

Sustainability North West

Consolidated Report

Limited by Guarantee

Directors' Report and Financial Statements

30th September 2006

Reg No. 2990155
Charity No: 1042293

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**Sustainability North West
Financial Statements
Year Ended 30 September 2006**

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**Sustainability North West
Financial Statements
Year Ended 30 September 2006**

Directors

Peter Jones

Bruce Bendell	United Utilities
Prof. John Handley OBE	University of Manchester
Robert Jarvis	BNFL plc
Paul Monaghan	The Co-operative Bank plc
Derek Norman	Environment Agency REPAC
Richard Pearce	Envirolink North West
Geoffrey Piper	North West Business Leadership Team
James Powell	University of Salford
Lord Thomas of Macclesfield	House of Lords
Dr. Peter White	Northwest Development Agency

Company Secretary

Udo Pope

Pannone & Partners

Registered Office

Fourways House
57 Hilton Street
Manchester
M1 2EJ

Auditors

Chadwick LLP
Chartered Accountants
The Lexicon
10/12 Mount Street
Manchester
M2 5NT

Bankers

The Co-operative Bank plc
1 Balloon Street
Manchester
M60 4EP

Solicitors

Pannone & Partners
123 Deansgate
Manchester
M3 2BU

Sustainability North West Directors' Annual Report Year Ended 30 September 2006

The directors of the Charity present their report and the audited consolidated financial statements for the year ended 30 September 2006.

Structure, Governance and Management

The directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the Charity

Governing Document

Sustainability North West is a charitable organisation limited by guarantee and the directors are limited to the extent of £1 each. The company is registered under the Charities Act 1960 and its registered number with the Charities Commission is 1042293. It is governed by a memorandum and articles of association which were last amended on 7th June 2006.

Company Structure

The National Centre for Business and Sustainability (NCBS) is treated as a wholly owned subsidiary in the consolidated accounts. NCBS is a non-profit consultancy company devoted to the provision of sustainable solutions to business and other organisations. In the year to 30 September 2006 NCBS made a loss so was unable to make a gift to SNW by transferring its taxable profits to the charity.

Appointment of Directors

The number of directors with which the Charity is registered is unlimited. Membership is open to any individual or organisation interested in promoting the objects of the Charity provided they apply for membership in the required format, are approved by the directors and consent in writing to become a director. The directors may establish different classes of membership and prescribe their respective privileges and duties. All directors are circulated with invitations to nominate members prior to the AGM advising them of the retiring directors and requesting nominations for the AGM.

New directors undergo an induction day to brief them on their legal obligations under charity and company law, the content of the memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the Charity.

Organisation

The board of directors administer the Charity and subsidiary company. The Chief Executive of both companies, Mr E Bichard, is integral to the management of the companies and attends quarterly board meetings with the directors during the year. An operational manager is also appointed to manage the day to day operations of both companies. There is a Finance and General Purposes committee consisting of directors, operational manager and other key members of staff for operational matters including finance, employment and personnel matters.

Risk Management

The directors have a risk management strategy which comprises of an annual review of the risks the Charity may face. The review also establishes systems and procedures to mitigate those risks identified in the plan and an implementation procedure to minimise any potential impact on the Charity should those risks materialise. This review has identified only a few minor risks which has resulted in better procedures and better planning. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the directors.

Sustainability North West Directors' Annual Report Year Ended 30 September 2006

Objectives and Activities

The Charity is established for the public benefit in the area comprising the counties of Cheshire, Merseyside, Greater Manchester, Lancashire, Cumbria and adjacent parts of Derbyshire, West Yorkshire and South Yorkshire (hereinafter referred to as 'the area of benefit') with the following objects

- to promote the conservation, enhancement and improvement of the environment and in particular to encourage and foster understanding and awareness of the importance of sustainable development including the need to improve economic, social and environmental performance throughout the area, now and for generations to come
- to promote high standards of planning and architecture in or affecting the area of benefit
- to educate the public in the geography, history, natural history and architecture in the area of benefit
- to secure the preservation, protection, development and improvement of features of historic or public interest in the area of benefit

The company regards itself as a unique organisation devoted to providing the motivation and the solutions for the achievement of sustainability. The company's principal activity is to support sustainable environmental development initiatives throughout the area of benefit, enabling and assisting economic growth alongside the protection and improvement of the environment. As such the company endeavours to minimise those impacts arising from its own activities.

