



Association of Charity Independent Examiners

**Bentley Resource Centre, High Street, Bentley, Doncaster DN5 0AA
Tel: 01302 828338**

www.acie.org.uk

**Registered charity: England and Wales number 1077154
 Scotland number SC039066**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2007

CONTENTS

| | |
|--------------------------------------|------|
| Annual Report of Council | 2-5 |
| Independent Examiner's Reports | 6-7 |
| Financial Statements..... | 8-14 |

Association of Charity Independent Examiners

ANNUAL REPORT OF THE COUNCIL FOR THE YEAR ENDED 31ST DECEMBER 2007

The Council of the Association of Charity Independent Examiners presents its Annual Report and Financial Statements for the year ended 31st December 2007.

REFERENCE AND ADMINISTRATIVE INFORMATION

Name of charity: Association of Charity Independent Examiners (ACIE)
Registered charity numbers: England and Wales 1077154 and Scotland SC039066 (from 10 Dec 2007)
Address: Bentley Resource Centre, High Street, Bentley, Doncaster DN5 0AA

Council members at date of report:

Robert Andrews* (Vice-Chair from the AGM June 2007)
Peter Brown * (from the AGM June 2007)
Barrie Buels*
Adetokunbo Diyan
Gwen Grayson
Mark Heaton* (Treasurer; and Chair from the AGM June 2007)
Eric Southwick*
Christopher
Stephen-Haynes* (from the AGM June 2007)

The Charity Trustees of the Association are the Council Members (* indicates Full Member of ACIE).

Other Council members during 2007:

Alan Clements* (Chair until AGM June 2007)
Nicholas Morgan* (Vice-Chair; resigned January 2007)
Kenneth Stobart* (from the AGM June 2007; deceased November 2007)

Officers: Fiona Gordon (Director, 0.6 full time equivalent)
Eric Marsden (Senior Administrator, 0.9 full time equivalent)

Bankers: Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

Independent Examiner: Mr David Ralph JP FCIPD FCIE
50 Southwood Road, Rusthall, Tunbridge Wells, Kent TN4 8SP

STRUCTURE, GOVERNANCE AND MANAGEMENT

ACIE is an unincorporated charitable association, governed by a constitution adopted on 1 July 1999 (most recently amended at 1 October 2007, so that the dissolution clause (clause V) meets the requirements of Scottish charity law). ACIE's registration as a charity in Scotland (no: SC039066) was confirmed by OSCR (the Office of the Scottish Charity Regulator) on 10 December 2007.

ACIE's trustees are elected at the AGM. In addition, Trustees may be co-opted during the year. Council met five times during the year, including twice by telephone. As required by the Constitution, the majority of Council members are Full Members of ACIE (marked * above).

Committees

Council members have participated in three Committees during 2007:

- Membership, chaired by Robert Andrews, which reviews applications for Full Membership of ACIE and members' compliance with ACIE regulations met 3 times (including one telephone conference);
- Finance and Human Resources, chaired by Mark Heaton, met 4 times (twice by telephone conference);
- Training and Professional Development, chaired by Gwen Grayson, met twice.

OBJECTIVES AND ACTIVITIES

Objects:

The objects of the Association are to promote greater effectiveness of charities in the United Kingdom in the achievement of their charitable objects:

- 1 by providing advice, support, and training to any person acting or wishing to act as an Independent Examiner of charity accounts;
- 2 by promoting and maintaining high standards of practice and professional conduct by its members; and
- 3 by providing charity trustees with information in connection with the selection and appointment of independent examiners.

Activities:

- an enquiry service for members and non-members and charities seeking an IE,
- including a website
- training courses and an annual conference
- a members' Handbook and newsletter
- the professional qualification of Full Membership, designated by LCIE, MCIE, FCIE
- collaboration with other bodies where this furthers the ACIE objects
- lobbying of the relevant bodies in respect of charity legislation or regulation with the aim of effecting change which will further the ACIE objects

ACHIEVEMENTS AND PERFORMANCE

As a membership organisation, **membership numbers** can be an indicator of the health of the organisation. In which case, the reduced total number of members of ACIE, falling from 568 (2006) to 553 (2007), could be seen as worrying and has, in fact, had some financial implications (see below). However, the number of Full Members has continued to rise, from 114 to 127 (an 11% increase), meaning 23% of the membership were Full Members at 31 December 2007. The significance of this is that ACIE is steadily building a body of examiners accredited specifically in charity accounting and IE, who will be increasingly valuable to smaller charities as current legislative changes regarding the scrutiny of their accounts are implemented.

