling due after more than one year is therefore £2,500.

| 19 Analysis of cash at bank and in hand | Group | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| Current accounts and cash balances | 126,720 | 20,061 | 114,661 | 20,061 |
| Interest-bearing account balances | 868,406 | 801,324 | 868,406 | 782,509 |
| NACC Groups | 304,486 | 310,038 | 304,486 | 310,038 |
| | <u>1,299,612</u> | <u>1,131,423</u> | <u>1,287,553</u> | <u>1,112,608</u> |

| 20 Creditors: amounts falling due within one year | Group | | Charity | |
|---|----------------|----------------|----------------|----------------|
| | 2003 £ | 2002 £ | 2003 £ | 2002 £ |
| Unpaid balances of research grants | 537,305 | 571,235 | 537,305 | 571,235 |
| Trade creditors | - | 1,471 | - | - |
| Balance with trading subsidiary | - | - | 2,424 | - |
| Social security and other taxes | 11,001 | 3,071 | 7,549 | - |
| Other creditors | 603 | 1,146 | 603 | 1,146 |
| Accruals and deferred income | 94,847 | 32,076 | 82,768 | 21,012 |
| | <u>643,756</u> | <u>608,999</u> | <u>630,649</u> | <u>593,393</u> |

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For the year ended 31st December 2003 (continued)

21 Capital commitments

At 31st December 2003 the charity had no capital commitments (2002 - £Nil).

| 22 Unrestricted funds | | Brought forward | Incoming resources | Resources expended* | Transfers | Carried forward |
|---|-----|-----------------|--------------------|---------------------|------------------|-----------------|
| | | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Contractual liabilities | (a) | 100,000 | - | - | - | 100,000 |
| Legacies - reserved for future special projects | (c) | 49,999 | - | (10,000) | 22,550 | 62,549 |
| Heyman Bursary | (b) | 113,955 | 7,955 | - | - | 121,910 |
| NOP Research | (d) | - | - | (12,500) | 25,000 | 12,500 |
| Disability Benefits Project | (d) | 5,000 | - | (5,000) | - | - |
| Publications - website | (d) | 3,000 | - | - | - | 3,000 |
| Publications - booklets | (f) | - | - | - | 2,500 | 2,500 |
| Publicity development | (f) | - | - | - | 4,000 | 4,000 |
| Volunteer development | (d) | 3,123 | - | - | (3,123) | - |
| Fundraising development | (d) | 3,000 | - | - | - | 3,000 |
| Student support activities | (d) | 6,500 | - | - | (3,000) | 3,500 |
| Group development | (d) | - | - | - | 6,123 | 6,123 |
| Fixed assets | (e) | 64,076 | - | (6,610) | - | 57,466 |
| Prescription charges campaign | (d) | 3,459 | - | (3,459) | - | - |
| | | <u>352,112</u> | <u>7,955</u> | <u>(37,569)</u> | <u>54,050</u> | <u>376,548</u> |
| Designated total | | | | | | |
| Other unrestricted funds | | | | | | |
| General Reserve Fund held nationally | | 147,810 | 753,981 | (687,349) | (14,442) | 200,000 |
| Non charitable trading funds | | (1,001) | 54,681 | (52,395) | - | 1,285 |
| NACC Groups | | 209,813 | 152,513 | (52,172) | (110,737) | 199,417 |
| | | <u>209,813</u> | <u>152,513</u> | <u>(52,172)</u> | <u>(110,737)</u> | <u>199,417</u> |
| Total | | <u>708,734</u> | <u>969,130</u> | <u>(829,485)</u> | <u>(71,129)</u> | <u>777,250</u> |

- (a) The contractual liabilities fund was established to ensure funds are available to meet any potential liabilities under the premises lease.
- (b) The Heyman Bursary has been established from a legacy to act as an expendable endowment for the provision of nurse training. An allocation will be made to the fund each year of a portion of interest earned.
- (c) The legacies for future special projects fund was established to ensure that these funds are used for major projects to be designated by the trustees.
- (d) These funds were established in respect of special projects agreed by the trustees to be funded from legacies received.
- (e) The fixed asset fund represents sums set aside for the purchase of fixed assets and is written off in line with the depreciation charge for the assets acquired.
- (f) These funds were established from unrestricted funds received which trustees have earmarked to be applied to the purposes suggested by the name of the fund.

* Included within Resources expended are unrealised gains and losses on investments.

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2003 (continued)

| 23 Restricted funds | Brought forward | Incoming resources | Resources expended* | Transfers | Carried forward |
|---|-----------------|--------------------|---------------------|-----------------|------------------|
| | £ | £ | £ | £ | £ |
| National | | | | | |
| Research | 490,783 | 299,133 | (230,763) | 109,356 | 668,509 |
| Patient/Professional Partnership Project | 120,000 | 8,377 | 4,143 | | 132,520 |
| Welfare | 53,528 | 30,463 | (38,811) | 7,626 | 52,806 |
| Other projects | | | | | - |
| Group Development | 3,010 | - | (3,010) | - | - |
| Information services | 31,625 | 33,123 | (31,625) | - | 33,123 |
| Counselling Project | - | | | | - |
| Families and young people | 5,574 | - | (1,725) | - | 3,849 |
| Disability Benefits Project | 3,000 | - | (3,000) | - | - |
| NIC telephone line | 3,000 | - | (3,000) | - | - |
| Scotland legacy | 5,000 | - | (2,000) | - | 3,000 |
| Self-management Research Project (Community Fund) | 12,795 | 21,252 | (15,925) | (9,989) | 8,133 |
| Total restricted funds held Nationally | 728,315 | 392,348 | (325,716) | 106,993 | 901,940 |
| NACC Groups | | | | | |
| Research | 15,118 | 56,790 | (4,962) | (49,768) | 17,178 |
| Welfare | 837 | 657 | - | (620) | 874 |
| Local projects | 101,025 | 19,254 | (26,272) | 14,524 | 108,531 |
| Total restricted funds held by NACC Groups | 116,980 | 76,701 | (31,234) | (35,864) | 126,583 |
| | 845,295 | 469,049 | (356,950) | 71,129 | 1,028,523 |

* Included within Resources expended are unrealised gains and losses on investments.

Each fund is used for the purpose its name defines.

24 Analysis of charity net assets between funds

| | Unrestricted | | Restricted | | Total |
|---|----------------|----------------|----------------|----------------|------------------|
| | NACC Groups | National | NACC Groups | National | |
| | £ | £ | £ | £ | £ |
| Fund balances at 31st December 2001 are represented by: | | | | | |
| Tangible fixed assets | 2,077 | 87,124 | - | - | 89,201 |
| Investments | - | 382,703 | - | 560,857 | 943,560 |
| Current assets | 197,340 | 177,860 | 126,583 | 900,593 | 1,402,376 |
| Current liabilities | - | (71,139) | - | (559,510) | (630,649) |
| | 199,417 | 576,548 | 126,583 | 901,940 | 1,804,488 |

25 Related Party

A company, NACC Nominees Limited, has been formed to hold the lease of the offices occupied by the charity. This position was made necessary because of the unincorporated status of NACC. The directors of NACC Nominees Limited are the trustees of the charity. The obligations arising under the lease are being met by the charity and the designated fund previously established to meet contractual liabilities remains.

The Charity has entered into an agreement with Mr N Westwood, a trustee, under which Mr Westwood's business hosts the charity's website for an annual fee of £175. In accordance with the charity's policy Mr Westwood withdrew from Trustee discussions authorising the transaction.