

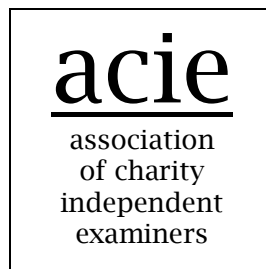
# **ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS**

**(A company limited by guarantee)**

**Annual Report & Financial Statements**

**For the year ended**

**31 March 2016**



***promoting excellence in charity independent examination***

**Registered Charity - England & Wales No: 1139609**

**Scotland No: SC039066**

**Company No: 7461134**

# ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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The trustees, who are the directors of the company for the purposes of company law, are pleased to present their report and financial statements together with the independent examiner's report for the year ended 31 March 2016.

## OBJECTS & ACTIVITIES

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### 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 during the year included:

- an enquiry service for members, non-members and charities seeking an independent examiner;
- training courses and conferences;
- an occasional newsletter for members;
- the professional qualification of Full Membership, designated by ACIE or FCIE; and
- collaboration with other bodies where this furthers ACIE's objects.

### Public Benefit

The trustees have considered ACIE's activities and achievements for 2015/16 and its plans for 2016/17 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 where ACIE members act as independent examiners.

The trustees are satisfied that this report on ACIE's activities in 2015/16, 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.

ACIE is committed 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 others who support the fund financially, although the demand on it continues to be at least twice the amount received.

## ACHIEVEMENTS & PERFORMANCE

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### Overview

2015/16 has been a year of many changes at ACIE. After nine years' service, Mark Heaton stood down from the role of ACIE Chair and Chris Smith was elected to the role. Our treasurer, Michael Brougham, also stood down from the board in June 2015 after seven years' service, although he continues on the Membership Committee. ACIE are extremely grateful to Mark and to Michael for their longstanding dedication to the organisation.

2015/16 saw our new Chair, Chris Smith, lead the Board through the process of agreeing an organisational strategy and operational plan for ACIE for 2016-2019.

The plan was created via:

- Discussions amongst the ACIE Board
- Consultation with members at the Scottish conference held in August 2015, facilitated by the ACIE Development Manager
- A survey of the ACIE membership held in September 2015

# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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The strategic plan identified an overall mission for ACIE to continue to be recognised as the professional body for Independent Examiners in the UK and Ireland and as an innovative leader in independent examination practice and training.

To achieve this mission ACIE has the following strategic aims each with its associated operational objectives:

- Appropriate infrastructure and staffing;
- Well embedded quality assurance processes including a well-functioning Continuing Professional Development (CPD) requirement;
- Deliver a range of communication; training and development activities and materials across the UK; and
- Increased membership

The full strategic plan along with the operational objectives linked to these strategic aims is available on the ACIE website (at the home page click on news and scroll down to "Report from the ACIE board").

The current Development Manager, Katherine Myles, had been in post for one month at the start of this period, and by the first quarter of 2016/17 had begun to review all aspects of ACIE's operational systems and processes. Due, in part, to this role being unfulfilled for a significant period prior to the Development Manager taking up post, a number of areas of our core activity were ready for re-shaping. As a result, it was necessary to focus much of our attention this year on a comprehensive programme of information systems development in order to meet the expectations and needs of members in the digital age and build a strong foundation upon which to grow. The programme is outlined in detail as follows:

## **Information Systems Development**

ACIE's email system has been migrated from a POP3 system, relying on third party administration, to a cloud-hosted server provided free to charities by Google Apps for Business. This move has enabled ACIE to create and remove accounts and access, and integrate these accounts with Google Drive to facilitate online collaborative working. The training team, made up of volunteers based all of the UK, have made much use of this facility in order to develop a common directory of current training materials, and to share the committee's business papers in a common online directory.

