

ACIE

The Association of
Charity Independent Examiners

(A Company Limited by Guarantee)

**Annual Report & Financial Statements: For the year
ended 31st March 2018**

Registered Charity - England & Wales No: 1139609

Scotland No: SC039066

Company No: 7461134

Statement from the Chair of the Trustees



This past year has been best characterised by one theme; that of change. Chris Smith (FCIE) stood down as Chair after nine years of serving as a trustee and several new Trustees came on to the Board. At the same time as we said goodbye to Chris, our Senior Administrator moved to a new post. I am sure that you will join me and the other Trustees in recording our thanks to Chris and to Eric Marsden for their hard work and support over the years.

ACIE is no stranger to change and I would like to think that members, Trustees and I will always

look for a silver lining in these situations. One thing that grounds us all is our commitment to improving practice in independent examination by providing advice and guidance not just to members but to the wider charity community. In this, we are pleased to be supported by the charity regulators across the UK. The Charity Commission for England and Wales and OSCAR are both significant contributors to our annual conferences in England/Wales and Scotland.

Our drive over recent years has been, and still is, to increase membership and quality of members of ACIE but this year we have also been keen to promote ACIE to non-members and partner organisations. Meeting people face to face and talking about what we do is a great way of promoting ACIE. Moreover, it enables us to get the message across about what a good IE looks like and what treasurers and trustees need to look for when appointing an examiner. To this end, I have spoken at a number of events to promote the ACIE message and to promote the organisation as the 'go to' source of information on IE. Colleagues from the Board and some Fellows have also been invited to represent ACIE at events and conferences across the UK.

During this year we have forged a number of valuable partnerships with other professional bodies and organisations. We worked with the Charity Finance Group and the Community Accountants to co-promote events. We worked with the Institute of Financial Accountants to raise awareness of good practice in independent examination. We continue to work closely with the Association of Church Treasurers and Accountants and for the first time staffed a stand at their conference in Leeds. In the autumn of 2018 we have been invited to have a stand and speak at their conferences in London and Manchester.

This year we thought long and hard about what we offer to our members. We want to be able to provide good practical support to everyone, whatever their level of experience. This is why we

decided to make the Letters of Engagement templates available to all members at no cost. As in previous years members have access to the free advice line. ACIE will continue to reflect on what members need and endeavour to meet those needs.

As we reflect on the past year and look forward to 2018/19, I am confident that we have the right combination of skills, commitment and people on the ACIE Board to guide the Association over the next few years and to, hopefully increase the quality and quantity of members and professional and public awareness of IE. I am particularly pleased to say that we have a Board that reflects the diversity of our members in terms of gender and race and that we have Trustees representing all four nations of the United Kingdom.

I would also like to take this opportunity to thank, on behalf of the Board, Anne-Marie Barry for the work undertaken to keep ACIE operating from day to day, especially in relation to membership records, finance and development of the organisation. The Board is also grateful for the efficient and effective administrative support the Association is provided by Moira McVay.

It is a privilege to have the role of Chair of the Board and to work with such a group of keen, enthusiastic and supportive trustees.

Ian Barrett (FCA, FCIE)

Chair, ACIE

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OBJECTIVES AND ACTIVITIES

ACIE is an association of people who carry out Independent Examination (IE). The Association provides support and information to its members, charities and other interested parties. The purpose of the Association is to promote best practice in Independent Examination.

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;
- providing charity trustees with information in connection with the selection and appointment of Independent Examiners;
- providing an enquiry service for members, non-members and charities seeking an independent examiner;
- providing training courses and conferences;
- publishing newsletters for members;
- awarding the professional qualification of Full Membership, designated by ACIE or FCIE; and
- collaborating with other bodies where this furthers ACIE's objects.

Public Benefit

The trustees have considered ACIE's activities and achievements for 2017/18 and its plans for 2018/19 against the Public Benefit Guidance issued by the Charity Commission. They agree 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 2017/18 and its plans for the future demonstrate that, in fulfilling the Association's objects, the charities which ACIE assist 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 enable it to offer subsidised membership subscriptions. ACIE is very grateful to the members and others who support the fund financially, which continues to be in high demand.

