

ACIE
The Association of
Charity Independent Examiners

(A company limited by guarantee)

Annual Report & Unaudited Financial Statements

For the year ended 31 March 2019

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Registered Charity - England & Wales No: 1139609

Scotland No: SC039066

Company No: 7461134

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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Statement from the Chair of the Trustees

2018/19 has been a year of consolidation for Association of Charity Independent Examiners (ACIE), allowing us to reflect on our internal policies and processes and 'bed in' our new administration, finance and development functions.

The Board have devoted time to strengthening our internal policies and procedures to ensure that the Association is fit for purpose. We are lucky enough to have a skilled and dedicated set of Trustees who are excited about the future of AICE.

Our focus has been on developing good quality services and resources for our members. We were able to deliver two successful and well attended conferences, north and south of the border, and were fortunate enough to be supported in our efforts by the Charity Commission for England and Wales and Office of the Scottish Charity Regulator. More and more of our members are taking advantage of our low cost PII; we are particularly encouraged by the number of Affiliate members who recognise the value of our PII scheme.

I am delighted to say that our training programme has produced many successes this year. Not only has the feedback from the training been overwhelmingly positive but we have managed to deliver our programmes in an efficient and cost-effective manner. It is particularly good to know that the demand for our training (from members and non-members) is such that steps are already in place to deliver even more training in 2019/20.

ACIE has continued to work productively with a range of partner agencies this year including Chartered Institute of Management Accountants (CIMA), Association of Church Accountants and Treasurers (ACAT), Charity Finance Group (CFG), Charity Commission for England and Wales (CCEW) and Office of the Scottish Charity Regulator (OSCR). We are committed to strengthening our connection to the third and voluntary sectors. This engagement is already showing signs of success, with an increasing number of third sector staff attending training and events.

I am pleased to share with you our successes over the past year and to acknowledge all the hard work of ACIE trustees and staff.

Ian Barrett (FCA, FCIE) Chair, ACIE



Registered charity in England & Wales 1139609 & in Scotland SC039066

Registered Company Limited by Guarantee 7451134 - Registered in England at 1st Floor, Block C, The Wharf, Manchester Road Burnley BB11

The Trustees have pleasure in submitting their Annual Report and Financial Statements for the period ended 31st March 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 (FRS 102)' (as amended for accounting periods commencing from 1 January 2016).

OBJECTIVES AND ACTIVITIES

ACIE is an association of people who carry out Independent Examination (IE) of Charities' financial accounts. 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 IE. The objects of the Association are to promote greater effectiveness of charities in the United Kingdom in the achievement of their charitable objects by:

OBJECTIVES:

- 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;

ACTIVITIES:

- 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 it furthers ACIE's objects.

Public Benefit

The trustees have considered ACIE's activities and achievements for 2018/19 and its plans for 2019/20 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 2018/19 and its plans for the future demonstrate that, in fulfilling the Association's 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 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

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 2018/19, our successes, the challenges we face and what we learnt over the year.

Our achievements 2018/19

Continued support for Voluntary Independent Examiners (VIEs): We continued to support those examiners working on a voluntary basis by offering reduced memberships fees and discounted fees for training and events. Voluntary independent examiners fees are in part subsidised by Bursary Fund donations, with the Association making up any shortfall.

During the year the Trustees reviewed the income threshold for VIE status, which was set at <£250. After consideration, the Board resolved to raise the threshold to <£500 to reflect changes in inflation and general costs.

Attracting new Affiliate members: Over the year 2018/19 a total of 50 new Affiliate members joined ACIE.

Keeping 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 giving information about ACIE events and news. In addition, we sent out several email bulletins during the year.

Members' Helpline: ACIE provides a free advice and support 'helpline' service for members, sourced primarily by a highly regarded, external charity consultant. The Association was able to provide assistance to 10 members during the year, in the form of a detailed written response answering their queries, to the satisfaction of the member.

Rolling out our Continuous Professional Development (CPD) Programme to Full Members: In 2018/19 we continued to pilot the scheme and for the first time we asked a random sample of members to provide examples of how they had gained CPD during the year. The examples submitted evidenced that Full Members are purposeful in seeking out CPD commensurate to the field of charity independent examination, finance and governance.