## **Website and member database**

ACIE has moved its website to a hosted and maintained "Software as a Service" platform. This has enabled us to permit multiple users to access and edit online content with ease. The new platform is an integrated membership database, website, events management and mass-emailing system. The work has been carried out by ACIE's Development Manager and Senior Administrator. The implementation and migration of our systems was a big project, but we are confident that we are now better placed to meet future challenges and to continue to grow on a strong foundation. The move has enabled us to become more efficient and effective in meeting our charitable objects in the following ways:

- The online membership database, with multiple user accounts, has enabled relevant trustees and staff based across the UK to access one common and current set of information about our membership.
- The online directory of Full Members is integrated with the membership database, so information updates only need to be actioned in one place.
- The database has enabled segmenting of the membership and contact database, so that reports can be created and emails can be sent to specific groups. For example, attendees of a specific training event can be tagged and made aware of future events; categories of members can receive information specific to their level of practice or region of the UK.
- By using mass mailing software, we can better manage and track engagement, and tailor our communications to better suit the membership.
- We have been able to create member only discussion forums, to allow members to engage with consultations held by regulators such as OSCR, HMRC and the Charity Commission England and Wales.
- By using the online event management capacity, registrations, payments and emails to attendees, those attendees who wish to do so can register and pay instantly. Additionally, the administration time required per event is greatly reduced.
- We have been able to update our membership process, such to allow online membership subscription renewal and to accept online payments.

# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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## Membership

At the end of 2015/16, ACIE had a membership of 534, including 70 new members who joined ACIE during the year. Membership at the year-end comprised 168 Full Members and 366 Affiliate Members.

Whilst around 30% of applications for Full Membership were successful, the quality of the majority remains poor. We are keen to support applicants for Full Membership to fully understand the requirements for preparing and examining charity accounts so that more applicants are successful with their first application.

It is one of our objectives to increase the number of successful Full Membership applications in 2016/17.

## Training & Personal Development Committee

The five new courses commissioned by ACIE to be written, were completed in the year, and cover a range of initial preparation and continuing professional development for members and those intending to become independent examiners. ACIE launched its register of accredited trainers, and has recruited eight trainers to the register, from across the UK.

The first of the new ACIE courses, an update on move to the new SORP (FRS102) and SORP (FRSSE), was delivered twice in the last quarter of 2015/16. The course ran in Birmingham and Glasgow for 19 attendees. These courses were offered free of charge to ACIE members.

With the support of the Robertson Trust, a two-day introduction to preparing and examining accrued accounts was delivered in Scotland during 2015/16.

The training committee has mapped out the delivery of a further four courses, to be offered in 2016/17.

## Conferences

The ACIE Scotland Conference took place at Perth in August, and 70 delegates registered to attend. The conference was addressed by David Robb, Chief Executive of OSCR, alongside Scottish Charity Award winner and campaigner, Matthew McVarish.

The programme included a technical and topical programme for Independent Examiners, alongside a consultation on SORP 2015, and ACIE's own member consultation. Breakout sessions included topics such as SORP 2015; Charity Reserves Policy; Pensions Auto-enrolment; An introduction to Independent Examination of Receipts & Payments accounts; Going Concern; Gift Aid; and a comparison of Receipts & Payments vs. Accruals accounting.

ACIE moved its England and Wales Conference from February to June in 2016, so the Scotland Conference was the only one to take place in the financial year 2015/16.

## ACIE Charity Accounting Certificate

The ACIE validated the 'Charities Structures, Regulation and Accounting' module of the MSc in Charity Resource Management at Sheffield Hallam University, which is in its final year. Eight students completed the module and qualified for the ACIE certificate.

## ACIE Independent Examination File

Providing a suite of working papers for planning, executing and completing an Independent Examination, the file is a key resource provided by ACIE to its members and others concerned with Independent Examination. The file is currently in the process of being updated to reflect regulatory changes and should become available in the Spring of 2017.

## ACIE Professional Indemnity Insurance

ACIE's low-cost PII cover is available to both Full and Affiliate Members. During 2015/16, we had 53 Full Members and 33 Affiliate Members in the scheme.

## Information Service

Providing information about IE and related matters to members, non-members and UK charities is central to ACIE's work. The enquiry service continued to receive a variety of interesting queries, which were either handled by the staff or referred to Board members or Fellows.

# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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## Northern Ireland

ACIE is now one of the bodies with which Independent Examiners in Northern Ireland (NI) may accredit in order to meet the requirements of the regulator, the Charity Commission for Northern Ireland (CCNI). CCNI has over 4000 charities on its register now, and it is likely that many of those who scrutinise charity accounts in NI will be looking to accredit or train in the near future.

ACIE's Development Manager visited Northern Ireland in order to meet with colleagues at NICVA; Volunteer Now, Supporting Communities and Arts and Business NI. The Development Manager also met with senior accountants who were practising Independent Examiners in Northern Ireland. ACIE and partners in Northern Ireland are in the process of developing ways of working that will enable Independent Examiners to accredit and train with ACIE in 2016/17.

## Other Bodies

As well as continuing to have good working relations with the Charity Commission for England & Wales and the Office of the Scottish Charity Regulator (OSCR), ACIE has continued to work with the following bodies:

- Institute of Chartered Accountants for England and Wales (ICAEW)
- Institute of Chartered Accountants in Scotland (ICAS)
- Association of Chartered Certified Accountants (ACCA)
- Association of Accounting Technicians (AAT)
- Association of International Accountants (AIA)
- Association of Church Accountants and Treasurers (ACAT)
- Institute of Financial Accountants (IFA)

## FINANCIAL REVIEW

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### Summary

General Fund income was £48,371 (2015: £61,170), primarily from subscriptions and conference fees. Expenditure was £52,279 (2015: £37,874) resulting in a deficit of £3,091 (2015: surplus of £24,811), after transfers.

### Risk Management

The trustees 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 two 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 consider that the Association has policies and procedures in place that provide reasonable protection to mitigate this risk.

### Reserves policy

The Board believes it should hold around £10,000 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 period end were £40,050 (2015: £43,141). Whilst this is higher than the target level, funds will be required during the coming year for the implementation of ACIE's strategic plan, in particular for the:

- Delivery of a programme of training courses across the UK
- Delivery of two conferences
- Development of online training resources
- Revision and further development of other resources for members

# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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## FUTURE PLANS

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We have made significant inroads in fulfilling the operational objectives set out in the strategic plan and intend to continue to focus on those that we have yet to achieve, especially the establishment of an ongoing programme of training and the development of resources for our members.

## STRUCTURE GOVERNANCE AND MANAGEMENT

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### Governing document

ACIE was originally established in 1999 as an unincorporated association. It is now a charitable company limited by guarantee, which was incorporated on, and governed by its Articles of Association dated, 06 December 2010. Each member of the company is required to contribute an amount not exceeding £1 should the company be wound up while he/she is a member, or within one year after he/she ceases to be a member. The Directors are the members of the company.

The Articles are supported by Regulations for Subscribing Members, which were last updated in February 2012.

### Appointment of trustees

The Board consists of:

- up to nine trustees elected by the charity's Subscribing Members to serve for a period not exceeding three years; and
- up to three trustees co-opted by the elected trustees to serve until the following 30 June.

### Eligibility

- Elected trustees must be Subscribing Members of the Association. Co-opted trustees may, but are not required to, be Subscribing Members of the Association.
- The majority of the trustees must be Full Members of the Association. Currently, six trustees are Full Members.
- Retiring trustees are eligible for re-election or may be co-opted again provided that no trustee may serve for more than nine consecutive years.