The fall in overall numbers has resulted mainly from the mix of training events offered in 2007, together with a loosening of the membership requirement for attendance at these events. The ACIE Council acknowledges the numerical and financial consequences of this move but sees it as part of a longer-term shift in the training it provides. Turn-over of membership continues to be relatively high (there were 113 new members in 2007), which results from an understandable movement in and out of IE, plus funding cuts to certain IE providers within the voluntary sector and, this year, a noticeable number of retirements amongst long-standing members.

The Association continues to try and make its services available at a reasonable price to people who carry out IE on a voluntary basis. It has continued to run a Bursary Fund to allow it to subsidise membership subscriptions for voluntary members (VIE) and is very grateful to the members and funders who support this financially, although the demand on the fund continues to be over twice the amount that is received.

Much of this year's work has focused on **the implementation of the Charities Act 2006** and other current or pending legislative or regulatory changes - in keeping members (and a wider audience) up to date with the changes and working out the implications for ACIE. The amount of change in 2007 relevant to IE was possibly unprecedented and will seemingly continue at a similar rate for the next couple of years. One obvious implication for ACIE has been to do with applications for the Full Membership category 'Fellow' (ACIE Fellows being able to carry out IE for charities with income over £250,000 as and when legally permitted). This has resulted in an increased number of applications - and increased correspondence when the status is not awarded! The other related issue, which has also resulted in a volume of work, is where individuals hold membership of more than one of the bodies approved for IE at this level, but not necessarily with the approved authorisation from both bodies, which can leave them with difficult personal or professional decisions.

Association of Charity Independent Examiners

Given all this change, we were particularly pleased to welcome speakers from the **Charity Commission** and the **Office of the Third Sector** to our annual conference in June to bring us up to date. As well as as-necessary contact with both bodies, ACIE provided several representatives at a round-table discussion on the proposed new Charity Commission Directions and Guidance for Independent Examination (due 2008) and, following consultation with members, provided a detailed response to the draft document.

The ACIE **training programme** continued to provide basic courses on IE for people with different levels of accounting expertise - with varied, but usually poor, attendance. However, as usual, the courses were predominantly well received. An innovation in 2007 was the 'half day update' which was offered in response to the need to keep people up to date, as described above. These sessions were attended by over 50 (mainly) members and the format was used again in the second half of the year for a successful workshop on Gift Aid. The half day format will be developed further in 2008. Our thanks go to Nicola Ferriday (formerly Anderson) - the ACIE Lead Trainer, the ACIE team of trainers, and to Ian Gledhill from HMRC (Her Majesty's Revenue & Customs).

By the end of the year, ACIE had become a registered charity in **Scotland**, where membership is growing - along with requests for training. The 'Introductory' course was run in Glasgow and Irvine, with plans for a third course in early 2008; the 'Intermediate' course ran once in Edinburgh. For all that legislative changes on both sides of the border have resulted in some convergence between the two IE regimes, we were very grateful to Adrienne Airlie (ACIE Scottish Convenor) for all her detailed work on adapting the ACIE training materials for Scotland. Progress on the establishing charity regulation in **Northern Ireland** was put on hold during 2007. It was not until the end of the year that it re-emerged for likely introduction in 2008.

The small research project into the profile and usefulness of **Receipts and Payments Accounting** with the Centre for Voluntary Sector Research at Sheffield Hallam University, led by Professor Gareth Morgan, has continued throughout 2007 and is due to conclude in 2008. Gareth Morgan has also continued to provide technical and policy support to the Association for which we are very grateful.

Strengthened links with the network of **Community Accountancy Services (CAS)** continued in 2007, with ACIE providing a trainer for a full-day workshop at their annual conference in January and running a two-day course for the staff of each of the CAS in West Yorkshire and the London network. The ACIE Director was co-opted to the national CAS (CANN: Community Accountancy National Network) committee in January.

