



CHARITY FINANCE DIRECTORS' GROUP

***CHARITY FINANCE
DIRECTORS' GROUP
Annual Report and
Financial Statements***

31st March 2002

***Company number 3182826
Registered Charity number 1054914***

The Charity Finance Directors' Group is

- ◆ a registered charity formed in 1987 by the Finance Directors of some of the largest charities in England.
- ◆ a company limited by guarantee with objects to advance public education in and promote improved standards of management in charities.
- ◆ a membership organisation for those employed by charities to manage their finance and related functions.
- ◆ funded mainly by membership subscriptions and supported by a restricted number of leading professionals from accounting, investment, banking and other disciplines who give their time, knowledge and financial support for the benefit of charities through the Group.

The Charity Finance Directors' Group's vision is

- ◆ to be the primary source of good practice in financial management for charities.

Our Mission is

- ◆ to harness and share the knowledge and experience of finance staff in charities and other specialists so that their management skills will enable charities to achieve the highest possible levels of effectiveness, efficiency and public confidence.

CFDG works to ensure that our members lead the way in implementing good practice in financial management. Members, their Trustees and colleagues can further our aim of raising public confidence in charities through greater clarity and better understanding of what charities do.

CFDG helps to maintain public confidence in the voluntary and community sector. Only with that public confidence firmly in place can the sector continue to grow and develop.

*Angela Eagle MP,
Former Parliamentary Under Secretary of State, Home Office,
Foreword to the Charity Finance Yearbook 2002, the Official Reference Book and Suppliers
Guide of the Charity Finance Directors' Group.*



CHARITY FINANCE DIRECTORS' GROUP

Charity Finance Directors' Group

Annual Report and Financial Statements

For the year ending 31 March 2002

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CHARITY FINANCE DIRECTORS' GROUP

Report of the Board of Trustees

for the year ending 31 March 2002

(incorporating a directors' report)

The Board presents the report and financial statements of the Charity Finance Directors' Group for the year ended 31 March 2002. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised October 2000). The report and statements also comply with the Companies Act 1985 as the Charity Finance Directors' Group was incorporated by guarantee on 29 March 1996. It has no share capital and is a registered charity. The guarantee of each member is limited to £1. Members of the Board of Trustees are the Directors of the company.

Objectives and activities

The charitable objects of the Charity Finance Directors' Group (CFDG) are to advance public education in and promote improved standards of management in charities. Its activities towards carrying out these objects fall into four main areas:

- ◆ training events
- ◆ public affairs and policy
- ◆ information services
- ◆ facilitated networking between members

CFDG uses the powers conferred by the Memorandum of Association to promote its effectiveness. Powers include:

- ◆ to co-operate with other charities, voluntary bodies and statutory authorities
- ◆ to establish local branches
- ◆ to bring together in conference representatives of voluntary organisations, government departments, statutory authorities and individuals
- ◆ to promote and carry out or assist in promoting and carrying out research, surveys and investigations and to publish the results in whole or in part
- ◆ to arrange and provide for or join in arranging and providing for the holding of exhibitions, meetings, lectures, classes, seminars and training courses
- ◆ to collect and disseminate information on all matters affecting the objects

Our work includes providing employees and Trustees of charities with:

- ◆ the tools and information they need to carry out their responsibilities with confidence
- ◆ signposts to guide them to legal obligations and best practice
- ◆ a voice to express views and concerns to governments and regulators
- ◆ advance notice of changes that may impact on their financial management
- ◆ opportunities to share and learn from the experience of their peers

More details of activities during this year are given below.

Organisational Structure

The governance of CFDG is the responsibility of the Board of Trustees. The Board comprises not more than ten Trustees who must be members of the Group. Those who served as Trustees during the period of this report are shown on page 19.

We made some changes to our Articles of Association at the Annual General Meeting in September 2001 with the aim of improving our governance. To help continuity we extended the term of office of Trustees and the Chairman from 2 years to 3 years. The Trustees do evaluate the type and size of organisation from which their number come and the relevant skills and experience of Trustees. If there is an imbalance of skills, gender, geographical location or charity type they aim to address it by encouraging individuals to stand for election as Trustees when a vacancy arises or through direct consultation with relevant members on particular issues.

