

# Higher Education Careers Services Unit



financial report 2005/06



# Higher Education Careers Services Unit

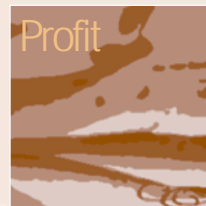
(A company limited by guarantee)

## Directors' report and financial statements

Registered number 03155620

Charity number 1055300

31 January 2006



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# Legal and administration details

The Higher Education Careers Services Unit (HECSU) is a company limited by guarantee and a registered charity (governed by its Memorandum and Articles of Association) which was incorporated on 1 August 1996. The organisation had previously operated as an unincorporated association operated by Universities UK (UUK) and Standing Conference of Principals (SCOP). On 1 August 1996 the unincorporated association transferred all its assets and liabilities amounting to £2,497,713 by deed of gift to HECSU.

HECSU provides support and assistance to the careers advisory services of its member institutions. This support is provided through the publication of graduate employment directories, vacancy and statistical publications and the provision of specialist career guidance and administrative software. Membership is open to all higher education institutions and is by subscription.

## Address and registered office:

Prospects House  
Booth Street East  
Manchester  
M13 9EP

Company registration number:  
03155620

Charity registration number:  
1055300

## Members of the board:

Professor J D Bone – Chairman  
Mr A Nelson  
Dr J Cater  
Mr H T B Smith  
Dr P Redmond  
Dr G Copland *(resigned 1 December 2005)*  
Mrs L Ali *(resigned 1 February 2006)*  
Dr J Nicholls  
Professor D Melville  
Mr S Denton  
Mr J Gough  
Mr T Butler  
Professor J Stringer *(resigned 31 May 2005)*  
Mrs L G Buckham  
Ms A Hodgson  
Mr G Nicholson *(appointed 1 August 2005)*  
Professor A Hamnett *(appointed 1 August 2005)*  
Professor P O'Prey *(appointed 1 January 2006)*

The company's board of trustees is responsible for its affairs. The board is appointed as follows:

- 14 trustees appointed by UUK (Universities UK)
- 1 trustee appointed by SCOP (Standing Conference of Principals)
- 3 trustees co-opted by the board

The trustees constitute directors of the company for Companies Act purposes. At the year end, the process of appointing further members to the board was still underway.

## Bankers:

National Westminster Bank plc  
115 Deansgate  
Manchester  
M3 2BG

## Principal officers:

Mr M Hill - Chief Executive  
Mr S Bluck - Financial Director

## Auditors:

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

## Solicitors: DLA

101 Barbirolli Square  
Manchester  
M2 3DL

## Investment advisors:

Castlefield Investments  
3rd Floor  
Exchange Square  
Manchester  
M4 3TR

# Trustees' report

The trustees present their annual report and the audited consolidated financial statements for the year ended 31 January 2006.

## Legal and administrative details

Details of the registered office, trustees, principal officers and other relevant information are given on pages 1 and 2.

The governing documents of the company are its Memorandum and Articles of Association. The financial statements have been drawn up in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities (SORP) 2000 and comply with the current statutory requirements and the company's Memorandum and Articles of Association.

## Objects of the charity

HECSU's charitable object is: "The advancement of the education of students and graduates of any establishment of higher education which is a subscriber to the company by supporting and assisting the work of the careers advisory services of such subscribers."

## Grant making policy

Grants are made in line with the charitable object.

Over the last year, HECSU's policy has been to pay monies directly to the Association of Graduate Careers Advisory Services (AGCAS) to help support careers services, and to make payments to AGCAS for specific purposes, namely educational

bursaries. HECSU has funded the distribution of paper based careers advice and information materials to students and graduates via HE Careers services. Finally, HECSU has funded relevant research and labour market information collation, and disseminated the findings.

The Longitudinal project was started in this financial year with costs of £130,000. This project comprises of a core study and subsidiary studies and will run for five years at a total estimated cost of £1,500,000.

HECSU employs a research manager who has developed a research strategy, in connection with stakeholders, to guide decision making and all bids for funding have to meet the appropriate criteria as outlined.

## Organisation structure

The board of trustees has overall administrative responsibility. It meets twice per year to consider reports and papers from the organisation's management. Day to day responsibility is delegated to the chief executive, supported by an executive team. No staff or management are HECSU trustees.