### Organisational structure

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

- Finance & General Purposes Committee
- Membership Committee
- Training & Personal Development Committee

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Charity Name</b>	Association of Charity Independent Examiners
<b>Charity No (England &amp; Wales)</b>	1139609
<b>Charity No (Scotland)</b>	SC039066
<b>Company No</b>	07461134

# TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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<b>Principal Office</b>	The Gatehouse White Cross South Road Lancaster LA1 4XQ		
<b>Registered Office</b>	4-6 Grimshaw Street Burnley BB11 2AZ		
<b>Website Address</b>	www.acie.org.uk		
<b>Current Trustees</b> <i>(Elected)</i>	Ian Barrett Peter Brown Paul Capewell Kerry Clayton Catherine French Christopher Stephen-Haynes Kate Tully Francis Walsh	Appointed 01/07/2015 Appointed 01/07/2015 Appointed 01/07/2015	Treasurer
<i>(Co-opted)</i>	Susan Edge Christopher Smith		Chair
<b>Other Trustees who served during the period</b>	Michael Brougham Mark Heaton Suzanne Spicer	Resigned 30/06/2015 Retired 30/06/2015 Resigned 12/02/2016	
<b>Bankers</b>	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB		
<b>Independent Examiner</b>	David Ralph 50 Southwood Road Tunbridge Wells TN14 8SP		

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## APPROVAL

This report, which has been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, was approved by the trustees on 21 June 2016 and signed on their behalf by:

**Christopher Smith**  
Chair

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# **INDEPENDENT EXAMINER'S REPORT**

FOR THE YEAR ENDED 31 MARCH 2016

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## **Independent examiner's report to the trustees of Association of Charity Independent Examiners**

I report on the accounts of the charity for the year ended 31 March 2016, which are set out on pages 10 to 19.

### **Respective responsibilities of trustees and examiner**

The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") or under Regulation (10)(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the 2006 Regulations") and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 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 145(5)(b) of the 2011 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 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 came 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 386 of the Companies Act 2006, 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 Companies Act 2006, 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 Charities,have 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 JP FCIPD FCIE**

50 Southwood Road  
Tunbridge Wells  
TN4 8SP  
29 August 2016

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME & EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
		£	£	£	£
<b>Income from:</b>					
Donations	4	37,475	905	<b>38,380</b>	39,891
Charitable activities	5	10,780	-	<b>10,780</b>	22,735
Investments (Bank Interest)		116	-	<b>116</b>	93
		<b>48,371</b>	<b>905</b>	<b>49,276</b>	<b>62,719</b>
<b>Expenditure on:</b>					
Charitable activities	6	52,279	1,103	<b>53,382</b>	46,883
<b>Net income/(expenditure)</b>		(3,908)	(198)	<b>(4,106)</b>	15,836
<b>Transfers between funds</b>	15	817	(817)	-	-
<b>Net movement in funds</b>		(3,091)	(1,015)	<b>(4,106)</b>	15,836
<b>Reconciliation of funds</b>					
Total funds as at 01 April 2015		43,141	1,144	<b>44,285</b>	28,449
<b>Total funds as at 31 March 2016</b>		<b>40,050</b>	<b>129</b>	<b>40,179</b>	<b>44,285</b>

The above statement includes all gains and losses recognised during the year.

All activities are regarded as continuing.

Comparative figures for the previous year by fund type are shown in Note 17.

The Notes on pages 13 to 19 form an integral part of these accounts.

## BALANCE SHEET

AS AT 31 MARCH 2016

	Note	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
<b>Current assets:</b>		£	£	£	£
Debtors	9	3,399	129	<b>3,528</b>	944
Cash at bank and in hand	10	38,173	-	<b>38,173</b>	44,750
		<b>41,572</b>	<b>129</b>	<b>41,701</b>	<b>45,694</b>
<b>Liabilities:</b>					
Creditors (due within one year)	11	1,522	-	<b>1,522</b>	1,409
<b>Net current assets</b>		<b>40,050</b>	<b>129</b>	<b>40,179</b>	<b>44,285</b>
<b>Net Assets</b>		<b>40,050</b>	<b>129</b>	<b>40,179</b>	<b>44,285</b>
<b>Funds of the charity:</b>					
Restricted funds	14	-	129	<b>129</b>	1,144
Unrestricted funds	14	40,050	-	<b>40,050</b>	43,141
		<b>40,050</b>	<b>129</b>	<b>40,179</b>	<b>44,285</b>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 March 2016:

- the company was entitled to exemption from audit under section 477 of the Companies Act 2006, and
- members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act. However, in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005, the accounts have been examined by an independent examiner whose report appears on page 9.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Notes on 13 to 19 form an integral part of these accounts.