The Board resolved that from 01/04/19 all Full Members should be asked to complete a simple CPD declaration. The declaration asks members to state that they have undertaken CPD and to provide, where possible, the details of up to two charities they have examined the accounts of during the previous year. By requesting this information, the Association aims to improve how it meets with its objective to maintain high standards of practice and professional conduct by its members.

Progress in Northern Ireland: With the establishment of The Charity Commission NI, ACIE worked along with NICVA in Northern Ireland to form a ACIE Northern Ireland committee. Currently made up of four people, one of which is a co-opted member of ACIE's main board, they have met five times during the year. The main aim of the committee is to grow membership and ACIE's profile in Northern Ireland while promoting best practice when undertaking Independent Examinations.

We delivered a programme of training in Scotland: Working with two experienced Fellow members from Scotland, we devised a programme of training to meet the needs of people new to IE as well as those more experienced members. The training ran over four days and across two weeks.

Course content introduced participants to the principles, legislation and regulation underpinning charity finance and accounting; provided introductions to receipts and payments and accruals accounting and 'best practice' in carrying out an examination.

The training was well attended and the Association was pleased to attract non-members as well as members and finance staff from the third sector, together with accountants. Feedback from the training was very positive and we plan to run a revised and updated version of the same programme next year.

Launch of 'Best Practice' training: In response to members' feedback we devised a one-day training course on 'Best practice: getting your IE right'. The first session ran in March 2019 with two other sessions scheduled for April 2019 due to high demand.

Our 'best practice' training is designed to give less experienced examiners confidence in their abilities and to enable those with more experience to refresh their practice. The course content included an outline of the 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.

The first session was fully booked within two weeks, with 20 people attending. Subsequent sessions which were arranged as a result of member demand also sold out. The Association is pleased to confirm that additional sessions will be organised for next year.

Delivered two conferences for members and non-members: Our annual England and Wales conference took place in Manchester in June 2018. Over 70 people enrolled and the Association was pleased to attract non-members to the event. The Association was also pleased to welcome four organisations who supported the event by taking stands, providing further interest for members.

Later in the year we held our annual Scottish Conference in Perth where almost 80 people enrolled, including a number of non-members. The Association was again pleased to welcome the support of three organisations to the conference.

Member Networking: In October 2018 the Association launched its member networking events, the first of which were held in both Sussex and Kent. The events were hosted by ACIE Trustees and took the format of informal round table discussions covering a wide range of topics including:

- The work of Independent Examiners and current concerns, experiences and difficulties

- The support provided by ACIE and suggestions for future development
- Client specific technical queries.

These events were well received and much appreciated by those that attended. The Association is planning to hold similar events in other parts of the UK in future.

Governance and internal policies/procedures: This year the Trustees undertook a major review of the Association's policies and procedures under the management of the Vice Chair, Susan Robinson and Treasurer, Kerry Clayton. The Board agreed revised versions of a number of key documents such as Codes of Conduct and Risk Management and Role Descriptions following the changes in staffing and infrastructure.

Staffing and infrastructure: 2018/19 was a year of establishment of new practices and procedures after the departure of the Senior Administrator the previous year and major review of staffing and infrastructure for the Association. Additional responsibilities were taken on by the Development Manager and the role of the supporting Administration and Finance Officer was defined. Dedication, collaboration and effective communication between these roles and members of the Board have been a key part of the successful transition. This has been evidenced by a majority of positive feedback from members, expressing their improved experience of membership. The Board values all feedback received, with points raised being discussed in detail at Trustee meetings and considered for areas of strength and development for the Association.

Working with partner organisations: A key area of focus for the Development Manager has been to help the Association promote best practice in IE by working with partner organisations. In doing so, the aim has been to increase demand for a high standard of IE practice in the wider charity community. An objective of the Association is to be positioned as the 'go to' organisation for charities, trustees, new and experienced examiners seeking advice and guidance. Examples of our partnership working during the year include:

- Maintaining a close working relationship with Charity Finance Group, with CFG providing speakers to attend the 2018 annual England & Wales conference.
- Maintaining a close relationship with the Association of Church Accountants and Treasurers (ACAT) by attending their London and Manchester events and providing speakers.