HECSU owns Graduate Prospects Limited, the commercial subsidiary. A separate board, made up of five non-executive directors (all trustees of the charity) and three executive directors, administers Graduate Prospects Limited.

Four members of staff work solely for HECSU, while a small number work for HECSU and Graduate

Prospects Limited, and their costs are allocated accordingly. The charity does not depend on any unpaid volunteers, nor does it have any other income other than that declared in the accounts.

## Financial results

HECSU incurred £832,007 of charitable expenditure in the year, plus £221,514 of management and administrative expenditure. The main areas of charitable expenditure were as follows:

- distributions to AGCAS, an education charity
- provision, free of charge, of information booklets to graduate careers services
- funding of educational research

The main source of income for the group is from its subsidiary, Graduate Prospects Limited, which generates income from publishing. This amounted to £5,402,731 in the year. The other main source of income was £161,852 of annual contributions from academic institutions.

The charity's balance sheet total is £8,516,205. This mainly represents fixed assets, an equity investment, cash, and its investment in Graduate Prospects Limited. These assets are sufficient to fund current and future expected expenditure.

Investment policy and performance  
In 2000, HECSU invested £3 million in an equity investment managed by Castlefield Investments. The value of this investment at 31 January 2006 of £3,651,177 is reflected in the accounts. This investment was acquired in

## Trustees' report *continued*

accordance with the powers available to the trustees. The charity's other funds are invested in short term and medium term deposits.

### Reserves strategy

HECSU's board agreed a reserves strategy in 2003, the key elements of which are:

- the setting of a target of increasing annual charitable spending to £1.4m per annum, focusing on long term research projects
- the setting up of a research panel which would identify and progress potential research projects
- the setting of upper and lower free reserve limits of one year's and six months' charitable spend respectively
- the setting up of a research fund, using existing reserves, to fully cover the full anticipated spend of long term research projects
- the setting up of a strategic investment reserve to fund potential investment into Graduate Prospects Limited
- Graduate Prospects Limited to make future payments to HECSU via gift aid.

HECSU has a close and continuing relationship with AGCAS. HECSU and AGCAS have agreed a series of service level agreements to regulate relations between the two bodies.

Free reserves were £6,385,856 as at 31 January 2006 (2005: £6,065,284) and are calculated as total

unrestricted funds less amounts held as tangible fixed assets. Of this amount £1,600,000 has been allocated as a research reserve to fund the Longitudinal research project which began this year. A further £2,250,000 has been allocated to a strategic investment reserve for the purpose of further investment in Graduate Prospects as and when required. This leaves unallocated reserves of £2,535,856 at year end.

Approximately £700,000 represents working capital in Graduate Prospects with the remainder available to fund ongoing expenditure in the charitable company. The Board aims to reduce this amount to the level that it represents no more than one year's charitable spend. This will be done by actively seeking additional projects to support.

### Risk management

Each year a budget is presented to, and agreed by, the board of trustees. The budget process includes a review of the risks facing the organisation, in line with its objectives.

A formal risk assessment, supported by an outside independent expert, was initiated in September 2003, and this will serve as the basis for a formal ongoing risk assessment process. An update presentation was made to the board in May 2005. An internal risk management team has been formed to co-ordinate activity and embed the process in the organisation, and the team reports regularly to the board.

Currently, risks to the business have been identified and the potential impact of these risks assessed.

Controls that will remove the risk or reduce the impact have been considered and this information will be presented to the Board at the forthcoming Board meeting prior to the identified controls being put in place.

### Results

The group had a net movement in funds of £224,214 (2005: £339,283). The funds carried forward at 31 January 2006 amounted to £8,084,966 (2005: £7,860,752).

### Trustees

All trustees are guarantors of the company with a maximum liability of £1 each.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

### By order of the board

*Professor J D Bone*  
Trustee  
Prospects House  
Booth Street East  
Manchester  
M13 9EP

# Statement of responsibilities of the trustees of the Higher Education Careers Service Limited in respect of the trustees' report and the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year in accordance with UK accounting standards.