The SNW commitment to a sustainable region will be achieved by

- providing incisive advocacy and accessible learning opportunities for sustainable outcomes in the region
- enabling activities and support for partners that want to achieve sustainable outcomes for the region
- providing the initial ideas and ongoing management for initiatives that will be carried forward by a coalition of partners committed to establishing sustainable developments and programmes with the intention of replicating these throughout the region

The NCBS has a more flexible approach in its non-profit capacity. Its objects are flexible, allowing it to work for the good of the wider community, or for the improvement of individual organisations. The NCBS commitment is to offer high quality professional advice and solutions to organisations wishing to improve their social and environmental performance and will be achieved by offering:

- environmental solutions to strategic or practical issues based on sound science and practical problem-solving skills
- assistance, advice and skills to improve social performance and promote social responsibility
- integrated services that offer assistance to organisations that wish to link social, environmental and economic aims in a balance strategy

Sustainability North West Directors' Annual Report Year Ended 30 September 2006

Achievements and Performance

Achieving sustainable change is, by definition, a long term objective and the Charity's strategy encompasses medium and long term objectives. In order to measure the success of the strategy the Charity has developed a 5 year objective in all of its key areas of work. The Charity then evaluates its success by comparing results against carefully chosen measures which relate directly to the Charity's mission and values. These measures include

- the level of media interest raising the Charity's profile
- influencing regional events
- advising on regional strategies
- making regional and international presentations
- surveying the effects of its work by polling events, projects and partners who participate in those events

The Charity had five main objectives for the year and these were achieved as follows

- all regional events, of which there were 10, were influenced by either setting the agenda, speaking or exhibiting at the event
- the target of generating 30 items of regional media coverage was exceeded, 41 regional items being covered, and 19 national including as speaker on Radio 4 'You and Yours' and articles in academic and trade journals
- 2 partnership initiatives were developed exceeding the objective of 1 partnership
- 2 high profile events were held again exceeding the 1 that was expected
- As predicted, levels of core sponsorship fell to £35K

Financial Review

The consolidated Statement of Financial Activities (SOFA) for the year is set out on Page 9 of the financial statements. The company has taken advantage of the concession to provide only a consolidated SOFA statements and a summary of the financial results and the work of the charity is set out below

Income Generation

The group's income for the year was £1,089,526 (2005 £1,101,961) a fall of approximately 1% which was expected with the fall in core funding

Core funding in the form of corporate donations to Sustainability North West has fallen to £35,000 which was expected. More funding will continue to be sourced in future for specific areas of expenditure and internal projects.

Sustainability North West Directors' Annual Report Year Ended 30 September 2006

Investment Policy

Surplus funds are kept in bank deposit accounts with a period of notice for withdrawals. This ensures the best interest rates are achieved on the majority of funds.

Resources Expended and Results

The expenditure within the Consolidated Statement of Financial Activities is shown in more detail within the notes to the financial statements. Expenses are separated between direct charitable expenditure, direct project costs, the cost of fund raising and raising public awareness, support costs and the costs of administration.

The company suffered a deficit of £17,353 at the end of the year compared to a deficit in 2005 of £58,934. This was despite not receiving any covenanted income from NCBS (2005 £60,952).

During the year the regulatory body of the Landfill Tax Credit Scheme, Entrust, made its annual audit of the restricted funds and the trustees are pleased to report that the audit was completed satisfactorily. There are no longer any monies held for funding future projects.

Related Parties

SNW has multiple partners that can be categorised into sponsors, project partners and beneficiaries. The sponsors are United Utilities, BNFL, Environment Agency, the Northwest Development Agency. Examples of project partners include English Nature, Renewables Northwest, Envirolink Northwest, The Northwest Regional Assembly, The Countryside Agency and Greater Manchester Waste. Beneficiaries include The Forestry Commission, and the Northwest Climate Group.