- The Association was delighted to attend the Gofod3 third sector, run by Wales Council for Voluntary Action (WCVA) gathering in Cardiff for the first time. Trustee, Thomas Ojo, represented ACIE, where we took a stand, providing information and advice to attendees about independent examination.
- Chair, Ian Barrett, delivered a session on IE to the CIMA Not for Profit/Charity Focus group, South West England and South Wales.
- Vice Chair, Susan Robinson, spoke at the Community Accounting Network event in Nottingham.
- The Development Manager and the former Chair, Chris Smith, attended the Forth Valley third sector event in Alva.
- Working with Institute of Financial Accountants (IFA) to promote ACIE events online and via Twitter.

Our challenges 2018/19

Increasing membership numbers: Each year the Association is delighted to welcome new members but sorry that members leave, retire or do not renew membership. Despite recruiting an additional 50 Affiliate members during 2018/19 we finished the year with fewer members than the preceding year.

Some of these losses can be accounted for by ACIE taking a more rigorous approach to maintaining and cleansing the membership database, which is a legal requirement when holding aged membership data but also evidence of improved processes and practice.

The Development Manager undertook a major exercise to review the newly established database, go through each of the records and identify members who have not renewed for one or more years. 'Lapsed' members were identified and contacted to give the opportunity to renew their membership or confirm the Association's records should be updated in accordance with GDPR.

The Development Manager sought to improve the benefits provided to members by ensuring the production of regular newsletters, increased news bulletins, providing CPD certificates for training and conference attendance, raising awareness of the PII we offer and ensuring that members know about and how to make use of the 'helpline' service.

IE File: Many members have benefitted in previous years from purchasing the Independent Examination File which was produced and provided in conjunction with the Association. The file is a practical tool taking members through the various stages of an examination, which is available to members and non-members. Feedback from members has included that the file has encouraged them to continually follow best practice and the Board sees the File as key way of meeting with the Association's objective to advise, support and encourage high standards of IE practice by its users. The File is multi-jurisdictional and will apply to IE throughout the UK. The Association is pleased to confirm that at the date this Report was approved, the File had been made available to purchase by both members and non-members.

Full Membership: Numbers of Full Membership applications remain lower than the Association aims for and not all of those received reached the necessary standard to be awarded the designation of ACIE and FCIE. Being a Full Member of the Association is recognised in legislation throughout the UK.

The Association remains committed to providing detailed feedback on all applications received and encourages members to develop as a result and resubmit to achieve the award.

A key aim of the Development Manager going forward is to increase the number of full member applications received and work with the Chair of the Membership Committee to ascertain a programme of training. The objective is to encourage and support members through the application process and progress to full membership.

Lessons learnt: Moving forward 2019/20

Looking forward to 2019/20 the Association has identified the following:

- What we have developed and will continue to do well:
 - strengthened the governance of the Association by clarifying roles and responsibilities of staff and members of the Board;
 - raise awareness of the Association to encourage membership;
 - maintain an effective membership database and website for members;
 - continue to hold conferences and provide training events which are of benefit to the members;
 - continue to provide information, support and advice to members in the form of newsletters, our advice line and other events;

- provide low cost PII to members;
 - continue working in partnership with other organisations to fulfil our objectives;
 - promote best practice in independent examination, particularly to Trustees and Treasurers;
 - respond to the training needs of members and non-members;
- Where we must focus and can improve:
 - encourage Full Members to maintain CPD and to complete their CPD declarations to demonstrate the continued importance of examiners striving to maintain best practice;
 - increase the support of members to enable them to benefit from full membership, including providing clarity of the process;
 - enhance collaboration between the Membership Committee and plans for training;
 - adding value to our membership package to continue encouraging people to join ACIE and to stay with us;
 - providing members with access to updates to practical tools to encourage best practice when undertaking examinations;
 - encourage members to benefit from gaining assurance from our queries 'helpline', strengthening their practice;
 - continue to clarify roles and responsibilities and encourage collaboration and effective communication between staff, support and the Board for the benefit of the membership.

FINANCIAL REVIEW

Total income received during the year was £62,766 (£58,739 in 2018), primarily from subscriptions, conference and training event attendance and £57,460 (£67,855 in 2018) was spent on the charity's activities.

All Bursary Funds were spent subsidising Voluntary Independent Examiner's annual subscriptions.

The net funds of the Association increased by £5,306 (decreased by £9,116 in 2018).

