

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS

Annual Report & Financial Statements

For the year ended

31 December 2009



*promoting excellence in charity independent examining
1999 – 2009*

Patron: Vince Cable MP

Registered Charity

**England & Wales No 1077154
Scotland No SC039066**

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

MESSAGE FROM THE CHAIR

It is my pleasure to introduce our Annual Report for 2009. I hope you will find it interesting and informative. The year has been a very busy one including ACIE's 10th Anniversary, the launch of a major joint project with the Scottish Councils for Voluntary Service to train Independent Examiners in Scotland and relocation of the ACIE Office to Lancaster.

Looking forward, I am sure incorporation of ACIE, developments in Northern Ireland, CIOs & SCIOs, and many more will bring their own challenges.

My thanks go to my fellow members of Council for their continuing support and special thanks go to Fiona Gordon and Eric Marsden without whose sterling efforts in the ACIE Office and beyond, the Association would simply not function.

Mark Heaton
Chair

CONTENTS

Trustees' Annual Report	3 – 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Accounts	10 – 13

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The Council of the Association of Charity Independent Examiners ("ACIE"), who are the charity's trustees, present their report together with the financial statements and the independent examiner's report for the year ended 31 December 2009.

REFERENCE & ADMINISTRATIVE INFORMATION

Charity Name	Association of Charity Independent Examiners		
Charity Number – England & Wales	1077154		
Charity Number - Scotland	SC039066		
Principal Address	The Gatehouse, White Cross, South Road, Lancaster LA1 4XQ		
Internet Address	www.acie.org.uk		
Trustees	Mark Heaton *	Chair	[re-elected June 2009]
	Robert Andrews *	Vice Chair & Chair, Membership Committee	
	Michael Brougham *	Treasurer & Chair, FHR Committee	
	Peter Brown *		
	Barrie Buels *	Chair, CPD Committee	[re-elected June 2009]
	Adetokunbo Diyan		[re-elected June 2009]
	David Loftus		
	Eric Southwick *		
	Christopher Stephen-Haynes *		
	<i>* Denotes Full Members of ACIE</i>		
Officers	Fiona Gordon	Director	
	Eric Marsden	Senior Administrator	
Bankers	Unity Trust Bank	Nine Brindleyplace, Birmingham B1 2HB	
Independent Examiner	David Ralph	50 Southwood Road, Tunbridge Wells TN4 8SP	

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The charity is an unincorporated association, governed by its constitution adopted on 1 July 1999 and most recently amended on 1 October 2007.

Appointment of Trustees

The Council consists of up to nine elected trustees who are elected at the charity's AGM for a period not exceeding three years. Retiring trustees are eligible for re-election provided that no trustee may serve for more than eight consecutive years. Trustees may be co-opted during the year and serve until the next AGM. The majority of the trustees must be Full Members of the association.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Organisational Structure

The trustees normally meet six times per year to consider the business of the association. If deemed appropriate, meetings may be held by means of a telephone conference. The trustees also participate in the following committees that meet regularly throughout the year as required:-

- Continuing Professional Development Committee (CPD)
- Finance & Human Resources Committee (FHR)
- Membership Committee (MEM)

Risk Management

The trustees, who maintain a formal Risk Assessment Register, regularly review the risks to which the Association is exposed. They do not consider that there are any substantial risks beyond the liabilities disclosed in the financial statements. The Association has three employees and leases office premises. It holds both public liability and professional indemnity insurance policies.

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

OBJECTIVES & 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 by:

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

Activities

Activities during the year included:

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

Public Benefit

The trustees have considered ACIE's activities and achievements for 2009 and its plans for 2010 against the Public Benefit Guidance issued by the Charity Commission. They agreed that the public who benefit from ACIE's work are those who are beneficiaries of the numerous small charities that are helped either directly by ACIE's information service or by where ACIE members act as Independent Examiners.

The trustees are satisfied that this report on ACIE's activities in 2009, and its plans for the future, demonstrate that, in fulfilling of its objects, the charities which ACIE assists should experience ongoing or improved efficiency and confidence in their financial management allowing them to spend more time, money and energy on their own beneficiaries.