Members are charity finance directors and such other individuals (other than commercial suppliers) with responsibility for charity financial matters as the Trustees may approve. This may mean the Treasurer or Chief Executive of organisations that are smaller or that have a comparatively straightforward finance function.

Associate Membership was introduced following approval of an amendment to the rules for membership at that Annual General Meeting. This class of membership is open to persons (other than commercial suppliers) who have been previously employed as finance personnel of a charity or voluntary organisation and who:

- ◆ have been made redundant or otherwise ceased to be directly employed by a charity but are seeking re-engagement;
- ◆ have retired but remain active in a voluntary capacity as Trustee or Treasurer.

Associate members are not members of the company and do not have voting rights.

Subscribers of CFDG are individuals working for commercial suppliers who are active in charity finance and other related matters. They are not members of the company and their number may not exceed 10 per cent of the number of members. Subscribers are essential for the work of CFDG and we value enormously their support in all its manifestations.

Honorary members are appointed at the discretion of the Trustees. They are not members of the company and are not entitled to vote. There are two active honorary members, both of whom are former Chairmen of the Trustees, one being the founding chairman and the other now a Charity Commissioner.

We are assisted by a Finance Committee and by three Objectives Committees, one each for Membership, Public Affairs and Education and Training. Each committee is chaired by a member of the Board and has a member of staff allocated to support it. Objectives Committees include members and subscribers and provide support, suggestions and opinions to shape both strategy and delivery in their respective areas. The Board and each Committee meet approximately four times each year, with additional Board meetings for strategic planning and other key governance functions. Working parties, steering committees and similar groups are convened on a less regular basis to take forward specific aspects of our activities.

Day-to-day operational decisions are taken by the Chief Executive and her management team within the delegated authority conferred by the Board. In line with best practice, the delegated authorities are clearly documented and cascaded down to staff according to their experience and responsibilities. Amendments to the Articles of Association made at the Annual General Meeting in September 2001 confirmed the change of title for the post held by Shirley Scott from Executive Secretary to Chief Executive and gave the Board specific powers to delegate to the Chief Executive such authority upon such terms and subject to such restrictions as may be deemed appropriate to enable the administration of the Group to be carried out.

CHARITY FINANCE DIRECTORS' GROUP

Trustees' Responsibilities

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that year. In preparing these financial statements, the Board of Trustees have:

- ◆ selected suitable accounting policies and applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ followed applicable accounting standards and statements of recommended practice without any material departures;
- ◆ prepared the financial statements on the going concern basis.

The Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Review of Operational Activities

Summary

- ◆ Regional membership was introduced for those who wish to attend our meetings in the North or those in the Southwest. Regional members have access to the same information, help lines and other services enjoyed by national members.
- ◆ The Northern group, in partnership with Numerica and South Bank University, met quarterly and 8 students signed up to do the university's Post Graduate Diploma / MSc in Charity Finance through distance learning.
- ◆ Our South West group, in partnership with PKF, includes members from Wales and enjoys dedicated premises for our quarterly training and networking.
- ◆ Total of individual charity members grew from 774 to 870.
- ◆ Our first Policy Officer was employed with particular responsibility for public affairs.

