

Registered company number: 07461134
Charity numbers: 1139609 & SC039066

ACIE

The Association of
Charity Independent Examiners

Association of Charity Independent Examiners
(A company limited by guarantee)

Unaudited

Trustees' report and financial statements

For the year ended 31 March 2020

Association of Charity Independent Examiners
(A company limited by guarantee)

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Association of Charity Independent Examiners
(A company limited by guarantee)

Reference and administrative details of the charity, its Trustees and advisers
For the year ended 31 March 2020

Trustees Maroof Adeoye (Retired June 2020)
Ian Barrett (Chair) (Retired June 2020)
Shaun Birch (Retired June 2020)
Kerry Clayton (Treasurer)
Tony Clarke
Alison Cook
Mark Heaton (Elected July 2020)
Eileen Houghton (Retired June 2020)
Thomas Ojo
Susan Robinson (Chair from July 2020)
Lee Stevenson
Frances Taylor (Elected July 2020)

Company registered number 07461134

Charity registered numbers 1139609 & SC039066

Registered office 1st Floor, Block C,
The Wharf,
Manchester Road,
Burnley
BB11 1JG

Independent examiner Peter Taaffe FCA CTA DChA
BWM Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9SH

Bankers Unity Trust Bank PLC
9 Brindleyplace
Birmingham
B1 2HB

Principal address 19 Windsor Place
Edinburgh
EH15 2AJ

Association of Charity Independent Examiners
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2020

The Trustees, who are the Directors of the company for the purposes of company law, are pleased to present their report and the financial statements together with the independent examiners report of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Purpose, aims and objectives

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

Objectives

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 independent examiner;
- training courses and conferences;
- publishing a newsletter for members;
- the professional qualification of Full Membership, designated by ACIE or FCIE;
- collaboration with other bodies where this furthers ACIE's objects.

Public Benefit

The trustees have considered ACIE's activities and achievements for 2019/2020 and its plans for 2020/2021 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 2019/2020 and its plans for the future, demonstrate that, in fulfilling of its objects, the charities which ACIE assists should experience on-going 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 (VIEs), including running a Voluntary 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 as high as funds raised.

**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Trustees' report (continued)
For the year ended 31 March 2020**

Achievements and Performance 2019/20

This has been a very challenging, yet productive year for ACIE. Our Development Manager Anne Marie Barry moved on to pastures new, leaving a gap of a few months where the Trustees worked hard, as a collective, to ensure the organisation continued to provide a valuable service to our members. This gave many of the Trustees the opportunity to learn more about the operational side of the charity, in particular the systems we have in place, such as the Wild Apricot Content Management System CMS. We thank Anne Marie for her hard work and support of the organisation and wish her all the best in her new role, our loss is their gain.

In July we welcomed Farah Mendlesohn as Development Manager. Farah took over from Anne Marie at a sprinting pace, her first action was to organise and run the Scottish Conference in Perth. This she did in exemplary fashion.

20th Anniversary

2019 was our 20th Anniversary, and was celebrated at both the Scotland and England & Wales conferences. It was a pleasure to see some of the founding members of ACIE attend at the conference in London. Gareth Morgan, one of the founders, presented a history of the Changes in the World of Independent Examination and the contribution our organisation has made to this development.

Charities SORP Committee

We are delighted that one of our board members Tony Clarke and former trustee Michael Brougham have both been appointed to the new SORP Committee to contribute to the development of the SORP.

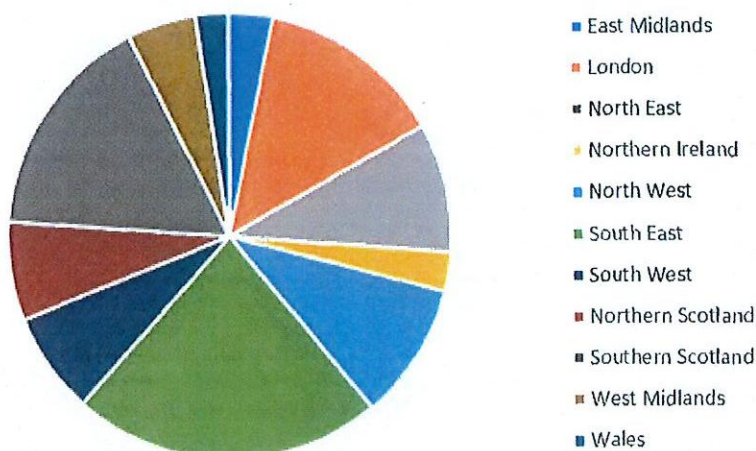
Members

On March 31st there were 72 VIEs or 15.6% of the membership.