Reserves

The directors have reviewed the reserves of the company. The general reserves have decreased from £352,361 to £327,646. There are no restricted reserves because all restricted income and expenditure is brought into the profit and loss account on an accruals basis. The reserve policy is based on covering the balance sheet debts in addition to the winding up costs of the company. The trustees are pleased to report that the reserves of the company meet the requirements of the reserve policy.

Directors

The directors who served during the year up to and including the date of this report were as follows:

Peter Jones	appointed 6 March 2006
Bruce Bendell	
David Dickman	resigned 10 July 2006
Prof. John Handley OBE	
Robert Jarvis	
Paul Monaghan	
Derek Norman	
Richard Pearce	
Geoffrey Piper	appointed 6 March 2006
James Powell	
Robert Runcie	resigned 1 November 2005
Lord Thomas of Macclesfield	
Dr Peter White	

**Sustainability North West
Directors' Annual Report
Year Ended 30 September 2006**

Auditors

A resolution proposing that Chadwick LLP be re-appointed as auditors of the company will be put to the annual general meeting

This report was approved by the Board on 13/3/7

Signed on behalf of the Board of Directors



U Pope
Company Secretary

Sustainability North West Directors' Responsibilities Year Ended 30 September 2006

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of income of the company for that year. In preparing those financial statements, the directors are required to

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

The directors have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise

They are also responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide that

- the charity is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the charity or for publication is reliable
- the charity complies with relevant laws and regulations

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include

- a strategic plan and annual budget approved by the directors
- regular consideration by the directors of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews
- delegation of authority and segregation of duties
- identification and management of risks

Identifying and managing risk is an ongoing process and the directors are planning to introduce a formal risk management process assessing business risks and implementing risk management strategies. This will involve identifying the types of risk the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating those risks.

Signed on behalf of the Board of Directors on 13/3/7



U Pope
Company Secretary

Sustainability North West
Independent Auditors' Report to the Members
Year Ended 30 September 2006

CHADWICK

We have audited the financial statements of Sustainability North West Limited for the year ended 30th September 2006 on pages 8 to 24 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12

This report is made solely to the group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

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 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 directors' report is not consistent with the financial statements, if the group 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 director's remuneration and transactions is not disclosed.

We read the directors' 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group as at 30 September 2006 and of its deficit for the year then ended, the financial statements have been properly prepared in accordance with The Companies Act 1985, and the information given in the Director's Report is consistent with the financial statements for the year ended 30th September 2006.

Chadwick LLP

CHADWICK LLP

Chartered Accountants & Registered Auditors

19 March 2007

Sustainability North West
Consolidated Statement of Financial Activities
Year Ended 30 September 2006

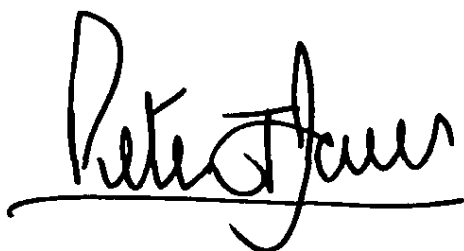
	Notes	General Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Incoming Resources					
Incoming resources from charitable activities					
Donations and gifts	2	71,764	270,283	342,047	534,683
Incoming resources from generated funds					
Project funding	3	0	744,768	744,768	563,858
Investment income	4	2,711	0	2,711	3,420
Total incoming resources		74,475	1,015,051	1,089,526	1,101,961
Resources Expended					
Cost of Generating funds					
Direct project expenditure	5	0	86,620	86,620	201,839
Administration of the subsidiary	6	0	193,733	193,733	188,992
		0	280,353	280,353	390,831
Charitable Activities					
Costs of activities in furtherance of the charity's objects					
Fund raising and publicity		30,201	0	30,201	22,883
Direct charitable expenditure	7	0	392,290	392,290	400,603
Support costs	8	0	41,996	41,996	8,231
Administration of the charity	9	235,769	133,632	369,401	335,068
		265,970	567,918	833,888	766,785
Total resources expended		265,970	848,271	1,114,241	1,157,616
Net Income / (expenditure) for the year	10	(191,495)	166,780	(24,715)	(55,655)
Transfers between funds		166,780	(166,780)	0	0
Net Movement In Funds		(24,715)	0	(24,715)	(55,655)
Fund Balances B/Fwd 1 Oct 2005		352,361	0	352,361	408,016
Fund Balances C/Fwd 30 Sept 2006	20	327,646	0	327,646	352,361

All of the above results are derived from continuing activities. The group has no other recognised gains or losses other than those stated above. The notes on pages 10 to 23 form part of these financial statements.