ACHIEVEMENTS AND PERFORMANCE

The objects of the Association are to promote greater effectiveness of charities in the United Kingdom in the achievement of their charitable objects. In order to fulfil our charitable objectives, we use our resources to support and advise our members and raise awareness of best practice in independent examination.

What follows will give you an insight into how we achieved these objectives for the year 2017-2018, our successes, the challenges we face and what we learnt over the year.

Our achievements 2017-2018

Maintained membership numbers: For the period 1st April 2017 to 31st March 2018, ACIE had a total of 586 members; of these 429 were Affiliates and 157 were Full Members. Affiliate membership is open to anyone with an interest in IE. Full Membership of ACIE can only be achieved by submitting a detailed application form and examples of a candidate's work to the Membership Committee of the Association for consideration.

Continued support for voluntary independent examiners: We continued to support examiners working on a voluntary basis (i.e earning £250 or less and/or only claiming expenses) by offering reduced memberships fees and discounted fees for training and events. Voluntary independent examiners' fees are in part subsidised by the Bursary Fund, with the Association making up the shortfall from Unrestricted Funds.

Kept members informed and up to date: We published four newsletters during the year, keeping members up to date with key changes in charity finance and regulation; as well as ACIE events and news. In addition, we sent out several email bulletins during the year.

Delivered four training events in England and Wales; two aimed at people new to IE and charity accounting and two aimed at accountants. Feedback from both events was positive:

"Day two carried on where the Trainer ended day one, with enthusiasm and an abundance of expertise delivered in a professional manner. Day two was bumper packed with a breadth of practical knowledge and experience delivered by a tutor who lives the walk that she delivers. A great advert for ACIE and advert why we should become members."

Delivered two conferences for members and non-members: Our annual England and Wales conference took place in London in June 2017. A total of 79 people attended. Later in the year we held our Scottish Conference in Perth where 58 people attended. We were pleased to have input from the Charity Commission and OSCAR at the relevant event.

Quality assurance: ACIE has revised its Standards of Practice to include regulations pertaining to

Northern Ireland. We have also revised the wording of the Standards to clarify the knowledge and understanding of charity accounting and regulation required for Full Membership.

Establishment of a Northern Ireland Advisory Committee: Following ACIE training in Northern Ireland in 2016-2017 we were pleased to generate sufficient interest to form an Advisory Committee to guide our work in Northern Ireland. The Chair of the Committee was co-opted on to the Board of Trustees to provide representation of Northern Ireland.

Successful recruitment of new Chair and Trustees: In June 2017 Chris Smith stood down as Chair and Ian Barrett was elected as the new Chair.

With a number of Trustees, including the Chair, having served the maximum period allowed by our constitution, we initiated the process to recruit new Trustees. We were in the fortunate position of having received more applications by candidates than the number of vacancies, which resulted in an election. For the first time in ACIE history, we have a gender balanced Board. The Board promotes diversity and equal opportunities and is proud to be made up of representatives from all parts of the United Kingdom.

Full details of the composition of the Board (pre and post-election) can be found on page 12.

Rolled out new branding: Last year we invested in new branding and logo. This past year has seen the new branding being rolled out. We have begun to change the look and feel of our website to target our three sets of users; members, charities looking for an IE and anyone wanting to know more about IE. We have also invested in branded items and new display banners for use at events and conferences with the aim of raising awareness of the ACIE.

Working with partner organisations: We have been working hard to promote good practice in IE with partner organisations. In doing so, we hope to create demand for a high standard of independent examination in the wider charity community. Over the coming years we aim to position the Association as the 'go to' organisation for charities, trustees and potential examiners seeking advice and guidance. Examples of our working with partnership organisations include:

- Working with the Institute of Financial Accountants (IFA) to promote ACIE events online and via Twitter; publishing an article of IE and the new Directions for the IFA membership magazine and reaching an agreement to co-promote ACIE's Scottish Conference 2018.
- Working with individual IFA Members network groups to provide speakers on IE.
- We retained a close relationship with Charity Finance Group (CFG). In 2017-2018, CFG provided speakers for the 2017 annual England & Wales conference and committed to co-branding the 2018 event.
- In 2017 we co-branded the Community Accountant Network (CAN) conference in Manchester and Ian Barrett delivered an update on IE and the new Directions published

by the Charity Commission. ACIE had a stand at the event to promoting the Association and best practice in IE.

