

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

Registered Charity No. 282732

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st DECEMBER 2005

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 group financial statements (the "financial statements") of National Association for Colitis and Crohn's Disease for the year ended 31st December 2005 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, and the related notes. These financial statements have been prepared in accordance with 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 opinion we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 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 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, or if information specified by law in respect of trustees' remuneration and other transactions 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 Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31st December 2005, and of the group's incoming resources and application of resources, including the income and expenditure of the group for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House
60 Goswell Road
London EC1M 7AD
Date: 6th April 2006

Kingston Smith
Chartered Accountants
and Registered Auditors

National Association for Colitis and Crohn's Disease
Consolidated Statement of Financial Activities
For the year ended 31st December 2005

	Note	Unrestricted funds (inc. designated funds note 22) £	Restricted funds £	Total funds 2005 £	Total funds 2004 £
Incoming resources					
Donations and similar incoming resources	2	432,429	220,466	652,895	598,835
Legacies		432,292	20,000	452,292	151,665
Income from activities in furtherance of the objects	3	286,228	5,000	291,228	290,246
Income from activities for generating funds	4	453,932	42,499	496,431	480,996
Investment income and interest	5	45,011	67,832	112,843	91,458
Other income		-	-	-	321
Total incoming resources		1,649,892	355,797	2,005,689	1,613,521
less: Cost of generating funds	6	250,665	1,496	252,161	167,744
Net income available for charitable application		1,399,227	354,301	1,753,528	1,445,777
Charitable expenditure					
Cost of activities in furtherance of the objects of the charity					
Grants paid	8	-	346,214	346,214	435,637
Grant support costs	9	-	24,264	24,264	15,107
Information service, booklets and newsletters		260,908	42,505	303,413	286,845
Raising awareness		99,582	-	99,582	59,995
Representation		-	-	-	14,262
Policy & Campaigns		92,169	5,000	97,169	-
NACC Groups		126,248	-	126,248	99,107
NACC in Contact		48,270	-	48,270	43,273
Membership costs		111,586	-	111,586	111,759
Family and young people support		45,226	3,849	49,075	38,750
Disability Benefits		9,234	-	9,234	10,190
Managing and administering the charity	10	97,259	-	97,259	93,741
Total charitable expenditure	11	890,482	421,832	1,312,314	1,208,666
Net incoming resources before transfers		508,745	(67,531)	441,214	237,111
Transfers between funds	15	(60,654)	60,654	-	-
Net incoming resources before revaluations		448,091	(6,877)	441,214	237,111
Unrealised gain on investment assets		35,509	59,296	94,805	35,727
Net movement in funds for the year		483,600	52,419	536,019	272,838
Fund balances brought forward at 1st January 2005		1,031,907	1,046,704	2,078,611	1,805,773
Fund balances carried forward at 31st December 2005 (page 4)		1,515,507	1,099,123	2,614,630	2,078,611
		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.

The net incoming resources of the Charity for the year were £436,365 (2004: £232,251)

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2005

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 2005 (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 2005 amounted to £2,393, 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, and similar incoming resources

	2005	2004
	£	£
Donations from members	294,895	292,591
Donations to NACC Groups	109,008	121,217
Other donations	248,992	185,027
	<hr/>	<hr/>
	652,895	598,835
	<hr/>	<hr/>

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2005 (continued)