ACIE continued to provide the trainers and materials for the **Association of Accounting Technicians (AAT)** CPD days on charity accounting and IE throughout 2007 as well as providing speakers at a couple of branch meetings. The Director also ran workshops at the Voluntary and Charity Sector conferences of the **ICAEW** * and attended the post-pilot launch of the **CIPFA** * Diploma in Charity Accounting. Involvement in the **Charity Finance Directors' Group (CFDG)** working group on accounting software was reduced in 2007, with contact with CFDG continuing on matters of joint interest.

Back at the office, despite a reduction in staff hours and therefore availability, the **enquiry service** at ACIE (telephone, postal and email) has continued to provide information and support to members, non-members and charities alike. Queries range quite considerably in complexity and the feedback we receive is overwhelmingly positive. Similarly, the members' **newsletter** and the **annual conference** continued to be well received.

The conference returned to the format of keynote speeches and a variety of workshops in 2007. The attendance was 94 people (90+ in 2006) of whom 71 were members - an impressive number considering the event coincided with the floods in Yorkshire, and a security alert in London in the early hours of the day of the conference. Our thanks go to all the speakers, from the Office of the Third Sector, the Charity Commission, HMRC, Keegan & Pennykid, Lionheart, Martin Aitken and Co., Sheffield Hallam University and Wrigleys Solicitors, along with David Ralph who gave of their time and expertise so generously, and we were very grateful to York Racecourse for hosting the conference, and to the various exhibitors (7).

There has been one area of work where progress has not been as planned during 2007. Work begun in 2005 on **members' CPD** slowed in the second half of 2006, and ground to a halt in 2007, again due to the change in Council members, with a significant number of new Council members simply needing to 'find their feet'.

* *Institute of Chartered Accountants for England and Wales; Chartered Institute of Public Finance Accountants*

Similarly, the development of a members' area on the **ACIE website** was on hold throughout 2007. Our thanks go to Bob Andrews for his voluntary work on keeping the website - which we know is well used - up to date.

And finally, Council's thanks go to those members who responded to the **donations and Gift Aid campaign** which was launched in autumn 2006 and continued into early 2007 - and also to those members who donate to the Association as a matter of course. This support is much appreciated; the benefits of it can be seen at Note 2 of the accounts following.

FINANCIAL REVIEW

Accounts in deficit

As noted in the accounts, at the year end, the unrestricted funds of the Association were in deficit, by £4,216. The Association's business plan for 2008 addresses this shortfall. Under this business plan, the Council expect that unrestricted funds will be brought back into surplus prior to the relevant expenditure arising from restricted funds, so they remain confident that all obligations in relation to restricted funds can be met. Nevertheless, in the event of cashflow difficulties in this respect, the trustees are confident of being able to access short-term loans.

Policy on Reserves

The ACIE Council believes that it should hold in reserve a sum of £16,000 to meet its commitments to staff, landlord and other creditors, should the Association have to dissolve for any reason. The unrestricted reserves of the Association at 31 December 2007 were in deficit to £4,216. The ACIE Council is aware that this falls well short of the target sum; 2007 had been expected to be a break-even year, with plans to start building reserves again from 2008 onwards. This will now start from a lower base.

Risk Assessment

The Council does not believe the Association is subject to any substantial risks beyond the liabilities disclosed in the financial statements. The Association has two employees and leases office premises. It holds public insurance and professional indemnity insurance policies and has a formal Risk Assessment Register.

The Council accepts that the Association's reputation could be at risk through a serious complaint regarding a member's conduct as an independent examiner but it considers that the Association has policies and procedures in place which provide reasonable protection to mitigate this risk.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Council is responsible for preparing financial statements for each financial year, which give a true and fair view of the Association's financial activities during that year and of its financial position at the end of the year. In preparing those financial statements, the Council 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The Council is responsible for:

- keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it (the Council) to ensure that the annual financial statements comply with the Charities Act 1993, the Charities and Trustee Investment Act (Scotland) 2005 and the Charities Accounts (Scotland) Regulations 2006; and
- safeguarding the Association's assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Report was approved by the Trustees on 11th March 2008 and signed on their behalf by:

Mark Heaton

M HEATON (Chair)

**INDEPENDENT EXAMINER'S REPORT
in respect of charity law and regulation for England and Wales**

to the Trustees of the Association of Charity Independent Examiners

I report on the financial statements of the Association of Charity Independent Examiners ("the Association") for the year ended 31st December 2007, which are set out on pages 8 to 14.