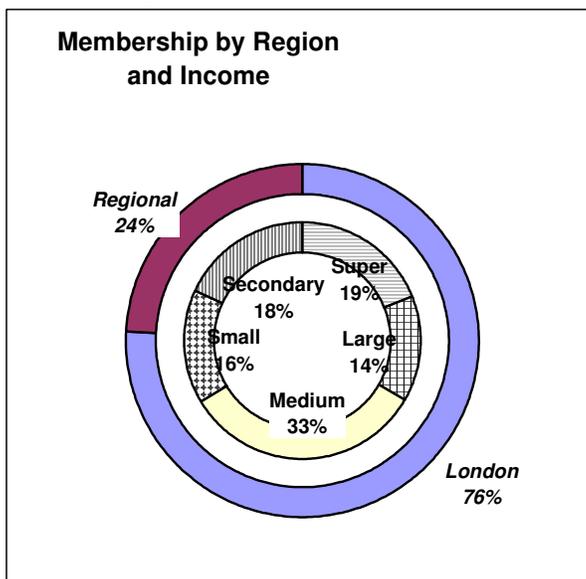
The most significant development towards the end of the year, which will continue during the coming year and beyond, is the Charities Resource Network, funded by the Community Fund. The database will enable us to make available over the internet information for members and others about performance, procedures and other aspects of charity management. This will be a major product of the CFDG and will complement other sites specifically designed to support charities.

External change will arise as a result of two reports due for publication in the first half of 2002, one from the Performance and Innovation Unit (now known as the Strategy Unit) at the Cabinet Office on the regulation of charities and the other from a cross-cutting review by HM Treasury looking at the role of the voluntary sector in service provision. Arrival of our Policy Officer is very timely. We will work with other organisations to achieve the most satisfactory application of those reports to the sector.

In spring 2001 our plans showed that staff numbers would increase to seven by the year end so, to ensure our compliance with relevant legislation, we engaged a consultant to revise our employment manual, reviewed health and safety procedures and staff appraisal systems and entered into a stakeholder pension arrangement.

All Trustees and the staff of CFDG have worked hard to bring the organisation to this successful stage of its development and we look forward to engaging in more activities to support all those who are responsible for the effective and efficient management of charities. We will play our part in increasing clear accountability in charities and contributing to self regulation as well as improving the knowledge and competence of members.

Membership and Member Services



For the membership year beginning April 2001 we introduced a new subscription fee structure with different rates for regional members.

Membership of regional groups stood at 85 and 70 respectively at the year end.

A new membership category was introduced for charities with over £10m income, with a free secondary member included in the fee. All charities can have secondary members who get the same benefits for a reduced fee.

The new membership arrangements have proved popular, particularly with those who are unable to attend meetings in London on a regular basis. Response to annual renewal invitations issued in February 2002 has been very encouraging.

A large part of our activities is concerned with the provision of information to members to help them in carrying out their work. We research and write bulletins covering current issues which are sent to members every month, with written reports from members meetings. An average of 95 Information Sheets on specific topics are issued each month and we accumulate other sources of guidance for reference. Additional information is generated in response to specific queries from members via calls or emails to the CFDG office, including referrals to other organisations or to one of the five free helplines offered.

During the year the Membership Committee conducted a small qualitative survey of members, seeking opinions on the services offered by the Group. This showed that networking is a primary motivator for taking up membership and is also considered to be the most useful benefit. Just talking an issue through with another finance director can help solve a problem and we specialise in putting members in touch. Facilitating networking will be one of our key development areas next year. Members also appreciated the monthly meetings and made good use of the information services provided. These survey results informed our discussions of future strategy, as well as providing welcome confirmation of the value of the work already undertaken in extending the accessibility to members of meetings and information.

Our website continues to develop, with approximately 60 pages available for view, and currently receives an average of 40 hits per day, with the most popular pages being the "Hot Topics" section. Networking will be enhanced enormously when the new Charities Resource Network is operational and we begin to build our database of original documents, procedures and other information that members can adapt to fit the circumstances of their own particular charity.

Policy and Public Affairs

As CFDG has grown steadily, successive Trustees have come to the conclusion that, to achieve our charitable objective of advancing public education in and promoting improved standards of management in charities, we need to develop a more outward looking focus as well as focussing on improving the skills and knowledge of our members. In October 2001 we recruited our first Policy Officer to develop and promote the interests of CFDG to the wider policy and political arena. To guide us on specific areas of policy and good practice work we have created a new

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Policy Development Working Group which will provide expert advice to the Policy Officer and which will report to our Public Affairs Committee.