- We continue to have a close relationship with the Association of Church Accountants and Treasurers (ACAT). During the year we took a stand at their North of England conference where we had the opportunity to network with representatives of churches across England and Wales. ACIE also committed to providing speakers for the 2018 ACAT conferences.
- ACIE were delighted to be asked to provide a speaker for a Charity Commission staff 'away day'. In 2018 Helen Blundell, Fellow, presented on IE and what the Commission can reasonably expect of an IE in terms of records and approach.
- The Northern Ireland Charity Commission (NICC) requested that ACIE provide training to it on all aspects of IE. Margaret Birse, Fellow, presented to NICC staff on the Association's behalf.

Our challenges 2017-2018

Staffing and infrastructure: In June 2017 our Senior Administrator, Eric Marsden, left the organisation to take up a new post. For a small organisation the loss of an experienced member of staff is challenging. Left with one part-time member of staff based in Edinburgh, the Board reflected on the practicalities of recruiting another administrator and retaining the office in Lancaster where Eric had been based.

After due reflection, the decision was made that for the short term, at least, some of the day to day administration would be undertaken by the Development Manager and to outsource other tasks on a contract basis. Accordingly, the lease on the office in Lancaster was brought to an end.

From July 2017, ACIE has had a registered office in England and a correspondence address in Scotland. Our day to day infrastructure costs have been greatly reduced and this will be offset against the costs of closing down the Lancaster office.

The ACIE Board committed themselves to reviewing staffing and infrastructure during the summer of 2018.

Full Membership: Numbers of full membership applications remain low and some of those received were considered to be below the necessary standard. ACIE remains committed to providing full and constructive feedback on all applications received to encourage members to resubmit.

To help in these situations, we have revised ACIE's Standards to ensure that the text adequately reflects what is required of Full Members in terms of both the knowledge of and the application of charity finance regulation.

We also ran a session on 'Becoming a Full Member' at our England and Wales conference in June 2017. Subsequently we published an article in the ACIE newsletter on common reasons why applications may be considered unsuccessful.

It is clear that there is still work to be done to encourage and increase the number of people applying for full membership and to improve the quality of applications. ACIE is committed to developing its training programmes and welcomes more input from members who are thinking of applying.

Increasing membership numbers: Each year, new members join but others leave or do not renew. For 2017-18 we sought to encourage renewal by providing an improved service for member, including increasing communication by publishing regular newsletters and circulating updates, introducing CPD certificates for training and conferences and raising awareness of the 'helpline' service available to members.

The Board has considered how best ACIE can offer value to its members. The Association is pleased to announce that in the next financial year members will be offered free access to additional resources, such as template letters of engagement and updated IE File.

Our work with partner agencies has the potential to attract new members. We are also committed to following up with all non-member attendees to events, to explore whether they are aware of the benefits of becoming a member of ACIE.

Automated membership renewals: We had some success rolling out the new automated system but it was not without its challenges in terms of negotiating the system. We are committed to assessing and improving the process. Accordingly, changes have been made ahead of 2018-2019 renewals to ensure that the content and timing of emails are appropriate.

Recruiting participants for training and events: During 2017-2018 we had to cancel two sets of training in England and Wales due to low take up rates. As a result, the Association had to absorb the related costs. Due consideration will continue to be given when deciding upon the content of training sessions, the associated costs and risks and how events are marketed. For 2018-2019, the Board have committed to developing the Training Committee and reviewing we deliver to meet the needs of members.

Lessons learnt: Moving forward 2018-2019

2017-2018 has seen some significant changes for ACIE, most noticeably, the arrival of a new Chair, the closure of our Lancaster office and the loss of our Senior Administrator.