3	Income from activities in furtherance of the objects	2005	2004
		£	£
	Subscriptions	279,208	279,246
	Other Grants	<u>12,020</u>	<u>11,000</u>
		<u>291,228</u>	<u>290,246</u>
4	Income from activities for generating funds	2005	2004
		£	£
	National fundraising	265,471	224,505
	NACC Groups' fundraising	95,187	128,056
	Millennium Walks	45,838	54,377
	Turnover of Trading Subsidiary (note 7)	81,995	66,416
	Other income	<u>7,940</u>	<u>7,642</u>
		<u>496,431</u>	<u>480,996</u>
5	Investment income and interest	2005	2004
		£	£
	Income from quoted investments	40,344	41,349
	Other Interest - Charity	72,209	49,983
	- Trading Subsidiary (note 7)	<u>290</u>	<u>126</u>
		<u>112,843</u>	<u>91,458</u>
6	Cost of generating funds	2005	2004
		£	£
	Costs of Trading Subsidiary (note 7)	69,563	52,791
	National fundraising support costs	135,287	82,963
	NACC Groups' fundraising	34,533	28,808
	Millennium Mile Walks	<u>12,778</u>	<u>3,182</u>
		<u>252,161</u>	<u>167,744</u>

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2005(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.

	2005	2004
	£	£
Profit and loss account		
Turnover	81,995	66,416
Cost of sales	<u>(53,368)</u>	<u>(37,405)</u>
Gross profit	28,627	29,011
Distribution costs	(11,938)	(10,376)
Administration expenses	(4,257)	(4,584)
Interest payable	(216)	(426)
Interest receivable	290	126
Net profit	12,506	13,751
Amount covenanted to NACC	<u>(7,657)</u>	<u>(8,891)</u>
Profit on ordinary activities	4,849	4,860
Retained profit brought forward	6,145	1,285
Retained profit carried forward	<u>10,994</u>	<u>6,145</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 basic grant in 2005 was £500 (2004: £300). 134 grants were made in the year totalling £36,626.

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 2005 are listed below. NACC does not contribute to the overhead costs of such institutions.

	2005
	£
Medical research	
Guys, King's & St Thomas' School of Medicine	89,946
Addenbrookes NHS Trust	25,501
University of Bristol	5,756
University of Manchester	67,339
St George's Hospital Medical School	<u>89,242</u>
	<u>277,784</u>

(note continued overleaf)

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2005 (continued)

8 Grants paid (continued)

Other grants

In addition NACC Groups raised funds for local hospital projects to which 134 grants were made totalling £31,804.

Summary	2005	2004
	£	£
Welfare	36,626	32,356
Research	277,784	367,721
Other - NACC Groups	<u>31,804</u>	<u>35,560</u>
	<u>346,214</u>	<u>435,637</u>

9 Grant support costs

	2005	2004
	£	£
Direct costs	8,307	2,920
Attributable staff costs	10,622	8,073
Attributable overheads	<u>5,335</u>	<u>4,114</u>
	<u>24,264</u>	<u>15,107</u>

10 Costs of managing and administering the charity

	2005	2004
	£	£
NACC Groups - local costs	4,703	4,103
Direct costs	22,189	20,485
Staff costs	46,840	40,352
Overheads	<u>23,527</u>	<u>28,801</u>
	<u>97,259</u>	<u>93,741</u>

11 Total charitable expenditure

	2005	2004
	£	£
This includes:		
Auditors' remuneration - current year	10,000	9,996
Auditors' remuneration - prior year under provision	357	2,340
Other fees paid to auditors	823	1,776
Legal and professional expenses	10,217	-
Depreciation	17,743	24,289
Property rental	<u>38,049</u>	<u>34,310</u>

National Association for Colitis and Crohn's Disease
Notes to the Accounts
For the year ended 31st December 2005 (continued)

12 Staff costs		2005	2004
		£	£
Wages and salaries		342,584	287,898
Social security costs		32,440	26,784
Pension costs		19,990	15,969
		<u>395,014</u>	<u>330,651</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		0.35	0.30
Other activities		10.35	6.91
Managing and administering the charity		3.50	3.50
Cost of generating funds		<u>3.30</u>	<u>2.72</u>
		<u>17.50</u>	<u>13.43</u>

One member of staff was paid in the range £50,001-£60,000. The pension contributions for this individual were £4,168.

13 Transactions with trustees

No trustee received any remuneration for their services as a trustee.