Respective responsibilities of trustees and independent examiner

The Association's trustees are responsible for the preparation of the financial statements. The Association's trustees consider that an audit is not required for the year (under section 43(2) of the Charities Act 1993 ('the Act')) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under section 43(3)(a) of the Act;
- to follow such procedures laid down in the General Directions given by the Charity Commissioners under section 43(7)(b) of the Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the Association, and a comparison of the financial statements with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 41 of the Act; and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

David Ralph 5 May 08

Mr David Ralph JP FCIPD FCIE
50 Southwood Road, Rusthall
Tunbridge Wells, Kent TN4 8SP

**INDEPENDENT EXAMINER'S REPORT
in respect of charity law and regulation for Scotland**

to the Trustees of the Association of Charity Independent Examiners

I report on the financial statements of the Association of Charity Independent Examiners ("the Association") for the year ended 31st December 2007, which are set out on pages 8 to 14.

Respective responsibilities of trustees and independent examiner

The Association's trustees are responsible for the preparation of the financial statements in accordance with the Charities and Trustee Investment (Scotland) Act 2005 ('the Act (Scotland)') and the Charities Accounts (Scotland) Regulations 2006 ('the Regulations (Scotland)'). The Association's trustees consider that the audit requirement of Regulations 10(1)(a) to (c) of the Regulations (Scotland) does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act (Scotland) and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Regulations (Scotland). An examination includes a review of the accounting records kept by the Association, and a comparison of the financial statements with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the Act (Scotland) and Regulations 4 of the Regulations (Scotland); and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of Regulation 8 of the Regulations (Scotland)have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

David Ralph *5 May 08*

Mr David Ralph JP FCIPD FCIE
50 Southwood Road, Rusthall
Tunbridge Wells, Kent TN4 8SP

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st DECEMBER 2007

| | Notes | Unrestricted Funds £ | Designated Funds (Note 14) £ | Restricted Funds (Note 13) £ | 2007 Total Funds £ | 2006 Total Funds £ |
|---------------------------------------|-------|----------------------------|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
| <u>Incoming Resources</u> | | | | | | |
| Donations and Grants | 2 | 3,727 | - | 1,502 | 5,229 | 35,223 |
| Subscriptions | 3 | 30,320 | - | - | 30,320 | 30,355 |
| Fees | 4 | 16,933 | 8,620 | 1,070 | 26,623 | 24,926 |
| Advertising & Sponsorship | 5 | 3,100 | - | - | 3,100 | 4,600 |
| Interest receivable | | 618 | - | - | 618 | 368 |
| Other income | | 150 | - | - | 150 | 250 |
| TOTAL INCOMING RESOURCES | | 54,848 | 8,620 | 2,572 | 66,040 | 95,722 |
| <u>Resources expended</u> | | | | | | |
| Cost of Generating Funds | 6 | 387 | - | - | 387 | 372 |
| Charitable activities | 7 | 64,043 | 7,680 | 5,532 | 77,255 | 85,949 |
| Governance | 8 | 1,832 | - | - | 1,832 | 2,657 |
| TOTAL RESOURCES EXPENDED | | 66,262 | 7,680 | 5,532 | 79,474 | 88,978 |
| Net resources before transfers | | (11,414) | 940 | (2,960) | (13,434) | 6,744 |
| <u>Transfers between funds</u> | | | | | | |
| Miscellaneous Transfers | | 940 | (940) | - | - | - |
| Project Organisation by Office | | 2,650 | - | (2,650) | - | - |
| Subsidies for Voluntary IE's | | 1,650 | - | (1,650) | - | - |
| TOTAL TRANSFERS | 15 | 5,240 | (940) | (4,300) | - | - |
| NET MOVEMENT IN FUNDS | | (6,174) | - | (7,260) | (13,434) | 6,744 |
| Fund Balances brought forward | | 1,958 | - | 20,550 | 22,508 | 15,764 |
| Fund Balances carried forward | 16 | (4,216) | - | 13,290 | 9,074 | 22,508 |

The notes on pages 10 to 14 form part of these financial statements.