**Sustainability North West
Consolidated and Company Balance Sheets
As At 30 September 2006**

	Notes	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
Fixed Assets					
Tangible assets	13	11,067	19,682	11,067	19,377
Investment in subsidiary	14	0	0	0	0
		11,067	19,682	11,067	19,377
Current Assets					
Debtors	15	221,502	218,816	173,530	174,767
Cash at bank and in hand		285,739	281,377	64,083	51,617
		507,241	500,193	237,613	226,384
Creditors					
Amounts falling due within one year	16	190,662	167,514	160,276	140,004
Net Current Assets		316,579	332,679	77,337	86,380
Net Assets		327,646	352,361	88,404	105,757
Funds					
Unrestricted funds: general funds		327,646	352,361	88,404	105,757
Restricted funds		0	0	0	0
	20	327,646	352,361	88,404	105,757

The financial statements on pages 9 to 24 were approved by the directors on 13/3/7
and signed on their behalf by:



Chairman

Sustainability North West

Notes To The Financial Statements

Year Ended 30 September 2006

1 ACCOUNTING PRINCIPLES

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, incorporating a Statement of Financial Activities, and have been prepared in accordance with the Statement of Recommended Practice "Charities SORP 2005" and applicable accounting standards

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the group are consolidated on a line by line basis.

The company has taken advantage of the exemption in FRS1 (revised 1996) from the requirement to prepare a cash flow statement on the grounds that it is a small group.

(b) Company Status

The company is incorporated under the Companies Act as a company limited by guarantee and not having share capital.

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up during the time that they are a member or within one year afterwards for payment of the debts and liabilities of the company contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding in the case of any member the sum of £1.

(c) Fund Accounting

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

Restricted funds are subject to specific conditions imposed by the donors or by the purpose of the monies received. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts. Reserves that do not relate to specific projects have been transferred out of the restricted funds into the general funds.

(d) Incoming Resources & Long Term Contracts

All incoming resources are included in the SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations that relate to specific projects are recorded on a receivable basis. They are credited to income in the period in which they are receivable, so as to match with the expenditure to which they relate. As such, grants restricted to future accounting periods are deferred and recognised in those accounting periods.

Sustainability North West

Notes To The Financial Statements

Year Ended 30 September 2006

1 ACCOUNTING PRINCIPLES (Continued)

(d) Incoming Resources & Long Term Contracts (Continued)

Long term contracts are assessed on a contract by contract basis and reflected in the SOFA by recording turnover and related costs as the contract progresses. Income is recognised in line with costs incurred to date. Where it can be assessed with reasonable certainty before its conclusion, attributable income from a contract is recognised in the SOFA.

Donations that are not restricted to specific projects are recorded on a received basis.

Gifts in kind are included as income based on a reasonable estimate of their value to the company.

(e) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resource. Staff costs have been allocated to project costs on the basis of actual time spent on project work.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs allocated as supporting the expenditure on the objects of the charity. Support costs have been allocated on the same proportion of time staff worked directly on projects.

(f) Taxation

The company is a registered charity and is exempt for taxation purposes on its normal activities and bank interest receivable under S505 of the Income and Corporation Taxes Act.

The subsidiary company (NCBS) has covenanted its profits to SNW, in previous years, so the tax charge was nil. This year NCBS made a deficit of £7,362 (2005. surplus £64,233) so £Nil (2005. £60,952) was covenanted to SNW.