A total of £14,634 (2004 - £8,550) was reimbursed to 13 (2004 - 10) 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 £1,167 (2004: £585)

14 Lease rentals

The charity is committed to making payments of £ 41,398 per annum in respect of rent in the next year. The lease expires after more than five years (2004: £41,237)

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				
Start up transfers to NACC groups	(1,700)	-	-	(1,700)
Transfers from NACC Groups' funds	25,688	-	90,893	116,581
Transfers (from)/to designated funds	<u>(387,292)</u>	<u>387,292</u>	<u>-</u>	<u>-</u>
Total national funds	<u>(363,304)</u>	<u>387,292</u>	<u>90,893</u>	<u>114,881</u>
NACC Groups				
Start up transfers from National	700	-	1,000	1,700
Transfers between NACC Groups' funds	(59,654)	-	59,654	-
Transfers to national funds	<u>(25,688)</u>	<u>-</u>	<u>(90,893)</u>	<u>(116,581)</u>
Total NACC Groups	<u>(84,642)</u>	<u>-</u>	<u>(30,239)</u>	<u>(114,881)</u>
Total funds	<u>(447,946)</u>	<u>387,292</u>	<u>60,654</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 2005 (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 2005	124,743	73,279	3,628	201,650
Additions	-	2,358	642	3,000
Disposals & fully depreciated assets written off	-	(30,012)	-	(30,012)
	<u>124,743</u>	<u>45,625</u>	<u>4,270</u>	<u>174,638</u>
Depreciation				
Brought forward 1st January 2005	63,091	46,990	2,541	112,622
Charge for the year	5,151	11,406	1,004	17,561
Fully depreciated assets written off	-	(30,012)	-	(30,012)
	<u>68,242</u>	<u>28,384</u>	<u>3,545</u>	<u>100,171</u>
Net book value				
At 31st December 2005	<u>56,501</u>	<u>17,241</u>	<u>725</u>	<u>74,467</u>
At 31st December 2004	<u>61,652</u>	<u>26,289</u>	<u>1,087</u>	<u>89,028</u>
Group*				
Cost	£	£	£	£
Brought forward 1st January 2005	124,743	74,670	3,628	203,041
Additions	-	2,358	642	3,000
Disposals & fully depreciated assets written off	-	(30,012)	-	(30,012)
	<u>124,743</u>	<u>47,016</u>	<u>4,270</u>	<u>176,029</u>
Depreciation				
Brought forward 1st January 2005	63,091	48,017	2,541	113,649
Charge for the year	5,151	11,588	1,004	17,743
Fully depreciated assets written off	-	(30,012)	-	(30,012)
	<u>68,242</u>	<u>29,593</u>	<u>3,545</u>	<u>101,380</u>
Net book value				
At 31st December 2005	<u>56,501</u>	<u>17,423</u>	<u>725</u>	<u>74,649</u>
At 31st December 2004	<u>61,652</u>	<u>26,653</u>	<u>1,087</u>	<u>89,392</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 2005 (continued)

17 Investments	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Market value at 1st January 2005	979,286	943,559	979,286	943,559
Acquired in the year	-	1,240	-	1,240
Net unrealised gains at 31st December 2005	94,805	34,487	94,805	34,487
Market value at 31st December 2005	1,074,091	979,286	1,074,091	979,286
Investment in subsidiary	-	-	1	1
	<u>1,074,091</u>	<u>979,286</u>	<u>1,074,092</u>	<u>979,287</u>
Cost at 31st December 2005	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>

£1,072,661 of the investments are held in Charities Aid investment funds (2004: £978,045).