The group and charitable company's financial statements are required by law to give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable

accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



# Report of the independent auditors to the members of Higher Education Careers Services Unit (A company limited by guarantee)

We have audited the group and charity financial statements (the 'financial statements') of the Higher Education Careers Service Limited for the year ended 31 January 2006 which comprise the statement of financial activities including the group income and expenditure account, the group and company balance sheets, and the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of the trustees and auditors

As described in the statement of trustees' responsibilities on page 6, the charitable company's trustees, who are also the directors of the Higher Education Careers Service Limited for the purposes of company law, are responsible for preparing the

trustees report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Companies Act 1985. We also report to you if, in our opinion, the trustees report is not consistent with the financial statements, if the charitable company 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 directors' remuneration and other transactions is not disclosed. We read the trustees report and consider the implications for our report if we become aware of any apparent misstatement 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable 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 UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 January 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

# Consolidated statement of financial activities incorporating the summary income and expenditure account for the year ended 31 January 2006

	Note	2006 £	2005 £
<b>Incoming resources</b>			
Incoming resources from activities for generating funds			
Publications		3,235	23,527
Annual contributions		161,852	193,580
Activities for generating funds		165,087	217,107
Commercial trading operations	3	5,402,731	5,541,188
Investment income		153,982	152,703
<b>Total incoming resources</b>		<b>5,721,800</b>	<b>5,910,998</b>
Less: cost of generating funds			
Commercial trading operations	3	(5,029,834)	(5,494,374)
<b>Net incoming resources available for charitable application</b>		<b>691,966</b>	<b>416,624</b>
<b>Charitable expenditure</b>			
Grants payable in furtherance of the charity's object	4	(361,811)	(215,879)
Costs of activities in furtherance of the charity's object	4	(470,196)	(613,861)
Resources expended on managing and administering the charity	4	(221,514)	(174,215)
<b>Total charitable expenditure</b>		<b>(1,053,521)</b>	<b>(1,003,955)</b>
<b>Total resources expended</b>		<b>(6,083,355)</b>	<b>(6,498,329)</b>
<b>Net expenditure for the year</b>		<b>(361,555)</b>	<b>(587,331)</b>
Gains on revaluations of investment assets	12	585,769	248,048
<b>Net movement in funds</b>	7	<b>224,214</b>	<b>(339,283)</b>
Total unrestricted funds brought forward		7,860,752	8,200,035
<b>Total unrestricted funds carried forward</b>		<b>8,084,966</b>	<b>7,860,752</b>

All funds are unrestricted income funds and relate to continuing operations.  
Income and expenditure totals are shown after eliminating inter-company trading.

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## Consolidated balance sheet for the year ended 31 January 2006

	Note	2006		2005	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		<b>1,699,102</b>		1,795,468
Investments	12		<b>3,651,177</b>		3,065,408
			<u>5,350,279</u>		<u>4,860,876</u>
<b>Current assets</b>					
Debtors	13	<b>856,969</b>		744,932	
Cash at bank and in hand		<b>3,565,315</b>		3,954,620	
		<u>4,422,284</u>		<u>4,699,552</u>	
<b>Creditors: amounts falling due within one year</b>	14	<b>(1,687,605)</b>		(1,699,676)	
<b>Net current assets</b>			<u>2,734,679</u>		<u>2,999,876</u>
<b>Net assets</b>			<u>8,084,958</u>		<u>7,860,752</u>
<b>Unrestricted funds</b>			<u>8,084,958</u>		<u>7,860,752</u>

These financial statements were approved by the board of trustees on

and were signed on its behalf by:

**Professor J D Bone**  
*Trustee*

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## Charitable balance sheet at 31 January 2006

	Note	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	11		<b>1,477,579</b>		1,517,933
Investments	12		<b>5,001,177</b>		4,415,408
			<u><b>6,478,756</b></u>		<u>5,933,341</u>
<b>Current assets</b>					
Debtors	13	469,547		434,556	
Cash at bank and in hand		2,309,861		2,378,641	
		<u>2,779,408</u>		<u>2,813,197</u>	
Creditors: amounts falling due within one year	14	(741,959)		(454,371)	
Net current assets			<u>2,037,449</u>		<u>2,358,826</u>
Net assets			<u><b>8,516,205</b></u>		<u><b>8,292,167</b></u>
Unrestricted funds			<u><b>8,516,205</b></u>		<u><b>8,292,167</b></u>

## Consolidated cash flow statement for the year ended 31 January 2006

	Note	2006 £	2005 £
<b>Cash (outflow)/inflow from operating activities</b>		<b>(435,742)</b>	80,263
<b>Returns on investments and servicing of finance</b>			
Investment income received		153,982	152,703
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(107,545)	(156,619)
		<hr/>	<hr/>
<b>(Decrease)/increase in cash in the year</b>	17	<b>(389,305)</b>	76,347