ACHIEVEMENTS & PERFORMANCE

2009 saw three major events for ACIE. In June, members and friends joined together to celebrate ACIE's 10th anniversary. In August, a joint project with the Scottish Councils for Voluntary Service, led by CVS Inverclyde, was launched. In October, ACIE moved office from Doncaster to Lancaster.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

10th Anniversary

The focus of the celebrations was the annual conference, which was held in York in June and preceded, the night before, by an anniversary dinner. Both events were much appreciated by those who attended (93 attended conference; 50, the dinner) and we are very grateful for all who gave of their time and expertise to make them such a success. In particular, Debra Allcock-Tyler, from the Directory of Social Change, inspired all who heard her speech at the dinner.

Scottish CVS IE Project

After various stops and starts, this project finally got underway in August, with ACIE and CVS Inverclyde each employing a member of staff to work together to enable staff and others in the CVS Network to deliver quality IE's to the myriad small charities in Scotland. Anne Knox, the ACIE member of staff, has been a welcome addition to the team and, by the end of the year, the project had made contacts, put systems in place and run a couple of training courses, so that everything was in place for a busy and effective 2010. Our thanks go to Pat Trenaman at CVS Inverclyde for her leadership of the project and to Fiona Skilling, Anne's colleague.

Office Move

After over five years of being based in Bentley near Doncaster, the staff requested a move back to their previous home town of Lancaster. Having identified suitable office space, the move took place in October and, whilst, the move proved disruptive, by the end of the year, normal services were restored.

Membership

The members of ACIE are the people most directly affected by the support and services ACIE has to offer and, whilst their number has remained constant for a few years now (see table below), this hides a turnover, predominantly amongst Associate Members, of approximately 100 people per year. This is not altogether surprising, given that for most examiners, Independent Examination is not a full-time occupation, but it does mean that ACIE is in touch, in terms of membership, with 100 people a year more than the figures suggest.

	2009	2008	2007	2006	2005	2004	2003	2002
Full Members	146	142	127	114	96	75	59	50
Associate Members	413	411	426	454	432	425	345	273
	559	553	553	568	528	500	404	323

ACIE has a particular commitment to those who carry out IE as volunteers, including running a Bursary Fund to allow it to offer subsidised membership subscriptions. ACIE is very grateful to the members and funders who support this financially, although the demand on the fund continues to be at least twice the amount that is received.

Information

Providing information about IE and related matters to members, non-members and UK charities is central to ACIE's work. As usual, the enquiry service covered a range of interesting queries, which are dealt with by the staff or referred on to an informal panel of helpful Fellows. Although, the Winter Newsletter had, exceptionally, to be replaced by a series of brief updates, 2009 saw a significant update to the Members' Handbook.

Training

During 2009, ACIE's introductory and advanced courses both ran twice in England, as did a day on CIOs. Attempts to run a number of half-day updates and, in particular, to run training events in Bristol, mostly failed, due to lack of numbers. ACIE also provided a trainer and materials for some IE training for the RAF. The feedback on the trainers and materials remains predominantly positive. Our thanks go to the trainers and to Nicola Ferriday, our Lead Trainer and to VAL (in Leicester) and CAVOS (in Spennymoor, Co Durham) for organising the introductory courses.

Scotland

The establishment of the project with the Scottish CVS Network mentioned earlier in this report was the highlight of 2009 for ACIE in Scotland. ACIE was also heavily involved in working with OSCR (Office of the Scottish Charity Regulator) in drawing up its IE Guidance, which OSCR launched at ACIE's Scottish Conference, in Perth in November. The conference was attended by 68 people (53 in 2008) who were particularly appreciative of the mix of principle and practice. ACIE also responded to the consultation on proposed minor changes to Scottish charity law.

ACIE's membership in Scotland continued to grow in 2009 with 21 Full Members and 61 Associates at December 2009 (2008: 17 and 47 respectively). Our thanks go again to Adrienne Airlie, our Scottish Convenor, Michael Brougham, Scottish Council member, and to Laura Anderson at OSCR for all her support.

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Northern Ireland

The impending introduction of charity regulation in Northern Ireland will bring opportunities and challenges for ACIE in terms of training and increased membership in due course. We were pleased to welcome representatives from the Charity Commission for Northern Ireland (CCNI) and from the Northern Ireland Council for Voluntary Action (NICVA) to the Scottish Conference to continue discussions about developments there.