18 Debtors	Group		Charity	
	2005	2004	2005	2004
All amounts fall due within one year	£	£	£	£
Balance with trading subsidiary	-	-	5,518	12,376
Prepayments	33,557	35,332	31,131	34,919
Tax recoverable	30,466	26,046	30,466	26,046
Other debtors	4,018	125	-	-
Accrued income	3,743	2,924	3,743	2,924
	<u>71,784</u>	<u>110,613</u>	<u>70,858</u>	<u>76,265</u>

19 Analysis of cash at bank and in hand	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Current accounts and cash balances	60,802	28,954	48,216	581
Interest-bearing account balances	1,730,656	1,230,469	1,730,656	1,230,469
NACC Groups	276,804	289,301	276,804	289,301
	<u>2,068,262</u>	<u>1,548,724</u>	<u>2,055,676</u>	<u>1,520,351</u>

20 Creditors: amounts falling due within one year	Group		Charity	
	2005	2004	2005	2004
	£	£	£	£
Unpaid balances of research grants	559,371	512,422	559,371	512,422
Trade creditors	88,543	67,268	76,952	54,479
Balance with trading subsidiary	-	-	-	-
Social security and other taxes	13,233	12,565	11,075	8,226
Other creditors	2,392	1,860	2,392	1,860
Accruals and deferred income	23,142	16,779	21,667	15,479
	<u>686,681</u>	<u>610,894</u>	<u>671,457</u>	<u>592,466</u>

21 Capital commitments

At 31st December 2005 the charity had capital commitments of £25,000 (2004 - £Nil).

National Association for Colitis and Crohn's Disease

Notes to the Accounts

For the year ended 31st December 2005 (continued)

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)	192,214	-	-	345,292	537,506
Heyman Bursary	(b)	128,772	8,690	(19,668)	-	117,794
NOP Research	(d)	12,500	-	-	-	12,500
Implementation of NACC Plan	(d)	5,000	-	-	-	5,000
Public and Patient Involvement	(d)	4,925	-	(17,000)	17,000	4,925
Improving Health Services for IBD	(d)	9,100	-	(5,000)	5,000	9,100
Publications - website	(d)	3,000	-	-	-	3,000
Publications - booklets	(f)	2,500	-	-	-	2,500
Publicity development	(f)	4,000	-	-	-	4,000
Fundraising development	(d)	3,000	-	-	-	3,000
Student support activities	(d)	3,500	-	-	-	3,500
Group development	(d)	6,123	-	-	-	6,123
Fixed assets	(e)	52,812	-	(4,401)	-	48,411
Policy & Campaigns	(h)	-	-	(15,000)	20,000	5,000
Millennium Walk	(g)	30,767	46,705	(32,778)	-	44,694
		<u>558,213</u>	<u>55,395</u>	<u>(93,847)</u>	<u>387,292</u>	<u>907,053</u>
Designated total						
Other unrestricted funds						
General Reserve Fund held nationally		290,543	1,340,500	(878,629)	(355,647)	396,767
Non charitable trading funds		6,145	82,069	(69,563)	(7,657)	10,994
NACC Groups		<u>177,006</u>	<u>171,928</u>	<u>(63,599)</u>	<u>(84,642)</u>	<u>200,693</u>
Total		<u>1,031,907</u>	<u>1,649,892</u>	<u>(1,105,638)</u>	<u>(60,654)</u>	<u>1,515,507</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.
- (g) The Millennium Walk is a national fund raising event, the proceeds of which are to be used for discrete projects as directed by the trustees.
- (h) This project was established with funds where the donor had expressed a wish as to the use of the funds rather than a binding restriction.

* 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 2005 (continued)

23 Restricted funds	Brought forward	Incoming resources	Resources expended*	Transfers	Carried forward
	£	£	£	£	£
National					
Research	691,918	243,384	(249,893)	81,192	766,601
Patient/Professional Partnership Project	144,681	10,929	4,812	-	160,422
Welfare	50,629	33,793	(39,297)	9,701	54,826
Other projects	-	-	-	-	-
Information services	33,123	5,000	(30,623)	-	7,500
Families and young people	3,849	-	(3,849)	-	-
Scotland legacy	1,488	-	-	-	1,488
Sidney Hulin Legacy	-	20,000	-	-	20,000
Self-management Research Project (Community Fund)	7,633	-	(5,993)	-	1,640
Total restricted funds held Nationally	933,321	313,106	(324,843)	90,893	1,012,477
NACC Groups					
Research	18,758	33,761	(559)	(30,547)	21,413
Welfare	704	25	-	(195)	534
Local projects	93,921	8,905	(38,630)	503	64,699
Total restricted funds held by NACC Groups	113,383	42,691	(39,189)	(30,239)	86,646
	<u>1,046,704</u>	<u>355,797</u>	<u>(364,032)</u>	<u>60,654</u>	<u>1,099,123</u>