(g) Fixed Assets

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less their estimated residual value over their expected useful economic lives as follows:

Computers and software	33 3% straight line
Office equipment	25% straight line
Furniture, fixtures & fittings	10% straight line
Website	50% straight line

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

1 ACCOUNTING PRINCIPLES (Continued)

(h) Retirement Benefits

The organisation participates in two principal pension schemes, the Universities Superannuation Scheme (USS) and the Greater Manchester Pension Fund (GMPF).

Both the USS and GMPF, are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P). The assets of each scheme are held in a separate trustee administered fund. SNW is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore, as allowed by FRS17 "Retirement benefits", accounts for the schemes as if they were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represent the contributions payable to each scheme in respect of the accounting period.

(i) Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 DONATIONS AND GIFTS

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Core funding	35,075	0	35,075	83,039
Corporate donors (subsidiary)	0	0	0	60,952
Corporate donors (non-charity)	36,689	270,283	306,972	390,692
Landfill tax credits (non-charity)	0	0	0	0
	71,764	270,283	342,047	534,683

Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006

3 PROJECT FUNDING

	Restricted Funds £	Total 2006 £	Total 2005 £
Corporate projects			
Responsibility North West	350,481	350,481	0
Climate change & tourism	113,948	113,948	131,567
Claren	65,290	65,290	66,663
Landfill Tax Projects	39,285	39,285	71,006
NW Climate group	25,092	25,092	18,023
NW CC Action Plan	20,800	20,800	0
Sustainable advice to Elevate	18,108	18,108	12,192
Kyoto	12,742	12,742	4,758
NWDA	12,050	12,050	91,912
Sustainable energy database	11,000	11,000	0
EU mainstreaming CSR - SME's	10,635	10,635	0
Lyon project	10,596	10,596	0
Wealthbringers	8,183	8,183	35,000
Health & Sustainability Masterclass	6,000	6,000	4,000
MIMP Phase 3	5,710	5,710	0
Renewables NorthWest - projects	2,152	2,152	17,484
Renewables NorthWest - support	0	0	31,638
RES issues analysis	0	0	19,792
Material Renewal Park	0	0	18,549
13 Individual projects < 5% total	32,696	32,696	41,274
	744,768	744,768	563,858

4 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Bank Interest Receivable	2,711	0	2,711	3,420
	2,711	0	2,711	3,420

5 DIRECT PROJECT EXPENDITURE

	Restricted Funds £	Total 2006 £	Total 2005 £
Landfill Tax Credit Scheme	63,196	63,196	0
Other Projects	23,424	23,424	201,839
	86,620	86,620	201,839

These projects are those of the non-charity subsidiary company

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

6 ADMINISTRATION OF THE SUBSIDIARY

	Restricted Funds £	Total 2006 £	Total 2005 £
Staff costs (see note 12)	151,198	151,198	150,652
Accommodation	19,848	19,848	1,315
Recruitment	452	452	2,501
Marketing	3,806	3,806	4,859
Travel & subsistence	140	140	106
Telephone, postage and stationery	4,734	4,734	8,545
Insurance & professional fees	3,333	3,333	6,639
Audit & accountancy	7,621	7,621	7,959
Computer support	1,065	1,065	534
Depreciation	305	305	1,803
Training & conferences	759	759	3,346
General expenses	472	472	733
	193,733	193,733	188,992

7 DIRECT CHARITABLE EXPENDITURE

	Restricted Funds £	Total 2006 £	Total 2005 £
Responsibility North West	227,804	227,804	0
Climate change & tourism	86,602	86,602	108,567
Landfill Tax Projects	31,988	31,988	62,851
Claren	15,706	15,706	50,479
NW Climate group	10,147	10,147	18,023
NW CC Action Plan	5,062	5,062	0
Sustainable Energy Database	4,664	4,664	0
Renewables NorthWest - projects	3,033	3,033	13,214
Health & Sustainability Masterclass	2,518	2,518	0
Lyon Project	1,724	1,724	0
Wealthbringers	674	674	12,253
Sustainable advice to elevate	108	108	12,032
NWDA	0	0	55,334
Renewables NorthWest - support	0	0	31,054
RES issues analysis	0	0	141
Material Renewal Park	0	0	17,148
Manchester knowledge capital	0	0	1,111
13 Individual projects < 2% total	2,260	2,260	18,396
Total	392,290	392,290	400,603

Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006

8 SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Accommodation		27,032	27,032	6,135
Training & recruitment		1,650	1,650	0
Transport costs		364	364	448
Communication costs		2,786	2,786	936
Administration costs		4,980	4,980	672
Insurance		4,540	4,540	0
Information costs		644	644	40
	0	41,996	41,996	8,231

9 ADMINISTRATION AND MANAGEMENT OF THE COMPANY

	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Staff costs (see note 12)	195,368	133,632	329,000	264,324
Accommodation	12,664		12,664	25,691
Transport costs	170		170	1,877
Communication costs	1,305		1,305	3,917
Administration costs	1,347		1,347	2,815
Professional fees	2,807		2,807	5,164
Audit & accounts support	9,790		9,790	9,133
Information costs	301		301	165
Training & recruitment	772		772	8,240
Depreciation	10,938		10,938	12,844
Bank charges	35		35	277
Staff welfare	272		272	621
Total	235,769	133,632	369,401	335,068

Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006

10 NET INCOME / (EXPENDITURE) FOR THE YEAR

	2006	2005
	£	£
This is stated after charging		
Auditor's remuneration	6,000	5,200
Depreciation-owned tangible fixed assets	11,240	14,647
Operating leases - land & property	53,068	14,486

11 DIRECTORS EMOLUMENTS

The directors of the charity did not receive or waive any emoluments during the year
(2005 £Nil)

12 STAFF COSTS

	2006	2005
	£	£
Wages and salaries	406,938	351,695
Social security costs	40,383	34,871
Pension costs	32,877	28,409
	480,198	414,975

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 per annum, in the year was as follows

	2006	2005
	Number	Number
£70,001 - £80,000	1	1

The average number of employees, calculated on a full-time equivalent basis, analysed by function was

	2006	2005
	Number	Number
Consolidated		
Project consultants	9 1	8 6
Administration and management	4 7	3 0
	13 8	11 6

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

13 TANGIBLE FIXED ASSETS - CONSOLIDATED

	Office Furniture £	Office Equipment £	Computers £	Website £	Total £
Cost					
At 1 October 2005	13,986	9,360	47,533	16,302	87,181
Additions	0	620	2,005	0	2,625
At 30 September 2006	13,986	9,980	49,538	16,302	89,806
Depreciation					
At 1 October 2005	13,925	4,948	36,701	11,925	67,499
Charge for the year	61	1,070	5,732	4,377	11,240
At 30 September 2006	13,986	6,018	42,433	16,302	78,739
Net Book Values:					
At 30 September 2006	0	3,962	7,105	0	11,067
At 30 September 2005	61	4,412	10,832	4,377	19,682

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

13 TANGIBLE FIXED ASSETS - COMPANY

	Office Equipment	Computers	Website	Total
	£	£	£	£
Cost				
At 1 October 2005	9,360	24,187	16,302	49,849
Additions	620	2,005	0	2,625
At 30 September 2006	9,980	26,192	16,302	52,474
Depreciation				
At 1 October 2005	4,948	13,599	11,925	30,472
Charge for the year	1,070	5,488	4,377	10,935
At 30 September 2006	6,018	19,087	16,302	41,407
Net Book Values:				
At 30 September 2006	3,962	7,105	0	11,067
At 30 September 2005	4,412	10,588	4,377	19,377

14 INVESTMENT IN SUBSIDIARY

	2006 £	2005 £
Cost of investment	0	0

The subsidiary company is The National Centre for Business & Sustainability, a company registered and operating in England & Wales

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

15 DEBTORS - GROUP

	2006	2005
	£	£
Trade debtors	80,319	106,990
Amounts recoverable on contracts	115,427	86,709
Prepayments	25,756	25,117
	221,502	218,816

DEBTORS - COMPANY

	2006	2005
	£	£
Trade debtors	16,802	68,646
Amounts due from subsidiary	27,194	64,082
Amounts recoverable on contracts	109,899	26,732
Prepayments	19,635	15,307
	173,530	174,767