ACIE Charity Accounting Certificate

ACIE reaffirmed its strong connections with Sheffield Hallam University (SHU) by validating the 'Charities Structures, Regulation and Accounting' module of the MSc in Charity Resource Management at SHU and awarded the certificate to eight successful students in 2009. We were pleased to work with Professor Gareth Morgan to put the certificate in to place.

Other Bodies

As well as continuing to have good working relations with the Charity Commission and OSCR, ACIE has worked with the following bodies in the following ways during 2009:

- AAT: Provision of ACIE trainers and materials for AAT masterclasses and speakers for branches.
- CANN: ACIE Director as speaker at CANN conference and co-opted to CANN committee.
- CIPFA: ACIE Director as member of an ad hoc working group looking at CIPFA's charity accounting toolkit; demonstration of toolkit at ACIE Scottish conference.
- ICAEW: Clarifying and communicating the Institute's new rules about which ICAEW members can carry out IE; exhibition space at each other's conferences.

AAT: Association of Accounting Technicians; CANN: Community Accountants National Network; CIPFA: Chartered Institute of Public Finance and Accountancy; ICAEW: Institute of Chartered Accountants for England and Wales.

FINANCIAL REVIEW

Summary

The finances of the association have shown a marked improvement during the year. This has been surprising, given the general economic climate, but arises from the implementation of the second phase of increases to Fellows' subscriptions; fees from the Scottish project; a successful training programme and continuing donations. Historically Gift Aid on members' subscriptions has only been accrued to the end of the previous financial year. In order to reflect a "true & fair" view, Gift Aid has now been accrued to end of the current year. However, ACIE was still dependent in 2009 on unpaid hours from its staff, which it hopes to address in 2010 as well as explore other fund raising opportunities that we had planned to address during our 10th Anniversary Year.

Reserves Policy

The trustees believe they should hold around £16,000 - £20,000 in reserve to meet its commitments to staff, landlord and other creditors, should the Association have to dissolve for any reason. The reserves of the Association at the year-end were £8,810 (2008: £282), which remains short of the target range. Whilst progress was made in 2009 towards building reserves, this will continue in 2010.

FUTURE PLANS

As well as continued work in the areas outlined above, and further to work already underway, the following developments are anticipated for 2010:

- the launch of a suite of work programmes for IE (the 'IE File');
- implementation of CPD requirements for Full Members and further work on the Full Member application process;
- the extension of access to professional indemnity insurance to Associate Members;
- incorporation of ACIE;
- an update of ACIE's IT capacity, including a new membership database and accounting program;
- training in Northern Ireland in advance of the introduction of Independent Examination.

Approved by the trustees on 11 March 2010 and signed on their behalf by:-

Mark Heaton

Mark Heaton
Chair

INDEPENDENT EXAMINER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

Independent Examiner's Report to the trustees of the Association of Charity Independent Examiners

I report on the financial statements of the charity for the year ended 31 December 2009, which are set out on pages 8 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 ("the 1993 Act") or under Regulation (10)(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 ("the 2006 Regulations") and that an Independent Examination is needed. The charity has prepared accrued accounts and I am qualified to undertake the examination by being a qualified member of the Association of Charity Independent Examiners.

It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act");
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with the general Directions given by the Charity Commission and with Regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

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 1993 Act and section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Regulations; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Regulations; and
 - which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

David Ralph

David Ralph JP FCIPD FCIE
50 Southwood Road
Tunbridge Wells
TN4 8SP

07 May 2010

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income	3	42,520	12,550	55,070	42,504
Investment Income (Interest)		114	-	114	376
Incoming Resources from Charitable Activities					
	4	35,670	895	36,565	38,878
Other Incoming Resources					
	5	1,249	-	1,249	-
Total Incoming Resources		79,553	13,445	92,998	81,758
Resources Expended					
Charitable Activities					
	6	68,645	16,318	84,963	78,351
Governance Costs					
	7	3,930	-	3,930	2,735
Total Resources Expended		72,575	16,318	88,893	81,086
Reconciliation of Funds					
Net Incoming/(Outgoing) Resources					
		6,978	(2,873)	4,105	672
Transfers between Funds					
	8	1,550	(1,550)	-	-
Net Movement in Funds					
		8,528	(4,423)	4,105	672
Total Funds as at 31/12/2008					
		282	9,464	9,746	9,074
Total Funds as at 31/12/2009					
		8,810	5,041	13,851	9,746

The notes on pages 10 to 13 form an integral part of these accounts.