BALANCE SHEET AT 31st DECEMBER 2007

| | Notes | 2007 £ | 2006 £ |
|---------------------------------|-------|---------------------|----------------------|
| Current Assets | | | |
| Debtors | 9 | 4,792 | 7,268 |
| Cash at bank and in hand | | <u>11,335</u> | <u>16,762</u> |
| | | <u>16,127</u> | <u>24,030</u> |
| Liabilities | | | |
| Deferred Income | | 1,045 | 1,322 |
| Creditors – Due within One year | 10 | <u>6,008</u> | <u>200</u> |
| | | <u>7,053</u> | <u>1,522</u> |
| NET CURRENT ASSETS | | 9,074 | 22,508 |
| TOTAL NET ASSETS | | <u><u>9,074</u></u> | <u><u>22,508</u></u> |

THE FUNDS OF THE CHARITY

| | | | |
|--------------------|----|---------------------|----------------------|
| Restricted funds | 13 | 13,290 | 20,550 |
| Unrestricted funds | | | |
| General fund | | (4,216) | 1,958 |
| Designated funds | 14 | - | - |
| TOTAL FUNDS | | <u><u>9,074</u></u> | <u><u>22,508</u></u> |

The notes on pages 10 to 14 form part of these financial statements.

Approved by the Trustees on 11th March 2008 and signed on their behalf by:

Mark Heaton

M HEATON (Chair)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2007

1 ACCOUNTING POLICIES

1.1 Basis of preparation

These financial statements have been prepared under the historical cost basis and in accordance with the Charities Act 1993 and related Regulations, the Charities and Trustee Investment Act (Scotland) 2005 and the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice “Accounting and Reporting by Charities” issued in March 2005 and applicable accounting standards.

1.2 Fund accounting

Incoming resources that may be applied for the Association’s general purposes are treated as ‘unrestricted’ incoming resources and are credited to the ‘unrestricted funds’. Funding for purposes designated for a specific purpose by Council is credited to ‘designated funds’. Where a donation or grant is required to be used for a specified purpose, the amount concerned is treated as a ‘restricted’ incoming resource and is credited to the appropriate ‘restricted fund’.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donated services and facilities are included at the value to the charity where this can be quantified.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

1.4 Bank interest

Bank interest is recognised as an incoming resource when it is credited to the bank statement. All bank interest is treated as unrestricted income to the General Fund. Lloyds TSB Foundation for England and Wales and the Northern Rock Foundation (the principal providers of the Association’s restricted funds) have agreed that the Association may adopt this policy.

1.5 Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT that cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner’s fee.

1.6 Fixed assets

All items of capital expenditure below £1,000 are written off as incurred.

2 INCOMING RESOURCES – DONATIONS AND GRANTS

| | Unrestricted Funds | Restricted Funds | Total 2007 | Total 2006 |
|--|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Dulverton Trust - training projects | - | - | - | 1,800 |
| Lloyds TSB Foundation - training projects | - | - | - | 6,095 |
| Northern Rock Foundation – training projects | - | - | - | 12,236 |
| Donations from members for Bursary Fund | - | 1,294 | 1,294 | 1,178 |
| Donations from members for General Fund | 1,470 | - | 1,470 | 7,297 |
| Tax refunds on Gift Aid donations | 277 | 208 | 485 | 2,047 |
| Tax refunds on Gift Aid on previous membership subscriptions | 1,530 | - | 1,530 | 3,765 |
| Sundry income | 450 | - | 450 | 805 |
| | 3,727 | 1,502 | 5,229 | 35,223 |

3 INCOMING RESOURCES – SUBSCRIPTIONS

| | 2007 | 2006 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Subscriptions - Associate Members | 19,875 | 21,255 |
| Subscriptions - Full Members | 10,365 | 9,020 |
| Subscriptions - Newsletter-only | 80 | 80 |
| | 30,320 | 30,355 |

4 INCOMING RESOURCES – FEES

| | Unrestricted Funds | Designated Funds | Restricted Funds | Total 2007 | Total 2006 |
|---|-----------------------|---------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ | £ |
| Fees - Upgrading from Associate to Full Membership | 960 | - | - | 960 | 720 |
| Fees - Full Members changing category | 30 | - | - | 30 | 60 |
| Fees - Annual conference | 8,160 | - | - | 8,160 | 8,930 |
| Fees - Training courses and external training provided | 5,690 | 8,620 | 1,070 | 15,380 | 13,359 |
| Professional indemnity insurance fees from Full Members | 1,968 | - | - | 1,968 | 1,682 |
| Fees for links to Full Members' own websites | 125 | - | - | 125 | 175 |
| | 16,933 | 8,620 | 1,070 | 26,623 | 24,926 |