Between October and April, CFDG worked hard to improve and develop information, monitoring and reporting systems to support our policy work. Following consultation with our members we responded to the Cabinet Office consultation on modernising the legal and regulatory framework for charities and the voluntary sector. We also responded to consultations by the Treasury and the Charity Commission and, in advance of the Budget, expressed our concerns about potential increases in National Insurance. Our increased profile on policy issues can be assessed in terms of the increase in media coverage CFDG has been attracting (on average over 3 times more media coverage than prior to September 2001).

We plan to work with other organisations in developing Benchmarking and Performance Indicators and help meet the increasing demand for information about the sector. Finance Directors have a vital role to play in ensuring that the information which is provided about charities is accurate and that when comparisons are being made they are of like with like. We will work with our members on some of the outcomes from the Cabinet Office report and on technical issues such as FRS 17 and its impact on charity management. We will also play a part in helping the Charity Commission with their Regulatory Reports.

In summer 2002 we will issue and promote our Agenda for the Future. The Agenda sets out how we would like the sector to work with Government over the next few years. The Agenda asks Government to promote:

- ◆ A good working regulatory and fiscal environment for charities, so to be able to achieve their objectives;
- ◆ Less red tape and unnecessary administrative burdens;
- ◆ A supportive funding environment;
- ◆ Trust and faith in the abilities of the charity sector;
- ◆ A better working relationship with the charity sector.

Over the forthcoming year, CFDG plans to strengthen and develop its relationship with senior MPs and other opinion formers. We will host our first Parliamentary reception on the Terrace of the House of Commons in March 2003. The reception will celebrate 15 years since the first CFDG meeting for members and seek to promote public confidence in charities to senior decision makers.

Education and Training

Our programme of 38 training events included the inaugural meeting of CFDG Southwest and our Annual Conference.

When compiling the training programme the Trustees, staff and committee try to bring out new and emerging issues, as well as providing refresher training and updates. For this year there seemed to be two main themes. One was mergers and collaboration, (which was exemplified by the merger of Imperial Cancer Research and the Cancer Research Fund, to form Cancer Research UK in February) and the second was implementing the new Statement of Recommended Practice for Accounting and Reporting by Charities (SORP 2000). From the latter came the need to carry out risk assessments more meticulously than perhaps had been done in the past and to show clearly the cost of generating funds and the funds raised.

To address these issues we held several events, including repeat events for training designed for smaller groups. As part of our aim to work more closely with other organisations we held a Merging Charities Masterclass, designed for pairs of Chief Executive and Finance Directors from charities. Similarly we held workshops with the Institute of Fundraising for pairs of Finance Directors and Directors of Fundraising to examine allocation of fundraising costs and the reputational risks facing charities.

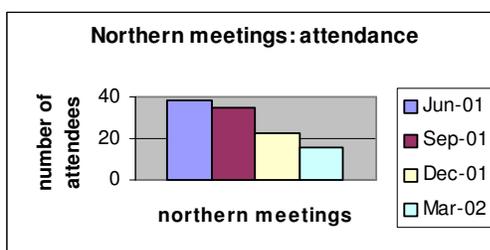
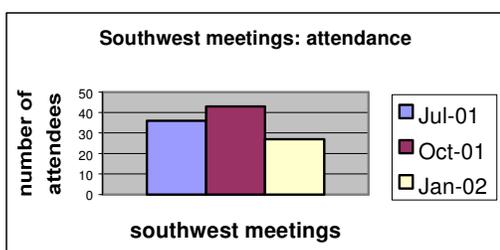
Included in the programme are a number of regular training events that are important in the CFDG training calendar. The one-day 'Introduction to Charity Finance', provided with BDO Stoy Hayward, is always fully subscribed, with three sessions being held.

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Feedback comments include:
"Very worthwhile",
"good value for money",
"good course for someone new to the
charity sector"

There were also new accounting and audit standards, stakeholder pension requirements and many other issues that charities, as employers or companies or otherwise, need to comply with. We are grateful to all those who gave their time to prepare for and speak at any of our training events. It is due to them that the Group is able to do so much towards its objectives.