### Reconciliation of net cash flow to movement in net funds

for the year ended 31 January 2006

	Note	2006 £	2005 £
<b>(Decrease)/increase in cash in the year</b>		<b>(389,305)</b>	76,347
		<hr/>	<hr/>
Movement in net funds in the year		(389,305)	76,347
Net funds at the start of the year	17	3,954,620	3,878,273
		<hr/>	<hr/>
<b>Net funds at the end of the year</b>	17	<b>3,565,315</b>	3,954,620

### Reconciliation of net resources to cash flow from operating activities

for the year ended 31 January 2006

	2006 £	2005 £
<b>Net outgoing resources</b>	<b>(361,555)</b>	(587,331)
Increase/(decrease) in stocks	-	15,466
Increase in debtors	(112,037)	(71,402)
(Decrease)/increase in creditors	(12,071)	629,334
Depreciation	203,307	246,478
Loss on disposal of fixed assets	596	421
Net investment income	(153,982)	(152,703)
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(435,742)</b>	80,263

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# Notes forming part of the financial statements

## 1 Status of charitable company and liability of trustees

Higher Education Careers Services Unit is a registered charity and a company limited by guarantee. Each trustee undertakes to contribute to the assets of the company in the event of being wound up. This sum shall not exceed £1 each.

## 2 Accounting policies

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

### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 1985, in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in October 2000 (SORP 2000) and under historical cost accounting rules, except for the revaluation of listed investments.

### *Basis of consolidation*

The consolidated financial statements include financial statements of the charitable company and its subsidiary undertakings made up to 31 January 2006. The acquisition method of accounting has been adopted. Under Section 230(4) of the Companies Act 1985 and paragraph 304 of SORP 2000 the charitable company is exempt from the requirement to present its own statement of financial activities or income and expenditure account.

### *Investments*

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Listed investments are included at market value. The movements in market value are shown in the consolidated statement of financial activities as an unrealised gain or loss on investment assets.

### *Tangible fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings -  
2% per annum

Plant and equipment-  
20% per annum

Computer equipment-  
33.33% per annum

Fixtures and fittings-  
20-33.33% per annum

### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

### *Unrestricted funds*

These are funds which can be used in accordance with charitable objects at the discretion of the trustees.

### *Incoming resources*

Income from commercial activities and annual contributions are included in the period in which the group becomes entitled to receipt.

### *Interest receivable*

Interest is included when receivable by the group.

### *Resources expended*

Resources expended are included in the statement of financial activities on an accruals basis. Certain expenditure which is directly attributable to specific activities has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

### *Deferred income*

Deferred income represents the value of goods and services that has been invoiced but is not considered delivered or completed at the year end. Deferred income is carried forward within creditors and released to the Profit and Loss Account in the period in which delivery or completion occurs.

### *Taxation*

The company is a registered charity and by virtue of its trading activities being in fulfilment of the objects of the charitable company, the charitable company is exempt from corporation tax on all charitable activities. The charge for taxation on the subsidiary company's non charitable activities is

## Notes forming part of the financial statements

based on the result for the year. The trading subsidiary has elected to make a gift aid payment to the charitable company equivalent to its taxable profits for the year.

### *Post retirement benefits*

The group participates in two pension schemes providing benefits based on final pensionable pay. The assets of these schemes are held separately from those of the group. As the

company is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis it therefore, as required by FRS 17 "Retirement Benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the profit and loss account represents contributions payable to the schemes in respect of the accounting period.

### *Jointly conducted activities*

The group's share of surpluses arising on jointly conducted activities has been included on a receivable basis.