Attracting new Affiliate Members: Over the year 2019/2020 we increased our membership by 99 members.

Membership distribution: As part of a review of GDPR all members were region coded. This revealed the need to expand our presence in Wales, Northern Scotland and the Midlands and has been used to target CPD events.

Number of members



**Association of Charity Independent Examiners
(A company limited by guarantee)**

**Trustees' report (continued)
For the year ended 31 March 2020**

Improving the standard of IE

Three new Full Members were approved but the total number has diminished due to retirements. ACIE intended to run a short course to support applications to Full membership in March 2020 but this was cancelled due to Covid-19. It has been replaced with an experimental mentorship scheme. Six Fellows and six affiliates have been matched.

Members' Helpline: ACIE provides a free advice and support service provided by a highly regarded external charity consultant. The Association provided detailed written responses to over one hundred members across the year, in addition to using the queries provided as cases studies for members in the newsletter.

Continued Professional Development

In October we began to roll out our plans for regional training and ran successful Best Practice events in Leeds, Edinburgh and Birmingham as well as London. However Covid-19 led to the cancellation of all subsequent events. These will be reinstated as soon as it is safe to do so, and in the meantime short on-line training modules have been added to the members area, and four Best Practice sessions have been delivered by Zoom.

Our Best Practice training is designed to give less experienced examiners confidence in their abilities and takes them through the outline of an IE regime, considerations when taking on a new client, planning examination work, carrying out fieldwork, signing off and producing statutory and discretionary reports to the Regulator. 97 people took Best Practice or Improving workshops before they had to be closed for the emergency. 20 people have taken part in Zoom workshops. Self-development support is now available in the members forum.

We also offered two Improving workshops for more experienced IEs. A mentorship scheme is being trialled for Affiliate members wishing to upgrade to Full membership, and we thank our Fellows who are taking part. 6 people are currently registered on the scheme.

CPD declarations have now been rolled out to all Full Members as a requirement of their membership. Their returns evidence that our Full members are active in seeking out CPD and that the ACIE provision is key to this. In 2020/21 we will be able to use their statements to estimate the number of IEs our Full members undertake, and the scope of those IEs.

Two conferences were delivered in London and Perth, with speakers from the Charity Commission, OSCR, and from partners and colleagues. Each was attended by around 60 people, including non-members.

Member Networking

Keeping members up to date: We published 4 Newsletters and a number of bulletins, with key changes in charity finance regulation, and information on provided by government and advisory agencies on dealing with the impact of Covid-19. In addition we advertised both our own and collaborators' events.

Members' entries were updated to include region in order to improve the locating and targeting of training.

Working with Partner Organisations

Meetings were arranged with Honorary Treasurers, ACAT and CFG and plans made to engage in outreach activity with all three.

One of the highlights of the year was Michael Brougham and his team publishing the updated Independent Examiner workbook, which sold 119 copies. This has been well received and we thank them for their hard work. This is proving a valuable tool in our membership tool box. This helps improve practice and aids a more methodical approach while building confidence of our members. Funds raised from the sale have been designated to aid the development of our association and members.

Association of Charity Independent Examiners
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Trustees' report (continued)
For the year ended 31 March 2020

Northern Ireland

The Northern Ireland Committee met 4 times in the 19/20 year and continue to work to build a membership base in Northern Ireland. We have plans in place for a networking event in 2020, although it may take place later in the year than initially planned.

Governance and Internal Policies and Procedures

The ACIE continues to review its policies and procedures which are now available on our website.

GDPR was updated and the database purged of all contacts and members who had been lapsed for more than 18 months. This process will be ongoing.

Challenges in 2020/2021

This is a challenging time as we individually look at new ways of working with our clients and respective clients have their own difficulties. The ACIE will continue to look at different ways with engaging with our members and providing new methods of training. We had started to move training to a more regionally basis and encourage regional support groups. We will continue to look at this using digital formats where more suitable. Training is high on our agenda raising the profile of our members against a background of regulators review on quality of accounts submitted.

The strength of our organisation is our members and we are working to increase the number of full members and grow the reputation of the organisation. The ACIE is here to help our members navigate this new environment.

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 Treasures;
- responding to the training needs of members and non-members

Areas for improvement:

- increasing the numbers of people joining ACIE, in particular younger Independent Examiners;
- adding value to our membership package to encourage people to join ACIE and to stay with us;
- ensuring that members have access to practical tools to help them with their examinations;
- encouraging more members to use our queries 'helpline' to ensure that their practice is as good as it can be;
- encouraging more Affiliate members to apply for Full Membership, ensuring that the system is transparent, ensuring that applications are turned around in a timely manner;
- reflecting on the best fit between the needs of the organisation and the roles and responsibilities of ACIE staff;
- encouraging Full Members to maintain their CPD and to complete their CPD declarations.
- Expanding regional engagement.
- Extending on line CPD.