The Association held Unrestricted Funds of £33,771 (£29,153 in 2018) and Restricted Funds of £758

(£70 in 2018) as at the financial year-end, equating to total funds of £34,529 (£29,223 in 2018).

Risk Management: The trustees undertook a thorough review of the risks to which the Association is exposed during the financial period. The trustees will continue to review the risks at each meeting.

The trustees do not consider there to be any substantial financial risks beyond the liabilities disclosed in the financial statements.

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

The highly regarded reputation and conduct of the Association, its staff, support, Board and members is a major focus of the Trustees, who continue to review processes and procedures to protect and mitigate against this risk.

Reserves Policy: Currently, the Board aims to hold a minimum of six months' running costs in reserve and have prudently resolved a policy to hold £20,000. Total Unrestricted Funds held as at 31st March 2019 were £33,771 (£29,153 in 2018) which are in excess of this amount are held for ACIE's future plans.

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 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.

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.

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, together with subscribing members, 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

| | |
|--|---|
| Trustees: All those who served during the period 2018-2019 and in post when the Report approved | <p>Ian Barrett FCIE (Chair)</p> <p>Susan Robinson FCIE (Vice Chair)</p> <p>Kerry Clayton (Treasurer)</p> <p>Eileen Houghton FCIE</p> <p>Maroof Adeoye FCIE</p> <p>Shaun Birch</p> <p>Tony Clarke</p> <p>Alison Cook</p> <p>Thomas Ojo</p> <p>Lee Stevenson ACIE (Elected July 2018)</p> <p>Catherine French FCIE (Resigned July 2018)</p> <p>Mark Heaton FCIE (Co-opted October 2019)</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 |

Registered charity in England & Wales 1139609 & in Scotland SC039066

Registered Company Limited by Guarantee 7461134 · Registered in England at 1st Floor, Block C, The Wharf, Manchester Road Burnley BB11

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|----------------------|--|
| Website | www.acie.org.uk |
| Bank | Unity Trust Bank Plc, 9 Brindleyplace, Birmingham, B1 2HB |
| Independent Examiner | Mrs L Malkin BA FCA, BWM Chartered Accountants, Castle Chambers, 43 Castle Street, Liverpool, L2 9SH |

Statement of Trustees' responsibilities

The trustees, who are also the directors of Association of Charity Independent Examiners for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

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:

A handwritten signature in black ink, consisting of a large, stylized 'I' and 'B' followed by a horizontal line.

Ian Barrett (Chair)

Date: 21st October 2019

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
ANNUAL REPORT & FINANCIAL STATEMENTS
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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 2019.

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 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.



Mrs Lesley Malkin BA FCA

BWM Chartered Accountants

Castle Chambers, 43 Castle Street, Liverpool, L2 9SH

2/12/19

Date

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|-------------------------------------|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations | 7 | 0 | 1,558 | 1,558 | 719 |
| Charitable Activities | 8 | 61,076 | 0 | 61,076 | 56,397 |
| Investments (Bank Interest) | | 132 | 0 | 132 | 40 |
| Other | 9 | 0 | 0 | 0 | 1,583 |
| Total | | 61,208 | 1,558 | 62,766 | 58,739 |
| Expenditure on: | | | | | |
| Charitable activities | 10 | 57,460 | 0 | 57,460 | 67,855 |
| Total Expenditure | | 57,460 | 0 | 57,460 | 67,855 |
| Net Income/(Expenditure) | | 3,748 | 1,558 | 5,306 | (9,116) |
| Transfers between Funds | 17 | 870 | (870) | 0 | 0 |
| Net movement in funds | | 4,618 | 688 | 5,306 | (9,116) |
| Reconciliation of funds: | | | | | |
| Total funds as at 1 April 2018 | 17 | 29,153 | 70 | 29,223 | 38,339 |
| Total funds at 31 March 2019 | 17 | 33,771 | 758 | 34,529 | 29,223 |

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 20.