### *Cash*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

### 3 Net income from trading activities of subsidiaries

The charitable company has one wholly owned trading subsidiary which is incorporated in the United Kingdom. Graduate Prospects Limited operates in the publishing and software support industry. The company pays all its taxable profits to Higher Education Careers Services Unit by gift aid. A summary of the trading results is shown below:

#### Profit and loss account

	2006 £	2005 £
Turnover	5,402,731	5,541,188
Cost of sales	<b>(2,515,733)</b>	(2,557,864)
Gross profit	<b>2,886,998</b>	2,983,324
Selling and distribution costs	<b>(1,596,442)</b>	(1,638,682)
Administration expenses	<b>(1,265,837)</b>	(1,258,084)
Net interest receivable	<b>46,600</b>	33,657
Dividends received from subsidiaries	<b>435,035</b>	-
Net profit	<b>506,354</b>	120,215
Gift aid payment to Higher Education Careers Service Unit	<b>(459,062)</b>	(134,157)
Profit/(loss) retained by subsidiary	<b>47,292</b>	(13,942)
The assets and liabilities of the subsidiary were:		
	2006 £	2005 £
Fixed assets	<b>221,504</b>	277,541
Current assets	<b>2,484,767</b>	2,303,236
Creditors: amounts falling due within one year	<b>(1,787,506)</b>	(1,709,304)
Total net assets	<b>918,765</b>	871,473

The administration expenses of Graduate Prospects Limited include a charge of £ 90,000 (2005: £90,000) for rent of a building from HECSU and income of £129,744 (2005: £129,744) for management charges to HECSU that have been excluded from the consolidated statement of financial activities.

The dividends received figure relates to a dividend paid by CSU (Publications) Ltd to clear an inter company debtor. This subsidiary has not traded for a number of years.

The commercial trading operations expenditure reported in the Consolidated Statement of Financial Activities is arrived at as follows:

	£	£
Cost of sales	<b>(2,515,733)</b>	(2,557,864)
Selling and distribution costs	<b>(1,596,442)</b>	(1,638,682)
Administration expenses	<b>(1,265,837)</b>	(1,258,084)
Less: Management charge income	<b>(129,744)</b>	(129,744)
Add: Rent of building	<b>90,000</b>	90,000
Add: Write-off of inter company balances	<b>387,922</b>	-
Expenditure per Statement of Financial Activities	<b>(5,029,834)</b>	(5,494,374)

## 4 Analysis of resources expended

### Grants payable

	2006	2005
	£	£
Recipient		
CIHE - Int Competitiveness of UK Higher Ed	25,000	-
Leeds University - CAS degree training	28,000	-
Leeds University - Lifelong Learning	35,600	63,927
Sheffield Hallam - CAS & Diversity	(6,000)	36,000
Sheffield Hallam University - Learning through Placements	35,950	-
Longitudinal Project	130,663	11,069
NICEC	-	1,700
Hero	27,598	31,398
Moving On	-	1,785
Liverpool John Moores - Merseyside Diversity Project	25,000	25,000
NCWE	25,000	15,000
NASES	30,000	30,000
Strathclyde University - Guide to job search via the Internet	5,000	-
	<b>361,811</b>	<b>215,879</b>

The negative grants payable figure against the CAS & Diversity project relates to an overpayment in 2005 when the project was completed.

Institutions which have received grants in respect of the Longitudinal Project in the year are Southampton University, the University of the West of England, Warwick University, UCAS and Student Promotions. The most significant grants in the year were £81,938 to Warwick University and £27,375 to the University of the West of England.

*Grants were made for the following:*

	2006	2005
	£	£
Research in the furtherance of charity's objects	334,213	184,481
Provision of support to member institutions	27,598	31,398
	<b>361,811</b>	<b>215,879</b>

### Costs of activities in furtherance of the charity's object

	2006	2005
	£	£
Distributions to AGCAS	82,164	242,514
AGCAS information booklets and support activities	303,671	273,013
Other project costs	84,361	98,334
	<b>470,196</b>	<b>613,861</b>

AGCAS is a registered charity based at the University of Sheffield, which engages in similar activities to those of HECSU.

#### 4 Analysis of resources expended *continued*

Management and administration expenditure	<b>2006</b>	2005
	£	£
Salaries and related costs	<b>113,896</b>	71,932
Premises costs	<b>12,644</b>	13,699
Depreciation	<b>40,673</b>	43,300
Other	<b>54,301</b>	45,284
	<b>221,514</b>	174,215

#### 5 Remuneration of trustees

None of the trustees, nor any persons connected with them, received any remuneration or were reimbursed any expenses in respect of their services to the group in the current or preceding year.