Moving forward to 2018-2019, ACIE considers the following:

- What we do well:

- providing information, support and advice to members in the form of newsletters, our advice line, training events and conferences;
 - providing low cost PII to members
 - working in partnership with other organisations to promote best practice in independent examination;
 - engaging Trustees to be committed and active members of the Board;
 - actively promoting the importance of IE to Trustees and Treasurers.
- Where we can improve:
 - add value to our membership packages to encourage people to join and renew;
 - encourage and enable more Affiliate members to apply for Full Membership and receive the designation of FCIE;
 - reflect on the needs of the Association, role requirements and responsibilities of ACIE staff and contracted support;
 - adapt the online renewals system to eliminate inconsistencies within the process.

FINANCIAL REVIEW

Total income received during the year was £58,739 (£63,465 in 2017) primarily from subscriptions, conference and training event attendance and £67,855 (£65,305 in 2017) was spent on the charity's activities.

All Bursary Funds were allocated towards subsidising Voluntary Independent Examiner's subscriptions during the financial year.

The net funds of the Association decreased by £9,116 (£1,840 net decrease in 2017).

The Association held Unrestricted Funds of £29,153 (£38,269 in 2017) and Restricted Funds of £70 (£70 in 2017) as at the financial year-end.

Risk Management: The trustees regularly review the risks to which the Association is exposed and do not consider there are any substantial monetary risks beyond the liabilities disclosed in the financial statements. However, the Board committed to undertaking a thorough risk assessment during the next financial period as a consequence of the changes to the Associations structure in recent months.

The Association has one part time employee and holds public liability and professional indemnity insurance.

The trustees consider the Association faces reputational risk and continues to review processes and procedures to provide reasonable protection to mitigate this risk.

Reserves Policy: currently the Board aims to hold a minimum of six months of running costs in reserve, which prudently equates to £20,000. Total Unrestricted Funds held as at 31st March 2018 were £29,153 (£38,269 in 2017).

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 6 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.

The Association is registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

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.

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, five 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 each 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 and General Purposes Committee
- Membership Committee
- Training and CPD Committee

REFERENCE AND ADMINISTRATIVE DETAILS

<p>Trustees: All those who served during the period 2017-2018</p> <p>In post when the report was approved</p>	<p>Ian Barrett (Chair) (Elected July 2017)</p> <p>Kerry Clayton (Treasurer)</p> <p>Maroof Adeoye (Elected July 2017)</p> <p>Shaun Birch (Elected July 2017)</p> <p>Alison Cook (Elected July 2017)</p> <p>Tony Clarke (Co-opted July 2017)</p> <p>Eileen Houghton (Elected 2016)</p> <p>Thomas Ojo (Elected July 2017)</p> <p>Susan Robinson (Elected July 2017)</p> <p>Catherine French (Resigned July 2018)</p> <p>Chris Smith (Resigned July 2017)</p> <p>Susan Edge (Resigned July 2017)</p> <p>Lee Stevenson (Elected July 2018)</p>
Charity Numbers	<p>England & Wales: 1139609</p> <p>Scotland: SC039066</p>
Company Number	7461134
Principal Address	19 Windsor Place, Edinburgh, EH15 2AJ
Registered Address	1st Floor, Block C, The Wharf, Manchester Road Burnley BB11 1JG
Website	www.acie.org.uk
Bank	Unity Trust Bank Plc, 9 Brindleyplace, Birmingham, B1 2HB

Independent Examiner	David Ralph, 50 Southwood Road, Tunbridge Wells, TN14 8SP
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APPROVAL

This report, which was prepared in accordance with the provisions in the Companies Act (2006) relating to small companies, was approved by the Trustees and signed on their behalf by:

Ian Barrett (Chair)

Date: 25th October 2018

THE ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
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INDEPENDENT EXAMINER'S REPORT

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 2018, which are set out on pages 15-23.

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 charity's 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.