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Note	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
Current Assets					
Debtors	9	7,438	451	7,889	5,480
Cash at Bank and in Hand		4,110	5,751	9,861	10,351
		<u>11,548</u>	<u>6,202</u>	17,750	15,831
Current Liabilities					
Creditors (falling due within one year)	10	2,738	1,161	3,899	6,085
Net Current Assets					
		<u>8,810</u>	<u>5,041</u>	13,851	9,746
Net Assets					
		<u>8,810</u>	<u>5,041</u>	13,851	9,746
Funds of the Charity					
Unrestricted Income Funds		8,810	-	8,810	282
Restricted Income Funds		-	5,041	5,041	9,464
Total Funds		<u>8,810</u>	<u>5,041</u>	13,851	9,746

The notes on pages 10 to 13 form an integral part of these accounts.

Approved by the trustees on 11 March 2010 and signed on their behalf by:-

Mark Heaton

Michael Brougham

Mark Heaton
Chair

Michael Brougham
Treasurer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Basis of Preparation

1.1 Basis of accounting

These accounts have been prepared on the basis of historic cost in accordance with:-

- (a) Accounting & Reporting by Charities - Statement of Recommended Practice (SORP 2005 - Second Edition), and Financial Reporting Standard for Smaller Entities (FRSSE) (Effective April 2008),
- (b) The Charities Act 1993
- (c) The Charities & Trustee Investment Act (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006

The Charity has no fixed assets or investments that require to be reported at market value.

1.2 Changes in the basis of accounting

Previously the charity has operated a policy of deferring 50% of Professional Indemnity Insurance scheme fees to the following financial year. In November 2009, the trustees agreed that this policy was no longer appropriate and that the amount deferred from 2008 (£1,164) should be treated as an exceptional receipt in the 2009 accounts and future amounts recognised in full on receipt.

1.3 Changes to previous accounts

None

2 Accounting Policies

2.1 Form of Financial Statements

The Charity maintains the following funds for accounting purposes:-

- (a) A general unrestricted income fund for the day-to-day running of the charity,
- (b) A restricted income fund for the receipt of donations in order to subsidise membership costs for voluntary independent examiners, and
- (c) Five restricted income funds which were funded by grants towards the costs of training independent examiners in specific parts of the UK.

2.2 Incoming Resources

(a) Incoming Resources are recognised and included in the Statement of Financial Activities (SoFA) when the Charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

(b) Where incoming resources have related expenditure (as with fundraising), the incoming resources and related expenditure are reported gross in the SoFA.

(c) Training fees received are deferred to the year in which the relative course(s) will be delivered.

2.3 Expenditure & Liabilities

(a) Expenditure is accounted for on an accruals basis.

(b) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.

(c) Governance costs include the costs of preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

2.4 Assets

Tangible fixed assets are capitalised if they cost more than £1,000 and can be used for more than one year. They are valued at cost or, if gifted, at their value on receipt. The charity does not currently have any capitalised fixed assets.

2.5 Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the asset cost or expense to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
3 Voluntary Income				
Subscriptions	36,460	-	36,460	33,980
Donations	1,613	1,551	3,164	5,476
Grant for Scottish Project	-	10,758	10,758	-
Gift Aid	4,447	241	4,688	3,048
	42,520	12,550	55,070	42,504
4 Income from Charitable Activities				
Conferences	16,385	-	16,385	17,385
Training Courses	11,702	895	12,597	16,875
Full Members PI	2,471	-	2,471	2,209
Scottish Project	3,900	-	3,900	625
Other Income	1,212	-	1,212	1,784
	35,670	895	36,565	38,878
5 Other Income				
Full Members PI (Note 1.2)	1,164	-	1,164	-
HMRC repayment for prior years	85	-	85	-
	1,249	-	1,249	-
6 Cost of Charitable Activities				
Staff Costs (Note 12)	36,020	10,758	46,778	35,566
Conferences	12,477	-	12,477	9,637
Training Courses	9,174	5,560	14,734	21,404
Handbook & Newsletter	2,358	-	2,358	2,531
Full Members PI	1,605	-	1,605	1,491
Office Rent, Rates & Insurance	2,832	-	2,832	2,484
Office Equipment	367	-	367	-
Printing, Postage, Stationery & Telephone	3,148	-	3,148	3,306
Other Operating Costs	664	-	664	1,932
	68,645	16,318	84,963	78,351
7 Governance Costs				
Trustee Expenses	1,691	-	1,691	1,560
Trustee Meeting Costs	718	-	718	834
Legal Advice	1,150	-	1,150	-
Cost of Annual Report	136	-	136	141
Independent Examiner's fee	235	-	235	200
	3,930	-	3,930	2,735