#### 6 Staff numbers and costs

The average number of full-time equivalent persons employed by the group (excluding trustees) during the year, analysed by category was as follows:

	<b>Number of employees</b>	
	<b>2006</b>	2005
Office and management	<b>89</b>	90

The aggregate payroll costs of these persons were as follows:

	<b>2006</b>	2005
	£	£
Gross wages and salaries	<b>2,534,426</b>	2,470,895
Employer's national insurance	<b>197,180</b>	193,356
Pension contributions (see note 15)	<b>263,378</b>	212,361
	<b>2,994,984</b>	2,876,612

Remuneration of higher paid staff earning in excess of £50,000, excluding employer's pension contributions were in the following ranges:

	<b>2006</b>	2005
	£	£
£50,000-£60,000	<b>2</b>	1
£60,001-£70,000	<b>0</b>	1
£70,001-£80,000	<b>1</b>	1
	<b>3</b>	3

All employees earning more than £50,000 accrued benefits under a defined benefit scheme during the year.

## 7 Net movement in funds

	2006 £	2005 £
<i>Net movement in funds is stated after charging:</i>		
<b>Auditors' remuneration</b>		
Audit services – group	12,000	11,500
Audit services – parent	6,000	6,000
Depreciation	203,307	246,478
Other operating lease rentals	33,141	14,945
Loss on sale of tangible fixed assets	596	421
	<hr/>	<hr/>

## 8 Investment income

	2006 Group £	2006 Charitable company £	2005 Group £	2005 Charitable company £
<b>Bank interest</b>				
Charitable company	107,382	107,382	119,046	119,046
Trading subsidiaries	46,600	-	33,657	-
	<hr/>	<hr/>	<hr/>	<hr/>
	153,982	107,382	152,703	119,046

## 9 Jointly conducted activities

Together with AGCAS and the Association of Graduate Recruiters, the group is involved in the organisation of a series of specialist fairs and career conferences. The group's share of the income and expenditure on any event is generally one third.

## 10 Gift aid payments received from subsidiary undertakings

The company's trading subsidiary undertaking made a gift aid payment of £459,062 (2005: £134,157) equal to the taxable profits of the company for the year to the Higher Education Careers Services Careers Unit.

## 11 Tangible fixed assets

### Group

	<b>Freehold buildings</b>	<b>Plant and equipment</b>	<b>Computer equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	£	£	£	£	£
<i>Cost</i>					
At beginning of year	1,750,704	201,896	1,379,963	243,424	3,575,987
Additions	-	5,131	95,379	7,035	107,545
Disposals	-	-	(604)	-	(604)
At end of year	<u>1,750,704</u>	<u>207,027</u>	<u>1,474,738</u>	<u>250,459</u>	<u>3,682,928</u>
<i>Depreciation</i>					
At beginning of year	242,183	115,433	1,209,056	213,847	1,780,519
Charge for year	35,014	28,324	127,199	12,770	203,307
On disposals	-	-	-	-	-
At end of year	<u>277,197</u>	<u>143,757</u>	<u>1,336,255</u>	<u>226,617</u>	<u>1,983,826</u>
<i>Net book value</i>					
<b>At 31 January 2006</b>	<u>1,473,507</u>	<u>63,270</u>	<u>138,483</u>	<u>23,842</u>	<u>1,699,102</u>
At 31 January 2005	<u>1,508,521</u>	<u>86,463</u>	<u>170,907</u>	<u>29,577</u>	<u>1,795,468</u>

The group net book value at 31 January 2006 represents fixed assets used for:

	<b>Freehold buildings</b>	<b>Plant and equipment</b>	<b>Computer equipment</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	£	£	£	£	£
Direct charitable purposes	1,473,507	2,867	681	524	1,477,579
Management and administration purposes	-	60,403	137,802	23,318	221,523
	<u>1,473,507</u>	<u>63,270</u>	<u>138,483</u>	<u>23,842</u>	<u>1,699,102</u>

## 11 Tangible fixed assets *continued*

### Charitable company

	Freehold buildings	Plant and equipment	Computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
<i>Cost</i>					
At beginning of year	1,750,704	1,366	14,958	32,431	1,799,459
Additions	-	-	-	319	319
At end of year	1,750,704	1,366	14,958	32,750	1,799,778
<i>Depreciation</i>					
At beginning of year	242,183	411	9,394	29,538	281,526
Charge for year	35,014	274	2,697	2,688	40,673
Disposals					
At end of year	277,197	685	12,091	32,226	322,199
<i>Net book value</i>					
<b>At 31 January 2006</b>	<b>1,473,507</b>	<b>681</b>	<b>2,867</b>	<b>524</b>	<b>1,477,579</b>
At 31 January 2005	1,508,521	955	5,564	2,893	1,517,933