These accounts, which have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies, were approved by the trustees on 21 June 2016 and signed on their behalf by:

**Christopher Smith**

Chair

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
<b>Cash flows from operating activities:</b>	£	£	£	£
Net income/(expenditure) per SoFA	(3,091)	(1,015)	<b>(4,106)</b>	15,836
Investment income	(116)	-	<b>(116)</b>	(93)
(Increase)/decrease in debtors	(2,604)	20	<b>(2,584)</b>	(527)
Increase/(decrease) in creditors	113	-	<b>113</b>	800
	<b>(5,698)</b>	<b>(995)</b>	<b>(6,693)</b>	16,016
<b>Cash flows from investing activities:</b>				
Investment income	116	-	<b>116</b>	93
<b>Net increase/(decrease) in cash:</b>	<b>(5,582)</b>	<b>(995)</b>	<b>(6,577)</b>	16,109
Total cash as at 01 April 2015	43,755	995	<b>44,750</b>	28,641
<b>Total cash as at 31 March 2016</b>	<b>38,173</b>	<b>-</b>	<b>38,173</b>	44,750

The Notes on pages 13 to 19 form an integral part of these accounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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## 1. Basis of preparation

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- 1.1. These accounts (financial statements) have been prepared under the historic cost convention, with items recognised at cost or transaction value, unless otherwise stated in the relevant note(s), in accordance with:
- (a) The Charities Act 2011
  - (b) The Charities and Trustee Investment (Scotland) Act 2005
  - (c) The Charities Accounts (Scotland) Regulations 2006 (as amended)
  - (d) The Companies Act 2006
  - (e) The Financial Reporting Standard applicable in the UK and the Republic of Ireland: FRS102
  - (f) Accounting & Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS102) (effective January 2015)
- 1.2. Changes to the basis of preparation
- The accounts for the previous year were prepared in accordance with:
- (a) the Financial Reporting Standard for smaller entities (the FRSSE) (effective April 2008)
  - (b) the Charities SORP 2005 (2<sup>nd</sup> edition – May 2008)
- 1.3. Changes to previous accounts
- These are the charity's first financial statements to comply with FRS102. The date of transition to FRS102 is 01 April 2014. No adjustments or restatements were necessary other than those necessary to comply with the revised layout of the financial statements required by the Charities SORP (FRS102).
- 1.4. The charity meets the definition of a public benefit entity as defined by FRS 102
- 1.5. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

## 2. Accounting policies

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- 2.1. Fund accounting
- (a) Unrestricted funds are those that can be expended at the discretion of the trustees in the furtherance of the objects of the charity.
  - (b) Restricted funds are those that may only be used for specific purposes. Restrictions arise when specified by the donor, or when funds are raised for specific purposes.
  - (c) The purposes of the funds are shown in Note 16.
- 2.2. Income
- (a) Income is recognised and included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to the income; receipt is probable; and the monetary value can be measured with sufficient reliability.
  - (b) Where income has related expenditure (e.g. conferences and training courses), the income and related expenditure are reported gross in the SoFA.
  - (c) Bank interest is recognised when credited to the account.
  - (d) Gift Aid is recognised in the same accounting period as the donation to which it relates.
  - (e) Income, which is subject to conditions that the charity has yet to fulfil, or which is specifically for use in a future accounting period, is treated as deferred income.
- 2.3. Expenditure and liabilities
- (a) Expenditure is recognised on the accruals basis.
  - (b) The charity is not registered for VAT, thus all costs are shown inclusive of VAT charged.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

- (c) Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- (d) 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. Tangible assets

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

### 2.5. Debtors

- (a) Debtors are recognised at the settlement amount due.
- (b) Prepayments are valued at the amount prepaid.

### 2.6. Cash

- (a) Cash comprises bank deposits repayable on demand and any short-term highly liquid investments with a maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.7. Creditors

- (a) Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount, usually the invoice amount.
- (b) Accrued charges are normally valued at their settlement amount.