5 INCOMING RESOURCES – ADVERTISING AND SPONSORSHIP

| | 2007 | 2006 |
|--|--------------|--------------|
| | £ | £ |
| Sponsorship/exhibitions at annual conference | 2,550 | 3,500 |
| Advertising income | 550 | 1,100 |
| | 3,100 | 4,600 |

6 RESOURCES EXPENDED – COST OF GENERATING FUNDS

| | Total 2007 | Total 2006 |
|-----------|---------------|---------------|
| | £ | £ |
| Publicity | 387 | 372 |
| | 387 | 372 |

7 RESOURCES EXPENDED – CHARITABLE ACTIVITIES

| | Unrestricted Funds | Designated Funds | Restricted Funds | Total 2007 | <i>Total 2006</i> |
|---|-------------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Newsletter and other publications | 1,553 | - | - | 1,553 | 1,363 |
| Membership services and development work | - | - | - | - | 366 |
| Direct expenses of annual conference | 6,685 | - | - | 6,685 | 5,488 |
| Full Members' Professional Indemnity Insurance | 1,134 | - | - | 1,134 | 1,044 |
| Staff travel expenses | 855 | - | - | 855 | 1,159 |
| Policy work | 2,383 | - | - | 2,383 | 2,118 |
| Training projects | 7,334 | 7,680 | 5,532 | 20,546 | 18,966 |
| Salaries (see below) | 30,353 | - | - | 30,353 | 35,245 |
| Employers' National Insurance costs | 2,561 | - | - | 2,561 | 3,230 |
| Employers' Pension costs (see below) | 1,516 | - | - | 1,516 | 1,762 |
| Payroll costs | 311 | - | - | 311 | 300 |
| Subscriptions to external bodies | 353 | - | - | 353 | 477 |
| Insurance for Association – Public Liability and Professional Indemnity | 593 | - | - | 593 | 553 |
| Office Rental and Rates | 3,404 | - | - | 3,404 | 3,228 |
| Office Postage and Telephone | 1,708 | - | - | 1,708 | 1,771 |
| Office equipment | 356 | - | - | 356 | 241 |
| Handbook printing, postage & packing | 622 | - | - | 622 | 5,706 |
| Printing | 791 | - | - | 791 | 1,250 |
| Data Protection Act registration fee | 35 | - | - | 35 | 35 |
| Stationery and miscellaneous expenses | 1,420 | - | - | 1,420 | 1,515 |
| Bank Charges | 76 | - | - | 76 | 132 |
| | 64,043 | 7,680 | 5,532 | 77,255 | 85,949 |

The Association employs two members of staff at 0.6 and 0.9 full time equivalent hours (2006: 0.725 full time equivalent (averaged over the year) and full-time respectively).

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The Employers' Pensions costs represent contributions payable by the charity to the fund and amounted to £1,516 (£1,762 in 2006).

8 RESOURCES EXPENDED – GOVERNANCE

| | Note | Unrestricted Funds | Restricted Funds | Total 2007 | <i>Total 2006</i> |
|--|-------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | | £ | £ | £ | £ |
| Reimbursement of out-of-pocket expenses of Council members | 11 | 1,171 | - | 1,171 | 1,866 |
| Council meeting expenses | | 434 | - | 434 | 562 |
| Independent examination fee/direct costs | | 227 | - | 227 | 229 |
| | | 1,832 | - | 1,832 | 2,657 |

9 DEBTORS

| | Unrestricted Funds | Restricted Funds | Total 2007 | <i>Total 2006</i> |
|-----------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Miscellaneous debtors | 916 | - | 916 | 875 |
| Gift Aid receivable | 1,523 | 124 | 1,647 | 3,964 |
| Prepayments | 2,229 | - | 2,229 | 2,429 |
| | 4,668 | 124 | 4,792 | 7,268 |

10 CREDITORS – DUE WITHIN ONE YEAR

| | Unrestricted Funds | Restricted Funds | Total 2007 | Total 2006 |
|-------------------------|-----------------------|---------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Training projects | 600 | 2,515 | 3,115 | - |
| NICS/PAYE | 1,376 | - | 1,376 | - |
| Miscellaneous creditors | 1,517 | - | 1,517 | 200 |
| | 3,493 | 2,515 | 6,009 | 200 |

11 REMUNERATION AND EXPENSES OF COUNCIL MEMBERS

A total of £1,171 (2006: £1,866) was reimbursed to seven Council members (2006: ten) for travel, telephone and other expenses incurred in undertaking Council business. In addition, remuneration of £116 was paid to Alan Clements whilst he was a Council member and further £353 was paid to him during 2007 but after he had stood down from Council. These sums comprise a trainer's fee and related expenses. One Council member was paid £139 in travel expenses for policy work he carried out on behalf of ACIE. There was no further remuneration to Council members during the year.