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - GROUP

	2006	2005
	£	£
Trade creditors	58,079	38,692
Deferred income	98,257	100,047
Accruals	19,135	12,391
Other creditors incl VAT & PAYE	15,191	16,384
	190,662	167,514

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	2006	2005
	£	£
Trade creditors	55,575	10,967
Amount owed to subsidiary	0	15,652
Deferred income	78,537	93,947
Accruals	15,311	8,002
Other creditors incl VAT & PAYE	10,853	11,436
	160,276	140,004

Sustainability North West

Notes To The Financial Statements

Year Ended 30 September 2006

17 OTHER COMMITMENTS

At the year end the group and company had the following annual commitments under non-cancelable operating leases, relating to land and buildings only, as follows

	Consolidated 2006 £	Consolidated 2005 £	Company 2006 £	Company 2005 £
Within one year	0	0	0	0
Within two and five years	48,000	48,000	48,000	48,000

18 RELATED PARTIES

Due to the nature of the company's operations and composition of the board of directors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving organisations in which a member of the board may have an interest are conducted at arms length and under normal trading conditions. The company had no transactions with related parties that are required to be disclosed under Financial Reporting Standard 8.

19 PENSIONS AND SIMILAR ORGANISATIONS

The organisation's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Greater Manchester Pension Fund (GMPF). The total pension cost for the period was £14,219 (2005 £13,571).

University Superannuation Scheme

SNW participates in the USS, a defined benefit scheme, which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. SNW is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as allowed by FRS17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represent the contributions payable to the scheme in respect of the accounting period.

The pension cost for SNW for the year ended 30 September 2006 was £12,745 (2005-£12,261) of which employers contributions totaled £8,765 (2005 £8,435) and employees contributions £3,980 (2005 £3,826). The agreed contribution rates for future years are 14% for employer and 6.35% for employees.

Sustainability North West

Notes To The Financial Statements

Year Ended 30 September 2006

19 PENSIONS AND SIMILAR ORGANISATIONS (Continued)

Latest actuarial valuation	31 March 2005
Actuarial method	Projected Unit
Market value of assets	£21,740 million
Value of past service liabilities	£28,308 million
Deficit of assets	£6,568 million
Funding level for accrued benefits	77%
Investment return per annum on past service liabilities	4.5%
Salary increases per annum for past service liabilities	3.9%
Pension increases per annum for past liabilities	2.9%
Investment return per annum on future service liabilities	6.2%
Salary increases per annum for future service liabilities	3.9%
Pension increases per annum for future liabilities	2.9%

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pension Act 1995, the scheme was 126% funded at that date, under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded, on a buy-out basis (ie assuming the Scheme had discounted on the valuation date) the assets would have been approximately 74% of the amount necessary to secure all the USS benefits with an insurance company, and using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90%.

The organisation contribution rate required for future service benefits alone at the date of valuation was 14.3% of salaries but the trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due on 31 March 2008. The contribution rate will be reviewed as part of each valuation.

Sustainability North West

Notes To The Financial Statements

Year Ended 30 September 2006

19 PENSIONS AND SIMILAR ORGANISATIONS (Continued)

Greater Manchester Pension Fund

SNW participates in the GMPF, a defined benefit scheme, with assets held in separate trustee administered funds and is contracted out of the State Second pension (S2P)

The GMPF is administered by Tameside Metropolitan Borough Council. The total contributions made for the year ended 30 September 2006 was £8,308 (2005 £8,071) of which employers contributions totaled £5,454 (2005 £5,136) and employees contributions £2,854 (2005 £2,935). The agreed contribution rates for future years are 12% to 31 March 2007, and 13% to 31 March 2008, for employer and 6% for employees.