Association of Charity Independent Examiners
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Trustees' report (continued)
For the year ended 31 March 2020

Structure, Governance and Management

ACIE is a charitable company limited by guarantee, which was incorporated on, and governed by its Articles of Association dated, 6th 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.

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. As of the date of this report 4 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. In 2019/20 these meetings were held in London. However, this will increase in 2020/21 and we will be making use of online platforms.

Trustees also participate in the following committees that meet regularly as required:

- Finance Committee
- Membership Committee
- Training and CPD Committee
- Scotland Committee
- Northern Ireland Committee

Association of Charity Independent Examiners
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Trustees' report (continued)
For the year ended 31 March 2020

Financial Review

The Association's income is primarily derived from membership subscriptions, which rose to £36,570 from £36,120 received the previous year. The Association's activities include the provision of annual conferences and delivering training. Income received from conference attendance during 2020 totalled £13,183, a decrease from £13,838 during 2019. The trustees are pleased to have increased the number of training courses delivered to members and non-members during the financial year which resulted in an increase of income to £16,732 from £6,313 the previous year.

The Association maintains a Restricted Fund which is made up of donations kindly made by members. These Bursary Funds subsidise costs for Voluntary Independent Examiners (VIE) who carry out their work levying a limited charge. Funds of £640 were utilised during the financial year.

The Association was pleased to provide an update to the Independent Examiners workbook during the year. This was welcomed by many and generated sales proceeds of £5,277. The Board of Trustees has resolved to designate £5,000 of the additional funds received to a development and training fund to ensure the monies are invested for the benefit of the members.

Income received during the year ended 31st March 2020 totalled £79,051 (2019: £62,766) of which £62,278 (2019: £57,460) was expended on the Association's activities during the year. This resulted in an increase in funds during the year of £16,773 (2019: £5,306).

The Trustees held Funds totalling £51,302 (2019: £34,529) as at the year ended 31st March 2020. The Trustees are cognisant that the full impact of the Covid-19 pandemic is far from known, particularly on the charity sector. Identifying additional ways the Association can reach out to and support members as safely and effectively as possible will be a key focus during the coming months and the Trustees are encouraged by the level of Funds being carried into the next financial year which will enable it to do so.

Reserves Policy

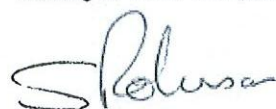
The charity has free reserves of £45,738, being unrestricted funds less a designated fund that has been allocated of £5,000 which is called "development fund" and is to increase our outreach work and online offering. Previously, the Trustees had resolved to hold a minimum of six months' running costs to ensure sufficient working capital is available in the event of a fall in income in order to meet expected expenditure. Based on adjusted budgets to 31st March 2021 this continues to be £20,000 so that free reserves held are in excess by £25,738. The Trustees are closely reviewing their existing policy as well as future plans to develop additional support for members during the next two years, particularly bearing in mind the current and anticipated ongoing impact of Covid-19.

Risk Management

The Trustees continue to review the risks faced by the charity and this year started reviewing its disaster recovery plan. The key risks identified are maintaining and growing full membership numbers and ensuring the high standard of our members. We also noted the challenges of only having one part-time member of staff.

Approval

This report, which was prepared in accordance with the provisions within Part 15 of the Companies Act (2006) relating to small companies, was approved by the Trustees and signed on their behalf by:



Susan Robinson (Chair)
Trustee

Date: 1 December 2020

Association of Charity Independent Examiners
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Statement of Trustees' responsibilities
For the year ended 31 March 2020

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Association of Charity Independent Examiners
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Independent examiner's report
For the year ended 31 March 2020

Independent examiner's report to the Trustees of Association of Charity Independent Examiners

I report to the Trustees on my examination of the financial statements of Association of Charity Independent Examiners (the charity) for the year ended 31 March 2020.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the financial statements of the Charity are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 44(1)(c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Association of Charity Independent Examiners
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Independent examiner's report (continued)
For the year ended 31 March 2020

Signed: 

Dated: 1/12/2020

Peter Taaffe FCA CTA DChA
BWM Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9SH