12 FUTURE COMMITMENTS

The Association is committed to pay for the lease on the office at Bentley Resource Centre for a 3 month period after notice given to a total of £490.

13 RESTRICTED FUNDS

| | Balance at 1 st January 2007 | Incoming resources | Resources expended | Transfers between funds | Transfers to General Fund (Note 15) | Balance at 31st December 2007 |
|-------------------------|---|-----------------------|-----------------------|-------------------------------|--|--|
| | £ | £ | £ | £ | £ | £ |
| Bursary | 116 | 1,502 | - | - | (1,475) | 143 |
| Training: Wales | 550 | - | (181) | - | - | 369 |
| Training: East Midlands | 1,645 | - | - | - | - | 1,645 |
| Training: Scotland | 4,203 | 1,070 | (4,351) | - | (425) | 497 |
| Training: South West | 1,800 | - | - | - | - | 1,800 |
| Training: Northern | 12,236 | - | (1,000) | - | (2,400) | 8,836 |
| | 20,550 | 2,572 | (5,532) | - | (4,300) | 13,290 |

The Bursary Fund receives donations from members and others, and is used to subsidise membership costs for voluntary independent examiners (VIE).

Training courses listed above by funds; balances to be used specifically on training in named areas.

14 DESIGNATED FUNDS

| | Balance at 1 st January 2007 | Incoming resources | Resources expended | Transfers to/from General Fund (Note 15) | Balance at 31st December 2007 |
|-----------------------|---|-----------------------|-----------------------|---|----------------------------------|
| | £ | £ | £ | £ | £ |
| Half Day Updates | - | 4,190 | (3,270) | (920) | - |
| Intermediate Training | - | 3,950 | (3,882) | (68) | - |
| Advanced Training | - | 480 | (528) | 48 | - |
| | - | 8,620 | (7,680) | (940) | - |

During the year the Council decided to maintain various designated unrestricted funds to account for the incoming and outgoing resources relating to various courses.

15 GROSS TRANSFERS BETWEEN FUNDS

Restricted Funds

In 2007, transfers totalling £1,475 were made from the Bursary Fund to the General Fund to subsidise the subscriptions paid by members who undertake independent examinations on a voluntary basis (VIE).

A transfer of £175 were made from the Training Scotland Fund to the General Fund as a contribution towards the cost of the membership materials provided in the 12 months following their course attendance, to those course participants intending to undertake independent examinations on a voluntary basis (VIE). A further £250 was transferred from the Training Scotland Fund to the General Fund towards the Association's costs of organising the training.

A transfer of £2,400 was made from the Training Northern Fund to the General Fund towards the Association's costs of organising the training.

All transfers were made with the agreement of the funders.

Designated Funds

Transfers of £68 from Intermediate Training Funds and £920 from the Professional Update Training Fund were made to the General Fund following the completion of the projects.

A transfer of £48 was made from the General Fund to the Advanced Training Funds to cover a shortfall on those projects.

16 UNRESTRICTED FUND CLOSING BALANCE

At the year end, the Unrestricted Funds are in deficit, amounting to £4,216, due to unrestricted income being lower than the Council had predicted whilst expenditure commitments remained.

17 SPLIT OF NET ASSETS BETWEEN FUNDS

| | Restricted Funds | Unrestricted Funds | Total |
|--------------------------------|-----------------------------|-------------------------------|----------------|
| | £ | £ | £ |
| Cash at bank and in hand | 13,290 | (1,955) | 11,335 |
| Other net assets (liabilities) | - | (2,261) | (2,261) |
| | 13,290 | (4,216) | 9,074 |

18 CONTROLLING PARTY

The charity is under the control of the elected Council of the Association who are the charity's trustees.