SSAP24

The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	Projected Unit
Market value of assets	£6,593 million
Value of past service liabilities	£461million
Funding level for accrued benefits	93%
Investment return per annum for past service liabilities	6.30%
Salary increases per annum for past service liabilities	4.4%
Pension increases per annum for past liabilities	2.9%

Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006

20 STATEMENT OF FUNDS

	At 1 Oct 2005	Income	Expend	Transfers	At 30 Sept 2006
Charity:	£	£	£	£	£
General Fund	105,757	71,767	(265,970)	176,850	88,404
Restricted Funds					
Individual projects	0	705,776	(535,930)	(169,846)	0
Landfill tax credit scheme	0	38,992	(31,988)	(7,004)	0
	105,757	816,535	(833,888)	0	88,404

	At 1 Oct 2005	Income	Expend	Transfers	At 30 Sept 2006
Subsidiary:	£	£	£	£	£
General Fund	246,604	2,708	0	(10,070)	239,242
Restricted Funds					
Individual projects	0	177,574	(217,157)	39,583	0
Landfill tax credit scheme	0	92,709	(63,196)	(29,513)	0
	246,604	272,991	(280,353)	0	239,242

	At 1 Oct 2005	Income	Expend	Transfers	At 30 Sept 2006
Group:	£	£	£	£	£
General Fund	352,361	74,475	(265,970)	166,780	327,646
Restricted Funds					
Individual projects	0	883,350	(753,087)	(130,263)	0
Landfill tax credit scheme	0	131,701	(95,184)	(36,517)	0
	352,361	1,089,526	(1,114,241)	0	327,646

**Sustainability North West
Notes To The Financial Statements
Year Ended 30 September 2006**

20 STATEMENT OF FUNDS (Continued)

The General fund represents the free funds of the group that are donated for the core running of the business. These funds are accounted for when they are received.

Restricted funds are received for specific corporate projects and are identified internally by individual project references to maintain the separate identities of each project and their associated income and costs.

Restricted funds are received from landfill operators BNFL and Biffa Waste who donate funds under the Landfill Tax Credit Scheme (LTCS). These funds are specifically for environmental projects that are situated in the vicinity of landfill sites.

Within the restricted funds all the projects are assessed on a contract by contract basis such that income and related expenditure is accounted for in the SOFA in line with the rate that the project is progressing. Only when income can be assessed with reasonable certainty is it recognised in the SOFA.

Once a project is completed, any remaining monies after all expenditure has been taken into account is transferred into the general funds.

21 GROUP NET ASSETS BY FUND

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	11,067	0	11,067
Trade debtors	2,366	77,953	80,319
Accrued Income	0	115,427	115,427
Other debtors & prepayments	25,756	0	25,756
Bank & cash	342,941	(57,202)	285,739
Trade creditors	(20,158)	(37,921)	(58,079)
Deferred income	0	(98,257)	(98,257)
Other creditors & accruals	(34,326)	0	(34,326)
	<u>327,646</u>	<u>0</u>	<u>327,646</u>

**Sustainability North West
Profit and Loss Account
Year Ended 30 September 2006**

	Group 2006 £	Group 2005 £	Company 2006 £	Company 2005 £
INCOME				
Core funding	35,075	83,039	35,075	83,039
Grants	744,768	563,858	744,768	563,858
Donations	306,972	451,644	36,689	60,952
Interest receivable	2,711	3,420	3	0
	1,089,526	1,101,961	816,535	707,849
DIRECT EXPENSES				
Marketing	34,008	27,742	30,202	22,883
Project costs	478,909	602,442	392,289	400,603
Support costs	41,996	8,231	41,996	8,231
	554,913	638,415	464,487	431,717
INDIRECT COSTS				
Staff costs	480,198	414,975	329,000	264,324
Accommodation	32,512	27,006	12,664	25,691
Transport costs	310	1,983	170	1,877
Communication costs	3,350	8,770	1,305	3,917
Administration costs	3,610	6,507	1,347	2,815
Professional fees	7,205	12,413	2,807	5,164
Audit & accounts	17,411	17,092	9,790	9,133
Information costs	773	165	301	165
Training & recruitment	1,983	14,087	772	8,240
Depreciation	11,243	14,647	10,938	12,844
Bank charges	35	277	35	277
Staff welfare	698	1,278	272	621
	559,328	519,200	369,401	335,068
DEFICIT	(24,715)	(55,654)	(17,353)	(58,936)