Association of Charity Independent Examiners
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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	-	946	946	1,558
Charitable activities	5	77,927	-	77,927	61,076
Bank interest		178	-	178	132
Total income		78,105	946	79,051	62,766
Expenditure on:					
Charitable activities	6	61,778	500	62,278	57,460
Total expenditure		61,778	500	62,278	57,460
Net income		16,327	446	16,773	5,306
Transfers between funds	13	640	(640)	-	-
Net movement in funds		16,967	(194)	16,773	5,306
Reconciliation of funds:					
Total funds brought forward		33,771	758	34,529	29,223
Net movement in funds		16,967	(194)	16,773	5,306
Total funds carried forward		50,738	564	51,302	34,529

The Statement of financial activities includes all gains and losses recognised in the year and complies with the requirements of the income and expenditure account under the Companies Act 2006.

All income and expenditure derive from continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

Association of Charity Independent Examiners
(A company limited by guarantee)
Registered number: 07461134

Balance sheet
As at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	10	8,187	403
Cash at bank and in hand		53,438	43,829
		<u>61,625</u>	<u>44,232</u>
Creditors: amounts falling due within one year	11	(10,323)	(9,703)
Total net assets		<u>51,302</u>	<u>34,529</u>
Charity funds			
Restricted funds	13	564	758
Unrestricted funds:			
Designated funds	13	5,000	-
General funds	13	45,738	33,771
Total funds		<u>51,302</u>	<u>34,529</u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006. 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 preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved by the Trustees on 1 December 2020 and signed on their behalf by:



Susan Robinson FCIE
Trustee

The notes on pages 13 to 23 form part of these financial statements.

Association of Charity Independent Examiners
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Notes to the financial statements
For the year ended 31 March 2020

1. General information

The Association of Charity Independent Examiners is a charitable company governed by its Articles of Association dated 6 December 2010 and registered in England and Wales and Scotland. Its registered address is 1st Floor, Block C, The Wharf, Manchester Road, Burnley BB11 1JG and principal address is 19 Windsor Place, Edinburgh EH15 2AJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice.

The Association of Charity Independent Examiners meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound. There have been no changes to the basis of preparation or to the previous year's accounts.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

Association of Charity Independent Examiners
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Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds that have been set aside by the Trustees for particular purposes. The designation is administrative only and does not restrict trustees' ability to apply the funds. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

2.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Membership income is recognised over the period of the membership.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice, including costs of preparation and examination of the statutory accounts, cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

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

Association of Charity Independent Examiners
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Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.8 Tangible assets

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.

The charity does not currently have any capitalised tangible assets.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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 using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled."

2.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Association of Charity Independent Examiners
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Notes to the financial statements
For the year ended 31 March 2020

3. Critical accounting estimates and areas of judgment

In the application of the charity's accounting policies, the trustees are required to make judgments, 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.

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 revision and future periods where the revision affects both current and future periods.

4. Income from donations and legacies

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bursary Fund donations	640	640	870
Other donations	-	-	500
Gift Aid	306	306	188
	<u>946</u>	<u>946</u>	<u>1,558</u>
Total 2019	<u>1,558</u>	<u>1,558</u>	

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Membership subscriptions	36,570	36,570	36,120
Conferences	13,183	13,183	13,838
Training courses	16,732	16,732	6,313
PII for members	5,895	5,895	4,655
Membership application fees	270	270	210
IE workbook	5,277	5,277	(60)
Total 2020	<u>77,927</u>	<u>77,927</u>	<u>61,076</u>
Total 2019	<u>61,076</u>	<u>61,076</u>	

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Notes to the financial statements
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6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Charitable activities	26,742	35,536	62,278	57,460
Total 2019	16,880	40,580	57,460	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Subscription costs	1,311	376
Conferences	9,986	9,001
PII for members	4,153	2,833
Training courses	11,292	4,670
	26,742	16,880

All expenditure in both years was from unrestricted funds.

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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs (note 9)	16,309	23,452
Office and administrative support	5,243	5,584
Advertising and publicity	2,863	611
Office rent, rates and insurance	850	752
Payroll service	258	258
Postage and stationery	253	274
Subscriptions	326	821
Telephone and internet	437	411
Travel	1,992	1,354
Website and email	1,716	2,268
Sundries	149	152
Recruitment and training	911	-
Computer equipment	713	-
Governance costs	3,516	4,643
	<u>35,536</u>	<u>40,580</u>

£500 of the computer equipment cost (2019: Nil) was from restricted funds. All other expenditure for both years was from unrestricted funds.