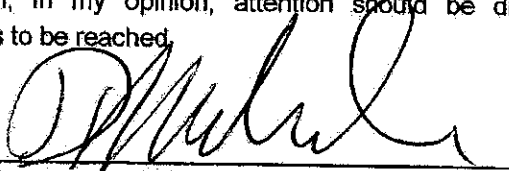
Basis of independent examiner's statement

My examination was 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 seeking explanations from the 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 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

20th December 2018

Date

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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)

		Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	<i>Notes</i>				
Income from:					
Donations	5	35,722	719	36,441	38,219
Charitable Activities	6	20,675	0	20,675	25,202
Investments (Bank Interest)		40	0	40	44
Other	7	1,583	0	1,583	0
Total		58,020	719	58,739	63,465
Expenditure on:					
Charitable activities	8	67,136	719	67,855	65,305
Total		67,136	719	67,855	65,305
Net movement in funds		(9,116)	0	(9,116)	(1,840)
Reconciliation of funds:					
Total funds as at 1 April 2017		38,269	70	38,339	40,179
Total funds at 31 March 2018		29,153	70	29,223	38,339

The above statements 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 18.

The Notes on pages 17 to 23 form and integral part of these accounts.

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BALANCE SHEET
AS AT 31ST MARCH 2018

		Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
	<i>Notes</i>				
Current Assets					
Debtors	11	1,485	70	1,555	4,208
Cash at bank	12	36,490	0	36,490	58,166
		<u>37,975</u>	<u>70</u>	<u>38,045</u>	<u>62,374</u>
Liabilities:					
Creditors: Amounts falling due within one year	13	8,822	0	8,822	24,035
		<u>29,153</u>	<u>70</u>	<u>29,223</u>	<u>38,339</u>
Net Current Assets					
		<u>29,153</u>	<u>70</u>	<u>29,223</u>	<u>38,339</u>
Net Assets as at 31 March 2018		<u>29,153</u>	<u>70</u>	<u>29,223</u>	<u>38,339</u>
Funds of the Charity					
Total Funds as at 31 March 2018		<u>29,153</u>	<u>70</u>	<u>29,223</u>	<u>38,339</u>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31 March 2018.

- 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 14.

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

Comparative figures for the previous year by fund type are shown in Note 19.

The Notes on pages 17 to 23 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 13th June 2018 and signed on their behalf by:

Ian Barrett
Chair

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NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

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)

No changes were made to the basis of preparation or to the previous year's accounts.

1.2 The charity meets the definition of a public benefit entity as defined by FRS 102

1.3 The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2 Accounting policies

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 18.

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.
- 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 Support Costs and Employee Benefits

- a All support costs and employee benefits are paid from unrestricted funds.
- b The employees of the charity do not accrue holiday entitlement. Any termination benefits awarded are recognised immediately as an expense.

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2.5 Retirement Benefits

- a The charity operates a defined contribution pension scheme. The assets of the scheme are independently administered. The employer's pension costs represent contributions payable by the charity to the fund.

2.6 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.

2.7 Financial instruments

- a The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.
- b Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.
- c Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.
- d Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2.8 Creditors

- a Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.
- b Accrued charges are normally valued at their settlement amount.

2.9 Cash

- a Cash means cash in hand and bank deposits repayable on demand without penalty.
- b Cash equivalents are short-term (less than 90 days notice) deposits that are readily convertible to cash and that are subject to insignificant risk of changes in value.

2.10 Taxation

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

3 Critical accounting estimates and judgements

- 3.1 In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
- 3.2 The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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4 Transactions with trustees and related parties

- a No trustees received any remuneration during the year (2017: £Nil).
- b Travelling expenses totalling £2,607 (2017: £2,858) were reimbursed to seven trustees (2017: six).
- c The charity's insurance policy includes trustee indemnity insurance cover for all of its trustees.
- d There were no transactions with related parties during the financial year (2017: £Nil).

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5 Income from Donations

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Membership Subscriptions	35,722	-	35,722	37,147
Other donations	-	719	719	1,002
Gift Aid	-	-	-	70
	35,722	719	36,441	38,219

6 Income from Charitable Activities

	2018	2017
	£	£
Conferences	9,570	10,266
Training courses	5,180	9,994
PII for members	5,355	4,552
FM application fees	120	90
IE file	450	300
	20,675	25,202