The Notes on pages 18 to 26 form an integral part of these accounts.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

BALANCE SHEET
AS AT 31ST MARCH 2019

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| Current Assets | | | | | |
| Debtors | 13 | 145 | 258 | 403 | 1,555 |
| Cash at bank | 14 | 43,329 | 500 | 43,829 | 36,490 |
| | | <u>43,474</u> | <u>758</u> | <u>44,232</u> | <u>38,045</u> |
| Liabilities: | | | | | |
| Creditors: Amounts falling due within one year | 15 | 9,703 | 0 | 9,703 | 8,822 |
| Net Current Assets | | <u>33,771</u> | <u>758</u> | <u>34,529</u> | <u>29,223</u> |
| Net Assets as at 31 March 2019 | | <u>33,771</u> | <u>758</u> | <u>34,529</u> | <u>29,223</u> |
| Funds of the Charity | | | | | |
| Total Funds as at 31 March 2019 | 17 | <u>33,771</u> | <u>758</u> | <u>34,529</u> | <u>29,223</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 2019.

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 15.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Comparative figures for the previous year by fund type are shown in Note 21.

The Notes on pages 18 to 26 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 21st October 2019 and signed on their behalf by:


Ian Barrett - Chair

**ASSOCIATION OF CHARITY INDEPENDENT EXAMINERS
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

1.1 Charity Information

The Association of Charity Independent Examiners is a charitable company governed by its Articles of Association dated 6th 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 Basis of preparation

2.1 These accounts (financial statements) have been prepared under the historical 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 2016)

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

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

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

2.4 The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.5 The charity has taken advantage of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

3 Accounting policies

3.1 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.

3.2 Purpose of Restricted Funds

- a Bursary funds are those provided by members towards the cost of reduced subscriptions for members who carry out independent examinations on a voluntary basis.
- b Other donations are funds provided for other specific and restricted purposes.

3.3 Income

- a Income is recognised and included in the Statement of Financial Activities (SoFA) when the charity becomes legally entitled to the income after any performance conditions have been met, 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 Cash donations are recognised on receipt.
- d Membership income is recognised over the period of the membership.

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- e Bank interest is recognised when credited to the account.
 - f Gift Aid is recognised in the same accounting period as the donation to which it relates.
 - g 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.
- 3.4 Expenditure and liabilities
- a Expenditure is recognised on an accruals basis; as soon as there is a legal or constructive obligation for which it is more likely than not that a transfer of economic benefit will be required in settlement and the amount can be reliably measured as at the reporting date. A constructive obligation exists where the charity has communicated the commitment to provide funding to the recipient by the reporting date and there are no conditions attached to its payment falling due after the reporting date.
 - b Provisions for liabilities must be recognised when either the timing or the amount of future expenditure is required to settle the obligation is uncertain. These are distinguished separately on the balance sheet. If a transfer of resources is no longer required, provisions are reversed and charged to the SoFA.
 - c The charity is not registered for VAT, thus all costs are shown inclusive of VAT charged.
 - d 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.
- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 Financial instruments
- a 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.
 - b Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.
 - c 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.
 - d The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.
 - e 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.

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- f 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.
 - g 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.
 - h Accrued charges are valued at their settlement amount.
 - i Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.
 - j Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.
- 3.9 Cash and cash equivalents
- 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.
- 3.10 Taxation
- a 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.
- 4 Critical accounting estimates and judgements**
- 4.1 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.
- 4.2 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.
- 5 Transactions with trustees**
- a No trustees received any remuneration during the year (2018: £Nil).
 - b Travelling expenses totalling £2,951 (2018: £2,607) were reimbursed to six trustees (2018: seven).
 - c The charity's insurance policy includes trustee indemnity insurance cover for all of its trustees.
- 6 Related Party Transactions**
- 6.1 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.
- 6.2 Other than a Restricted Donation received from one Trustee, of £500 towards the purchase of a computer, there were no transactions with related parties during the financial year (2018: £Nil).
- 6.3 The Trustees are also key management of the charity.

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| | | | | |
|--------------------------------|---------------------|-------------------|--------------|--------------|
| 7 Income from Donations | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | 2019 | 2018 |
| | £ | £ | £ | £ |
| Bursary Fund donations | - | 870 | 870 | 719 |
| Other donation (note 6.2) | | 500 | 500 | - |
| Gift Aid | | 188 | 188 | - |
| | - | 1,558 | 1,558 | 719 |

| | | | | |
|--|---------------------|-------------------|--------------|--------------|
| 8 Income from Charitable Activities | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | 2019 | 2018 |
| | £ | £ | £ | £ |
| Membership Subscriptions | 36,120 | - | 36,120 | 35,722 |
| Conferences | 13,838 | - | 13,838 | 9,570 |
| Training courses | 6,313 | - | 6,313 | 5,180 |
| PfI for members | 4,655 | - | 4,655 | 5,355 |
| Membership application fees | 210 | - | 210 | 120 |
| IE file | (60) | - | (60) | 450 |
| | 61,076 | - | 61,076 | 56,397 |