7. Independent examiner's remuneration

	2020 £	2019 £
Fees payable to the charity's independent examiner for the independent examination of the charity's annual accounts	1,020	873
Fees payable to the charity's independent examiner in respect of:		
Initial set up cost	-	360
	<u>-</u>	<u>360</u>

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8. Staff costs

	2020 £	2019 £
Wages and salaries	16,123	22,335
Contribution to defined contribution pension schemes	186	1,117
	<u>16,309</u>	<u>23,452</u>

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Development	<u>1</u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Trustees are the key management of the charity and received no remuneration during the year.

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, travelling expenses totalling £2,328 were reimbursed to 8 Trustees (2019: £2,951 to 6 Trustees).

The charity's insurance policy includes trustee indemnity insurance cover for all its trustees.

10. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	600	100
Prepayments and accrued income	7,023	45
Tax recoverable	564	258
	<u>8,187</u>	<u>403</u>

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11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	243	413
Provisions for refunds payable	3,600	-
Accruals and deferred income	6,480	9,290
	<u>10,323</u>	<u>9,703</u>
	2020 £	2019 £
Deferred income at 1 April 2019	7,847	8,200
Resources deferred during the year	5,460	7,847
Amounts released from previous periods	(7,847)	(8,200)
	<u>5,460</u>	<u>7,847</u>

12. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>54,602</u>	<u>44,187</u>
	2020 £	2019 £
Financial liabilities		
Other financial liabilities measured at fair value through income and expenditure	<u>(4,620)</u>	<u>(1,443)</u>

Financial assets measured at fair value through income and expenditure comprise other debtors and cash at bank and in hand.

Other financial liabilities measured at fair value through income and expenditure comprise creditors.

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13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Development fund	-	-	-	5,000	5,000
General funds					
General fund	33,771	78,105	(61,778)	(4,360)	45,738
Total Unrestricted funds	33,771	78,105	(61,778)	640	50,738
Restricted funds					
Bursary fund	258	946	-	(640)	564
Computer fund	500	-	(500)	-	-
	758	946	(500)	(640)	564
Total of funds	34,529	79,051	(62,278)	-	51,302

Designated fund - Development fund

The Trustees resolved to designate £5,000 of general funds to be spent upon development and training for the members.

Restricted funds

£640 was paid from the Bursary fund to subsidise subscriptions paid on behalf of members who undertake independent examinations on a voluntary basis (see note 2.3 to the financial statements for further details).

£500 was paid from the Computer fund towards the purchase of a computer.

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Notes to the financial statements
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13. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Unrestricted funds					
General fund	29,153	61,208	(57,460)	870	33,771
Restricted funds					
Bursary fund	70	1,058	-	(870)	258
Computer fund	-	500	-	-	500
	70	1,558	-	(870)	758
Total of funds	29,223	62,766	(57,460)	-	34,529

Restricted funds

£870 was paid from the Bursary fund to subsidise subscriptions paid on behalf of members who undertake independent examinations on a voluntary basis.

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14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Current assets	61,061	564	61,625
Creditors due within one year	(10,323)	-	(10,323)
Total	50,738	564	51,302

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Current assets	43,474	758	44,232
Creditors due within one year	(9,703)	-	(9,703)
Total	33,771	758	34,529

15. Related party transactions

The Trustees have considered personal or other interests in which as a result of a decision made where an individual may benefit financially or otherwise, either directly or indirectly. In order to comply with their duties, the Trustees confirm the person affected does not take part in any discussions relating to the issue concerned other than to clarify facts.

During the year the trustees reimbursed £1,493 to a trustee, for website expenses.

Other than disclosed in note 10 there have been no other related party transactions in the financial year (2019: a donation of £500 received from one Trustee).

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Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2019

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	-	1,558	1,558	719
Charitable activities	5	61,076	-	61,076	56,397
Bank interest		132	-	132	40
Other		-	-	-	1,583
Total income		<u>61,208</u>	<u>1,558</u>	<u>62,766</u>	<u>58,739</u>
Expenditure on:					
Charitable activities	6	57,460	-	57,460	67,855
Total expenditure		<u>57,460</u>	<u>-</u>	<u>57,460</u>	<u>67,855</u>
Net income		<u>3,748</u>	<u>1,558</u>	<u>5,306</u>	<u>(9,116)</u>
Transfers between funds	13	<u>870</u>	<u>(870)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>4,618</u>	<u>688</u>	<u>5,306</u>	<u>(9,116)</u>
Reconciliation of funds:					
Total funds brought forward		29,153	70	29,223	38,339
Net movement in funds		4,618	688	5,306	(9,116)
Total funds carried forward		<u>33,771</u>	<u>758</u>	<u>34,529</u>	<u>29,223</u>