### 2.8. Taxation

The charity is not liable to income tax or capital gains tax on its charitable activities.

## 3. Transactions with trustees and related parties

- (a) Christopher Smith, an ACIE trustee, received remuneration of £2,150 (2015: £7,200) for developing and delivering training courses on charity accounting and independent examination in Scotland. This is permitted by the Articles of the Company and the remaining trustees agreed that it was in the best interests of the charity. No other trustee received any remuneration during the year or in the previous year.
- (b) Travelling expenses totalling £2,862 (2015: £4,790) were reimbursed to ten trustees (2015: seven trustees).
- (c) The charity's insurance policy includes trustee indemnity insurance cover for all of its trustees.
- (d) There were no transactions with related parties (2015: £Nil).

## 4. Income from donations

	Unrestricted Funds	Restricted Funds	<b>Total 2016</b>	Total 2015
	£	£	£	£
Membership Subscriptions	37,475	-	<b>37,475</b>	38,880
Other donations	-	776	<b>776</b>	862
Gift Aid	-	129	<b>129</b>	149
	<b>37,475</b>	<b>905</b>	<b>38,380</b>	<b>39,891</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 5. Income from charitable activities

	2016	2015
	£	£
Conferences	5,005	16,425
Training courses	55	-
PII for members	4,860	4,800
FM application fees	90	330
IE file	470	930
SHU certificates	300	250
	<b>10,780</b>	<b>22,735</b>

### 6. Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total 2016	Total 2015
	£	£	£	£
<i>Direct Costs</i>				
Conferences	3,273	-	3,273	11,599
PII for Members	3,784	-	3,784	3,721
Training Courses	429	1,103	1,532	10,009
Training Materials	5,750	-	5,750	-
	<b>13,236</b>	<b>1,103</b>	<b>14,339</b>	<b>25,329</b>
<i>Support Costs</i>				
Staff Costs (Note 8)	25,700	-	25,700	12,889
Staff Training	1,870	-	1,870	-
Advertising & Publicity	187	-	187	350
Office Rent, Rates & Insurance	2,550	-	2,550	2,505
Office Equipment	326	-	326	-
Payroll Service	240	-	240	144
Postage & Stationery	259	-	259	276
Subscriptions	326	-	326	256
Telephone & Internet	762	-	762	646
Travel	2,118	-	2,118	719
Website & Email	607	-	607	200
Sundries	31	-	31	-
Governance Costs (Note 7)	4,067	-	4,067	3,569
	<b>39,043</b>	<b>-</b>	<b>39,043</b>	<b>21,554</b>
<b>Total</b>	<b>52,279</b>	<b>1,103</b>	<b>53,382</b>	<b>46,883</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 7. Governance costs

	<b>2016</b>	2015
	£	£
Independent Examiner's Fee	<b>275</b>	294
Trustee Expenses	<b>2,585</b>	1,896
Trustee Meeting Costs	<b>1,099</b>	1,331
Legal Advice	<b>60</b>	-
ICO Registration	<b>35</b>	35
Annual Return Fee	<b>13</b>	13
	<b>4,067</b>	3,569

### 8. Staff costs

	<b>2016</b>	2015
	£	£
Salaries	<b>23,391</b>	12,356
Employer's national insurance	-	-
Employer's pension contributions	<b>2,309</b>	533
	<b>25,700</b>	12,889

No employee received remuneration in excess of £60,000

Average number of employees	<b>2016</b>	2015
Administration	<b>1.0</b>	1.0
Development	<b>1.0</b>	-
	<b>2.0</b>	1.0

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The employer's pension costs represent contributions payable by the charity to the fund.