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

8	Movements between Funds	Balance 31/12/2008	Incoming Resources	Outgoing Resources	Transfers	Balance 31/12/2009
	Unrestricted Funds	282	79,553	(72,575)	1,550	8,810
	Restricted Funds					
	Bursary Fund	4	1,792	-	(1,550)	246
	Scottish Project	-	10,758	(10,758)	-	-
	Training: East Midlands	1,645	585	(2,154)	-	76
	Training: Northern	5,646	310	(2,746)	-	3,210
	Training: South West	1,800	-	(422)	-	1,378
	Training: Wales	369	-	(238)	-	131
		<u>9,464</u>	<u>13,445</u>	<u>(16,318)</u>	<u>(1,550)</u>	<u>5,041</u>
	Total Funds	<u>9,746</u>	<u>92,998</u>	<u>(88,893)</u>	<u>-</u>	<u>13,851</u>

Transfers

£1,550 was transferred from the Bursary Fund to the General Fund to subsidise subscriptions paid by members who undertake independent examinations on a voluntary basis.

9	Debtors	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	Gift Aid Receivable	4,533	241	4,774	2,011
	Other Debtors	2,805	210	3,015	2,969
	Prepayments	100	-	100	500
		<u>7,438</u>	<u>451</u>	<u>7,889</u>	<u>5,480</u>

10	Creditors (Payable within one year)	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008
	PAYE & NI Contributions	924	691	1,615	690
	Other Creditors	1,594	470	2,064	1,681
	Deferred Income (Note 11)	220	-	220	3,714
		<u>2,738</u>	<u>1,161</u>	<u>3,899</u>	<u>6,085</u>

11	Deferred Income	2009	2008
	Balance as at 31/12/2008	<u>3,714</u>	1,045
	Members Subscriptions received in advance in 2009	220	-
	Professional Indemnity Insurance Fees received in 2007	-	(1,045)
	Professional Indemnity Insurance Fees received in 2008	(1,164)	1,164
	Training Fees received in advance in 2008	(2,550)	2,550
	Balance as at 31/12/2009	<u>220</u>	<u>3,714</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

12 Transactions with related parties

No remuneration was paid to the trustees or any connected persons during the year (2008: £Nil).
Travel and other costs amounting to £1,691 (2008: £1,560) were reimbursed to five trustees (2008: six trustees) during the year.

13 Staff Costs	Unrestricted	Restricted	Total	2008
	Funds	Funds	2009	
Salaries	31,124	9,391	40,515	30,324
Employer's National Insurance	2,539	897	3,436	2,505
Employer's Pension Contributions	1,516	470	1,986	1,516
Travel Costs	841	-	841	1,221
	36,020	10,758	46,778	35,566

No employee received remuneration above £60,000 (2008: Nil).
The charity 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 employer's pensions costs represent contributions payable by the charity to the fund.

Average number of full-time equivalent employees in the year	2009	2008
Director	0.6	0.6
Senior Administrator	0.9	0.9
Scottish Project Officer (Full time from August 2009)	0.4	0.0
	1.9	1.5

14 Operating Leases

During the year, the trustees entered into a tenancy agreement in respect of office premises at The Gatehouse, White Cross, South Road, Lancaster LA1 4XQ for a period of 36 months from 1 October 2009. The Association has the option to terminate the agreement on the 1 October 2010 or 1 October 2011 by giving three months prior written notice. The amounts currently payable under the agreement (for Rent, Service Charge & Insurance) are:-

	2009	2008
Within 12 months	1,735	-
After 12 months	3,036	-

The amounts due, which are payable on a monthly basis, are subject to VAT at the rate ruling when payment is due.