

Treasurer's report

Annual accounts for 2011/12

Please refer to the draft accounts for the period 1st April 2010 to 31st March 2011. Please note this is the second year of the existence of the charity and we have just one set of prior accounts, presented last year.

Explanation of results

The comparison between the results for 2010 and 2011 clearly shows a big difference, from a profit of £220,244 to a loss in 2011 of (£79,818).

The primary reason for this is that the figures for 2010 were inflated due to the fact that 2010 was the first year of the charity's existence. Previously, the organisation was constituted as a department of the British Science Association where it had built up reserves of £217,620 (as referred to in the accounts at Note 3). In accordance with accounting rules, the transfer of these reserves to the new charity was treated as income and led to the large surplus in 2010. If the effect of this one-off contribution is subtracted from the result for 2010, the surplus would reduce to £2,624.

The other large difference between 2010 and 2011 is the cessation of the BIS grant for ASDC core operations. In 2010 this was £57,000, in 2011 it was zero.

Taking these two factors into account, the remaining variance between the two years is £25,442.

The main cause of the variance of £25,442 is the reduction in project funding from £100,636 in 2009-10 to £68,192 in 2010-11 (by £32,444). Whilst there were more projects running during the year, in general the projects were smaller and generated less funding (see below).

Table 1: ASDC project income

| Project | £ | |
|-----------------------------|----------------|---------------|
| | 2009/10 | 2010/11 |
| Embedding Dialogue & Debate | 21,970 | 11,393 |
| Sound Matters | 10,050 | - |
| EU Nano | 53,136 | 28,959 |
| STEMNet After Schools Club | 5,000 | 5,000 |
| Inside DNA | 10,480 | 10,480 |
| EPSRC Solar Panels | - | 5,000 |
| Sciencewise | - | 4,000 |
| BIS Science for All | - | 2,000 |
| N.E.F. | - | 1,360 |
| Total project income | 100,636 | 68,192 |

On the positive side:

- Rent costs were down from £16,800 to £13,276. The costs in 2009-10 included rent for a 16 month period.
- Computer costs were down from £5,858 to £2,207. 2009-10 included one off costs for the purchase of the computers and accounting and CRM software.
- Whilst staff costs were up for the year the external project costs and use of external consultants has reduced significantly. In addition less has been spent on marketing following the launch of the organisation during 2009-10.

The table below shows the breakdown of total income by type (excluding the transfer from BSA).

Table 2: ASDC income

| Funding type | £ | |
|-----------------------------|----------------|---------------|
| | 2009/10 | 2010/11 |
| Core funding | 57,000 | - |
| Project funding | 100,636 | 68,192 |
| Subscriptions | 18,789 | 19,260 |
| Other income | 264 | 2,682 |
| Interest received | 273 | 302 |
| Total project income | 100,636 | 68,192 |

Financial overview

Once the distorting effect of the transfer of reserves to the new charity are taken into account, the present financial situation for ASDC is very clear and the key problem was the withdrawal of core funding, the £57,000 grant from BIS.

Determined effort to resolve this clear problem has taken place during the year, as ASDC is now drawing heavily on its reserves. The current economic climate remains very difficult, and important decisions must be made for 2012 to ensure that ASDC can remain a going concern and find a formula that is more sustainable.

Thanks

I would like to thank Corrigan Associates for carrying out the independent examination of the accounts, Chris Godden for his diligent work during the year with the charities finances and in helping prepare the annual accounts, and of course Penny and her team for the hard work they put into to ensuring that the accounting process has been so smooth.

Examination of accounts

The annual income of ASDC falls within the levels at which full audit is not required. Provision is made in law for small and medium charities to use an intermediate method of scrutiny known as an independent examination – see the table below for the relevant thresholds. The procedures are laid

down by Act of Parliament, by detailed Regulations, and (in England & Wales) by the Directions of the Charity Commission.

ASDC commissioned an annual independent examination by Corrigan Associates, and the formal statement by the independent examiners is shown on page 9 of the accounts.

Independent Examination is an alternative to professional audit. It is a process of scrutinising a charity's accounts below the level of a professional audit. It covers slightly less than a full audit, but is still a very thorough form of scrutiny. The Independent Examiner, will:

- look at the accounts
- gain an understanding of the organisation
- compare the accounts to the books, perform various other checks including analytical procedures, events occurring after the year end
- Record the procedures carried out
- Review the accounting records
- Review the trustees report
- write an independent report for circulation with the accounts

| | England & Wales (Charity Commission) For financial years ending on or after 1 April 2009 |
|---|--|
| Accounts regulations | |
| Audit – irrespective of gross assets (including a group if its combined gross income exceeds the threshold) | £500,001 or more |
| Audit - when gross assets exceed certain thresholds | £250,001 or more (when gross assets are in excess of £3.26m) |
| Independent Examination (by a person holding an appropriate professional qualification) | £250,001 to £500,000 |
| Independent Examination (by an appropriate person) | £25,001 to £250,000 |
| No independent scrutiny | Up to £25,000 |
| Receipts and payments accounts are allowed (non-company charities only) | Up to £250,000 |
| Accruals accounts are required (company charities) | Applicable to all |

Conclusion

I recommend that the accounts are accepted and submitted to the Charity Commission.

Peter Trevitt
Treasurer
September 2011