Our regular free meetings for members are still being held and attendance is being maintained in London. Both regions started off well but attendance has fallen slightly. We are still convinced that the regional groups are a valuable part of promoting excellence in financial management for charities and we will be working with our partners and steering groups in the regional centres to identify the topics of most interest there and how to increase attendance.



Costs of London meetings has been contained because in some months premises and refreshments were provided by subscribers. With average attendance of around 90 people that makes a very generous contribution and we are grateful to Barclays Bank and Carr Sheppards Crosthwaite in particular.

Entitled "Not Just Small Change" the CFDG Annual Conference in May 2001 saw over 250 delegates gathered to attend a choice of 25 seminars and two plenaries. Within our theme we considered all the changes to the work of Finance Directors and charities brought about by the new SORP, changes in tax effective giving, employment law, VAT and all other issues that have an impact on the work of members.

Publications

Our publications have mainly been the meeting reports and the Charity Finance Yearbook produced and published by Plaza Publishing. Considerable staff time goes into preparing these. We are also planning some separate publications for next year.

Charities Resource Network

This project, funded by the Community Fund, was previously called the Performance Resource Centre for Charities. In the first quarter of 2002 we were able to make good progress towards building the database and website that are at the heart of the project. The contract for building them was awarded to ProTech Computer Systems. The database will contain documents, guidance, and information to help those working with charities to improve their management processes. CFDG members are very keen to have this facility and will themselves be providing much of the data that will make it a success.



Initially the majority of the information in the Resource Centre will relate to the finance, information technology and human resource functions.

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Funding

CFDG continues to obtain about 60% of its unrestricted income from membership subscriptions and fees paid by subscribers. Our only fundraising event continues to be the annual dinner, which is an opportunity for members and subscribers to meet in a convivial atmosphere. We will need to broaden our funding base by obtaining grants and other forms of support if our programme and the Charities Resource Network is to expand and develop as planned.

Future Developments

Apart from the work described under policy and launching the Charities Resource Network we plan to build our range of training and guidance to include Treasurers. (Over 25% of CFDG members are treasurers of other charities). We consider that Treasurers play an important role in the financial management of charities and that it is within our objects to support them. We believe that we can offer opportunities for them to network together and gain a greater understanding of some of the more complex aspects of charity finances, particularly taxation and statutory reporting.

We will strengthen our regional groups and continue to grow our membership services and training, with particular focus on good practice guidance.

Review of Financial Position

CFDG is about to move into the next phase of strategic development and does so from a healthy financial position. It has consolidated its membership base and shown a continuing upward trend in membership numbers. Income from subscriptions increased by over 50% to £230,214, which is due in part to the restructuring of fees and categories of charity members, but also to the increase in the permitted number of subscribers and to the higher membership. This was the first increase in subscriptions for three years and will enable us to improve the services provided to charities across the country.

Incoming unrestricted funds available for charitable application increased by £118,335. This includes £18,589 reclaimed VAT following registration under the VAT Act. Apart from subscriptions the main contributor was our Annual Dinner, for which income increased by £11,560 and costs decreased by £2,432, yielding a surplus of over £30,000. We are grateful to our subscribers for their generous support of the dinner and also for their support of our Annual Conference.

That Conference is our flagship training event and, due to the number of exhibition stands, we are able to keep delegate fees low, thus enabling more charities to attend. As we kept costs down to 37% below budget, mainly by providing all the administration ourselves, we are able to plan for new training initiatives in the coming year. We also made a small surplus on our IT conference thanks to the support of Tate Bramald Ltd. CFDG receives no income from either of the two other Conferences held during the year although they bring welcome publicity and new members to the Group. Costs and much of the administration are borne by our partner firms. The Risk Conference provided for us by SBJ Stephenson is free to delegates.

Charitable expenditure from unrestricted funds increased by £63,037 (22%) over last year although, due to low outgoings on the Charities Resource Network, total resources expended was down by around £15,000. All staff are directly engaged in activities in furtherance of the objects of CFDG and much of their cost has been allocated accordingly. Management and administration costs include the outsourced accounting services which have provided the Trustees with timely and structured reports.