7 Other Income

	2018	2017
	£	£
Bank credit	1,583	-
	1,583	-

8 Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
<u>Direct Costs</u>				
Subscription costs	498	-	498	1,505
Conferences	11,010	-	11,010	8,903
PII for Members	3,201	-	3,201	3,481
Training Courses	10,653	-	10,653	11,956
	25,362	-	25,362	25,845
<u>Support Costs</u>				
Staff Costs (Note 10)	24,605	-	24,605	23,526
Staff Training	-	-	-	404
Office & Administrative Support	3,874	-	3,874	-
Advertising & Publicity	1,268	-	1,268	440
Office Rent, Rates & Insurance	2,022	-	2,022	2,715
Payroll Service	258	-	258	246
Postage & Stationery	780	-	780	785
Subscriptions	326	-	326	326
Telephone & Internet	909	-	909	955
Travel	2,618	-	2,618	1,845
Website & Email	1,352	-	1,352	1,545
Sundries	368	-	368	171
Governance Costs (Note 9)	4,113	-	4,113	6,502
	42,493	-	42,493	39,460
<u>Total</u>	67,855	-	67,855	65,305

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9 Governance Costs

	2018	2017
	£	£
Independent Examiner's Fee	309	274
Trustee Expenses	2,607	2,858
Trustee Meeting Costs	415	362
Recruitment	-	1,762
Secretarial Service Costs	566	763
Legal Advice	120	435
Compliance charges	96	48
	4,113	6,502

10 Staff Costs

	2018	2017
	£	£
Salaries	23,433	22,390
Employer's national insurance	-	-
Employer's pension contributions	1,172	1,136
	24,605	23,526

No employee received remuneration in excess of £60,000

	2018	2017
Average number of employees		
Administration	-	1.0
Development	1.0	1.0
	1.0	2.0

11 Debtors

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Gift aid receivable	-	70	70	70
Other debtors	210	-	210	55
Prepayments	1,275	-	1,275	4,083
	1,485	70	1,555	4,208

12 Cash at bank and in hand

	2018	2017
	£	£
Bank deposit account	30,015	39,816
Bank current account	2,717	13,961
Cash in hand	300	500
Bank No2 account	1,003	2,658
STRIPE monies	2,455	1,231
	36,490	58,166

13 Creditors: amount falling due within one year

	2018	2017
	£	£
PAYE & NI contributions	322	215
Other creditors and accruals	300	523
Deferred income (Note 14)	8,200	23,297
	8,822	24,035

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14 Movements in deferred income

	As at 31/03/17	Funds Received	Released to income	As at 31/03/18
	£	£	£	£
Subscriptions received in advance for 2017/18	23,297	-	(23,297)	-
Conference - England & Wales: June 2018		2,600		2,600
Subscriptions received in advance for 2018/19	-	5,600	-	5,600
	<u>23,297</u>	<u>8,200</u>	<u>(23,297)</u>	<u>8,200</u>

15 Movements in funds - 2017/18

	As at 31/03/17	Income	Expenditure	Transfers	As at 31/03/18
	£	£	£	£	£
<u>Unrestricted funds</u>					
General fund	38,269	58,020	67,136	-	29,153
<u>Restricted funds</u>					
Bursary fund	70	719	719	-	70
<u>Total funds</u>	<u>38,339</u>	<u>58,739</u>	<u>67,855</u>	<u>-</u>	<u>29,223</u>

£719 was paid by the Bursary Fund to subsidise subscriptions paid on behalf of members who undertake independent examinations on a voluntary basis.

16 Movements in funds - 2016/17

	As at 31/03/2016	Income	Expenditure	Transfers	As at 31/03/2017
	£	£	£	£	£
<u>Unrestricted funds</u>					
General fund	40,050	62,393	64,174	-	38,269
<u>Restricted funds</u>					
Bursary fund	129	1,072	1,131	-	70
<u>Total funds</u>	<u>40,179</u>	<u>63,465</u>	<u>65,305</u>	<u>-</u>	<u>38,339</u>

£1,131 was paid by the Bursary Fund to subsidise subscriptions paid on behalf of members who undertake independent examinations on a voluntary basis.

17 Purpose of Funds

17.1 General fund

Unrestricted funds expended at the discretion of the trustees in furtherance of the objects of the charity.

17.2 Bursary fund

Funding provided by members towards the cost of reduced subscriptions for members who carry out independent examinations on a voluntary basis.