## 12 Investments

### Group

#### Direct investment in quoted UK investments

Market value at 31 January 2005	<b>3,065,408</b>
Movement in the year	<b>585,769</b>
Market value at 31 January 2006	<b>3,651,177</b>

### Company

	Shares in subsidiary undertakings	Direct investment in quoted UK investments	Total
	£	£	£
At 31 January 2005	1,350,000	3,065,408	4,415,408
Net gains on revaluation	-	585,769	585,769
At 31 January 2006	1,350,000	3,651,177	5,001,177

## 12 Investments *continued*

The following companies, all of which are registered in England are wholly owned by the company, either directly or indirectly.

	Principal activity	Percentage of ordinary share capital held	Shareholder's funds/(deficit) at 31 January 2006
		%	£
CSU (Publications) Limited*	Dormant	100	-
CSU (Software Support) Limited*	Dormant	100	-
Campus Print Limited*	Dormant	100	-
National Council for Work Experience*	Dormant	Sole member	-
Graduate Prospects Limited	Publishing and software support	100	918,753

\*share capital held by Graduate Prospects Limited

In the opinion of the directors the value of the investments is not less than that stated in the financial statements.

## 13 Debtors

	2006 Group	2006 Charitable company	2005 Group	2005 Charitable company
	£	£	£	£
Trade debtors	659,992	2,786	626,094	15,924
Other debtors	25,201	7,504	30,076	1,753
Amounts due from subsidiary undertakings	-	459,062	-	416,879
Prepayments and accrued income	171,776	195	88,762	-
	<b>856,969</b>	<b>469,547</b>	<b>744,932</b>	<b>434,556</b>

All debtors fall due within one year.

## 14 Creditors: amounts falling due within one year

	2006 Group	2006 Charitable Company	2005 Group	2005 Charitable company
	£	£	£	£
Trade creditors	436,247	-	184,583	-
Other creditors	603,741	9,753	804,537	19,302
Accruals and deferred income	647,617	349,396	710,556	435,069
Amounts due to group undertakings	-	382,810	-	-
	<b>1,687,605</b>	<b>741,959</b>	<b>1,699,676</b>	<b>454,371</b>

## 14 Creditors: amounts falling due within one year *continued*

	Group £	Company £
<i>Deferred income</i>		
Balance at beginning of year	151,214	95,655
Amount released to incoming resources	(151,214)	(95,655)
Amount deferred in year	167,443	81,265
	<hr/>	<hr/>
Balance at end of year	167,443	81,265
	<hr/>	<hr/>

Deferred income in the charitable company comprises contribution for membership services to be provided in future accounting period.

## 15 Pension arrangements

The employees of the Company are members of either the University of Manchester Superannuation Scheme (UMSS) or the Universities Superannuation Scheme (USS) both of which provide benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for, in these financial statements, as if the scheme was a defined contribution scheme.

The total contribution for the year was £263,378 (2005:£212,361).

	UMSS	USS
Date of latest actuarial valuation	31 July 2004	31 March 2005
Market value of assets at date of last valuation	£192 million	£21,740 million
Proportion of members' accrued benefit covered by the actuarial value of the assets	82%	77%
(Deficit)/surplus at date of latest actuarial valuation	£43 million	£6,568 million

### UMSS

As a result of the deficit identified in the latest actuarial valuation, the employer contribution rate increased from 10% to 15% of pensionable pay in July 2005. It has been agreed that this rate will apply until 31 July 2006. From 1 August 2006 and in future years an employer contribution rate of 17.5% of pensionable pay will apply. The previous actuarial valuation was updated in 2004 and at this time indicated a deficit of £3.7million.

### USS

Employer contribution rates continue to be maintained at 14% of pensionable pay. This contribution rate will be reviewed at the next actuarial valuation due to take place at 31 March 2008.

## 16 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

### Group and company

	<b>Land and buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Leases which expire:		
In the second to fifth years inclusive	<b>33,097</b>	33,097
After more than five years	<b>14,945</b>	14,945

## 17 Analysis of net funds

	<b>At beginning of year</b>	<b>Cash flow</b>	<b>At end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>3,954,620</b>	<b>389,305</b>	<b>3,565,315</b>