| | | | | |
|-----------------------|---------------------|-------------------|--------------|--------------|
| 9 Other Income | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | 2019 | 2018 |
| | £ | £ | £ | £ |
| Sundry Income | - | - | - | 1,583 |
| | - | - | - | 1,583 |

| | | | | |
|--|---------------------|-------------------|--------------|--------------|
| 10 Expenditure on Charitable Activities | Unrestricted | Restricted | Total | Total |
| | Funds | Funds | 2019 | 2018 |
| | £ | £ | £ | £ |
| <u>Direct Costs</u> | | | | |
| Subscription costs | 376 | - | 376 | 498 |
| Conferences | 9,001 | - | 9,001 | 11,010 |
| PfI for Members | 2,833 | - | 2,833 | 3,201 |
| Training Courses | 4,670 | - | 4,670 | 10,653 |
| <i>Total Direct Costs carried forward</i> | 16,880 | - | 16,880 | 25,362 |

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| 10 Expenditure on Charitable Activities | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <i>Support Costs</i> | | | | |
| Staff Costs (Note 11) | 23,452 | - | 23,452 | 24,605 |
| Office & Administrative Support | 5,584 | - | 5,584 | 3,874 |
| Advertising & Publicity | 611 | - | 611 | 1,268 |
| Office Rent, Rates & Insurance | 752 | - | 752 | 2,022 |
| Payroll Service | 258 | - | 258 | 258 |
| Postage & Stationery | 274 | - | 274 | 780 |
| Subscriptions | 821 | - | 821 | 326 |
| Telephone & Internet | 411 | - | 411 | 909 |
| Travel | 1,354 | - | 1,354 | 2,618 |
| Website & Email | 2,268 | - | 2,268 | 1,352 |
| Sundries | 152 | - | 152 | 368 |
| Governance Costs (Note 12) | 4,643 | - | 4,643 | 4,113 |
| <i>Total Support Costs</i> | 40,580 | - | 40,580 | 42,493 |
| <i>Total Charitable Activities</i> | 57,460 | - | 57,460 | 67,855 |

| 11 Staff Costs | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|----------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Salaries | 22,335 | - | 22,335 | 23,433 |
| Employer's pension contributions | 1,117 | - | 1,117 | 1,172 |
| | 23,452 | - | 23,452 | 24,605 |

No employee received remuneration in excess of £60,000

| | | |
|-----------------------------|-------------|--------------|
| Average number of employees | 2019 | 2,018 |
| Development | 1.0 | 1.0 |

| 12 Governance Costs | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Independent Examiner's Fee | 873 | - | 873 | 309 |
| Independent Examiner's - initial set up cost | 360 | - | 360 | - |
| Trustee Expenses (note 5.b) | 2,951 | - | 2,951 | 2,607 |
| Trustee Meeting Costs | 129 | - | 129 | 415 |
| Secretarial Service Costs | 149 | - | 149 | 566 |
| Legal Advice | 120 | - | 120 | 120 |
| Compliance charges | 61 | - | 61 | 96 |
| | 4,643 | - | 4,643 | 4,113 |

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| 13 Current assets - amounts due within one year: | Unrestricted Funds | Restricted Funds | Total 2019 | Total 2018 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Debtors | | | | |
| Gift aid receivable | - | 258 | 258 | 70 |
| Other debtors | 100 | - | 100 | 210 |
| Prepayments | 45 | - | 45 | 1,275 |
| | <u>145</u> | <u>258</u> | <u>403</u> | <u>1,555</u> |

| 14 Cash at bank and in hand | Unrestricted Funds | Restricted Funds | Total 2019 | Total 2018 |
|------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 43,329 | 500 | 43,829 | 36,490 |

| 15 Current liabilities: amounts due within one year | Unrestricted Funds | Restricted Funds | Total 2019 | Total 2018 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| PAYE & NI contributions | 413 | - | 413 | 322 |
| Other creditors and accruals | 1,443 | - | 1,443 | 300 |
| Deferred income (Note 16) | 7,847 | - | 7,847 | 8,200 |
| | <u>9,703</u> | <u>-</u> | <u>9,703</u> | <u>8,822</u> |