### 9. Debtors

	Unrestricted Funds	Restricted Funds	<b>Total 2016</b>	Total 2015
	£	£	£	£
Gift aid receivable	-	129	<b>129</b>	149
Other debtors	-	-	-	795
Prepayments	3,399	-	<b>3,399</b>	-
	3,399	129	<b>3,528</b>	944



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 10. Cash at bank and in hand

	2016	2015
	£	£
Bank deposit account	35,772	40,157
Bank current account	2,360	4,593
Alto card	41	-
	<b>38,173</b>	<b>44,750</b>

### 11. Creditors (falling due within one year)

	2016	2015
	£	£
PAYE & NI contributions	176	373
Other creditors and accruals	1,071	321
Deferred income (Note 12)	275	715
	<b>1,522</b>	<b>1,409</b>

### 12. Movements in deferred income

	As at 31/03/2015	Funds Received	Released to income	As at 31/03/2016
	£	£	£	£
Subscriptions received in advance for 2015/16	715	-	(715)	-
Subscriptions received in advance for 2016/17	-	275	-	<b>275</b>
	<b>715</b>	<b>275</b>	<b>(715)</b>	<b>275</b>

### 13. Operating leases

In 2013, the trustees entered into a tenancy agreement in respect of the office premises at the Gatehouse, White Cross, South Road, Lancaster, LA1 4XQ for a period of 36 months from 01 December 2013. The Association had the option to terminate the agreement on 01 December 2014 or 01 December 2015 by giving three months prior written notice, but did not exercise either option. The non-cancellable amounts payable under the agreement (for rent, insurance, and service charges) at the financial year-end are:

	2016	2015
	£	£
Within 12 months	<b>1,139</b>	1,139

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 14. Movements in funds

	As at 31/03/2015	Incoming Resources	Outgoing Resources	Transfers	As at 31/03/2016
	£	£	£	£	£
<u>Unrestricted funds</u>					
General fund	43,141	48,371	(52,279)	817	<b>40,050</b>
<u>Restricted funds</u>					
Bursary fund	153	905	-	(929)	<b>129</b>
Training fund	991	-	(1,103)	112	-
	<u>1,144</u>	<u>905</u>	<u>(1,103)</u>	<u>(817)</u>	<u><b>129</b></u>
<u>Total funds</u>	<u>44,285</u>	<u>49,276</u>	<u>(53,382)</u>	<u>-</u>	<u><b>40,179</b></u>

### 15. Transfers between funds

- (a) £929 was transferred from the Bursary Fund to the General Fund to subsidise subscriptions paid by members who undertake independent examinations on a voluntary basis.
- (b) £112 was transferred from the General Fund to the Training Fund to meet the costs of courses not full covered by the Robertson Trust funding.

### 16. Purpose of funds

General fund	Unrestricted funds that can be expended at the discretion of the trustees in furtherance of the objects of the charity.
Bursary fund	Funding provided by members towards the cost of reduced subscriptions for members who carry out IE on a voluntary basis.
Training Fund	Grant funding from the Robertson Trust towards the cost of training courses in Scotland.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 17. Comparative income and expenditure by fund type

	<u>Unrestricted Funds</u>		<u>Restricted Funds</u>	
	<b>2016</b>	2015	<b>2016</b>	2015
<b>Income from:</b>	£	£	£	£
Donations	<b>37,475</b>	38,882	<b>905</b>	1,009
Charitable activities	<b>10,780</b>	22,735	-	-
Investments	<b>116</b>	93	-	-
	<b>48,371</b>	61,710	<b>905</b>	1,009
<b>Expenditure on:</b>				
Charitable activities	<b>52,279</b>	37,874	<b>1,103</b>	9,009
<b>Net income/(expenditure)</b>	<b>(3,908)</b>	23,836	<b>(198)</b>	(8,000)
<b>Transfers between funds</b>	<b>817</b>	975	<b>(817)</b>	(975)
<b>Net movement in funds</b>	<b>(3,091)</b>	24,811	<b>(1,015)</b>	(8,975)
<b>Reconciliation of funds</b>				
Total funds as at 01 April 2015	<b>43,141</b>	18,330	<b>1,144</b>	10,119
<b>Total funds as at 31 March 2016</b>	<b>40,050</b>	43,141	<b>129</b>	1,144