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

Each fund is used for the purpose its name defines except that the Sidney Hulin Fund is to be used for a specific project in the name of the donor.

24 Analysis of charity net assets between funds

	Unrestricted		Restricted		Total
	NACC Groups	National	NACC Groups	National	
	£	£	£	£	£
Fund balances at 31st December 2005 are represented by:					
Tangible fixed assets	725	73,742	-	-	74,467
Investments	-	402,298	-	671,794	1,074,092
Current assets	199,968	939,866	86,646	900,054	2,126,534
Current liabilities	-	(112,086)	-	(559,371)	(671,457)
	<u>200,693</u>	<u>1,303,820</u>	<u>86,646</u>	<u>1,012,477</u>	<u>2,603,636</u>

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. During the year fees of £1,627 were paid to this business. In accordance with the charity's policy Mr Westwood withdrew from Trustee discussions authorising the transaction.

In May 2005 Stuart Berliner, a Trustee, was requested to assess the cost of the proposed building works for a new storage area in his capacity as a Qualified Surveyor. His company received £355 for his services from NACC.

National Association for Colitis and Crohn's Disease
Charity Statement of Financial Activities
For the year ended 31st December 2005

	Unrestricted funds (inc. designated funds note 22) £	Restricted funds £	Total funds 2005 £	Total funds 2004 £
Incoming resources				
Donations and similar incoming resources	440,086	220,466	660,552	607,726
Legacies	432,292	20,000	452,292	151,665
Income from activities in furtherance of the objects	286,228	5,000	291,228	290,246
Income from activities for generating funds	371,937	42,499	414,436	414,580
Investment income and interest	44,937	67,832	112,769	91,332
Other income	-	-	-	321
Total incoming resources	1,575,480	355,797	1,931,277	1,555,870
less: Cost of generating funds	181,102	1,496	182,598	114,953
Net income available for charitable application	1,394,378	354,301	1,748,679	1,440,917
Charitable expenditure				
Cost of activities in furtherance of the objects of the charity				
Grants paid	-	346,214	346,214	435,637
Grant support costs	-	24,264	24,264	15,107
Information line, booklets and newsletters	260,908	42,505	303,413	286,845
Counselling Project	-	-	-	-
Raising awareness	99,582	-	99,582	59,995
Representation	-	-	-	14,262
Policy & Campaigns	92,169	5,000	97,169	
NACC Groups	126,248	-	126,248	99,107
NACC in Contact	48,270	-	48,270	43,273
Membership costs	111,586	-	111,586	111,759
Family and young people support	45,226	3,849	49,075	38,750
Disability Benefits Project	9,234	-	9,234	10,190
Managing and administering the charity	97,259	-	97,259	93,741
Total charitable expenditure	890,482	421,832	1,312,314	1,208,666
Net incoming resources before transfers	503,896	(67,531)	436,365	232,251
Transfers between funds	(60,654)	60,654	-	-
Net incoming resources before revaluations	443,242	(6,877)	436,365	232,251
Unrealised gain on investment assets	35,509	59,296	94,805	35,727
Net movement in funds for the year	478,751	52,419	531,170	267,978
Fund balances brought forward at 1st January 2005	1,025,762	1,046,704	2,072,466	1,804,488
Fund balances carried forward at 31st December 2005	1,504,513	1,099,123	2,603,636	2,072,466

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