| 16 Movements in deferred income | As at 31/03/18 | Funds Received | Released to income | As at 31/03/19 |
|---|---------------------------|---------------------------|-------------------------------|---------------------------|
| | £ | £ | £ | £ |
| Conference - England & Wales: June 2018 | 2,600 | - | (2,600) | - |
| Subscriptions received in advance for 2018/19 | 5,600 | - | (5,600) | - |
| Conference - England & Wales: June 2019 | - | 600 | - | 600 |
| Subscriptions received in advance for 2019/20 | - | 2,945 | - | 2,945 |
| Training - Best Practice in IE 2019/20 | - | 4,302 | - | 4,302 |
| | <u>8,200</u> | <u>7,847</u> | <u>(8,200)</u> | <u>7,847</u> |

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17 Movements in funds - 2018/19

| | As at 31/03/18 | Income | Expenditure | Transfers | As at 31/03/19 |
|---------------------------|-------------------|---------------|---------------|-----------|-------------------|
| | £ | £ | £ | £ | £ |
| <u>Unrestricted funds</u> | | | | | |
| General fund | 29,153 | 61,208 | 57,460 | 870 | 33,771 |
| <u>Restricted funds</u> | | | | | |
| Bursary fund | 70 | 1,058 | - | (870) | 258 |
| Other | - | 500 | - | - | 500 |
| <u>Total funds</u> | <u>29,223</u> | <u>62,766</u> | <u>57,460</u> | <u>-</u> | <u>34,529</u> |

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

Other fund comprises of a donation towards the purchase of a computer yet to be acquired.

18 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.

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19 Financial Instruments

| | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Carrying amount of financial assets | | | | |
| Debt instruments receivable within one year | | | | |
| - Debtors | 100 | 258 | 358 | 280 |
| - Cash | 43,329 | 500 | 43,829 | 44,329 |
| | <u>43,429</u> | <u>758</u> | <u>44,187</u> | <u>44,609</u> |
| Carrying amount of financial liabilities | | | | |
| Payable within one year | | | | |
| - Creditors | 9,703 | - | 9,703 | 8,822 |

20 Comparative Statement of Financial Activities by fund type

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2018 £ |
|-------------------------------------|-------|----------------------------|--------------------------|--------------------|
| Income from: | | | | |
| Donations | 7 | 35,722 | 719 | 719 |
| Charitable Activities | 8 | 20,675 | - | 56,397 |
| Investments (Bank Interest) | | 40 | - | 40 |
| Other | 9 | 1,583 | - | 1,583 |
| Total | | <u>58,020</u> | <u>719</u> | <u>58,739</u> |
| Expenditure on: | | | | |
| Charitable activities | 10 | 67,136 | 719 | 67,855 |
| Total | | <u>67,136</u> | <u>719</u> | <u>67,855</u> |
| Net movement in funds | | <u>(9,116)</u> | <u>-</u> | <u>(9,116)</u> |
| Reconciliation of funds: | | | | |
| Total funds as at 1 April 2017 | 18 | 38,269 | 70 | 38,339 |
| Total funds at 31 March 2018 | | <u>29,153</u> | <u>70</u> | <u>29,223</u> |

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21 Comparative Balance Sheet by fund type

| | | Unrestricted Funds | Restricted Funds | Total 2018 |
|--|----|---------------------------|-------------------------|-------------------|
| | | £ | £ | £ |
| Current Assets | | | | |
| Debtors | 13 | 1,485 | 70 | 1,555 |
| Cash at bank | 14 | 36,490 | 0 | 36,490 |
| | | <u>37,975</u> | <u>70</u> | <u>38,045</u> |
| Liabilities: | | | | |
| Creditors: Amounts falling due within one year | 15 | 8,822 | 0 | 8,822 |
| | | <u>29,153</u> | <u>70</u> | <u>29,223</u> |
| Net Current Assets | | | | |
| | | 29,153 | 70 | 29,223 |
| Net Assets | | <u>29,153</u> | <u>70</u> | <u>29,223</u> |
| Funds of the Charity | | | | |
| Total Funds as at 31 March 2018 | 18 | <u>29,153</u> | <u>70</u> | <u>29,223</u> |