In preparing our budget for the year we anticipated a deficit but actually returned a surplus. This was due mainly to delays in recruitment and in development of the Charities Resource Network, and better returns than expected on those activities that generate a surplus. Funds have been designated to meet the cost of additional computer equipment and software to provide enhancements to the Charities Resource Network over and above the provision funded by the Community Fund. We are also aware that the support of our partners in our regional groups is time limited and opportunities may arise for further regional development next year.

Reserves Policy

The Trustees have considered their obligations in respect of their commitments to the members and staff of CFDG and their strategies for developing the activities of the Group and have concluded that the free reserves available should be between £70,000 and £101,000. Although they anticipate continued growth and support this margin would allow them to continue a full programme of activities during a period of economic downturn which would adversely effect the resources available. Should free reserves exceed £101,000 the excess will be applied in accordance with the strategic plan to further the objects of the charity. The Trustees are preparing their strategic and business plans for the next three years and beyond and will address the current level of reserves and their application as part of that process. If reserves fall below £70,000 the Trustees will review the situation and modify their plans.

Risk Assessment

The Board of Trustees have made an assessment of the risks to which the charity is exposed, particularly business, operational and financial risks, and have introduced procedures and reporting regimes to manage and reduce many of the identified risks. They have clear lines of delegation and authority to staff, have outsourced their finance function to improve the timeliness and accuracy of the financial information they receive and to support their financial planning, and have involved staff in recognition of risk in all their activities. Reviewing risk is an ongoing part of the governance of the organisation which the Board will integrate into its meetings.

Tangible fixed assets

The movements in the company's tangible fixed assets are set out in note 6.

Auditors

A resolution for the re-appointment of Chantrey Vellacott DFK as auditors of the company will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD OF TRUSTEES



Geoffrey Miller
Chairman

Date: 10 July 2002

CHARITY FINANCE DIRECTORS' GROUP

Independent auditors' report to the members of Charity Finance Directors' Group

We have audited the financial statements of Charity Finance Directors' Group for the year ended 31 March 2002 which comprise the Statement of Financial Activities, Balance Sheet and the related notes as set out on pages 11 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Trustees and Auditors

The Trustees' (who are also the directors of Charity Finance Directors' Group for the purposes of company law) responsibilities for preparing The Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Report is not consistent with the Financial Statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding trustees remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

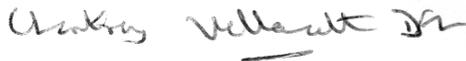
Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's state of affairs as at 31st March 2002 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



CHANTREY VELLACOTT DFK

CHARTERED ACCOUNTANTS

Registered Auditors

LONDON

Date: 16 August 2002

CHARITY FINANCE DIRECTORS' GROUP

Statement Of Financial Activities for the year ended 31 March 2002 (Incorporating the income and expenditure account)

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2002 Total £ | 2001 Total £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming Resources | | | | | |
| <i>Activities in furtherance of the charity's objects</i> | | | | | |
| Grants | 2 | - | 56,438 | 56,438 | 114,782 |
| Members' subscriptions | | 230,214 | - | 230,214 | 150,168 |
| Events and conferences | | 56,150 | - | 56,150 | 61,918 |
| Publications | | 5,000 | - | 5,000 | 8,311 |
| Member services and training | | 11,826 | - | 11,826 | - |
| <i>Activities for generating funds :</i> | | | | | |
| Annual dinner | | 53,080 | - | 53,080 | 41,520 |
| Bank interest | | 15,111 | - | 15,111 | 14,612 |
| Other income: VAT repayment | | 18,589 | - | 18,589 | - |
| Member services donated | 1(c) | 11,650 | - | 11,650 | 9,188 |
| | | 401,620 | 56,438 | 458,058 | 400,499 |
| <i>Costs of Generating Funds :</i> | | | | | |
| Annual dinner | | 22,341 | - | 22,341 | 24,773 |
| Net incoming resources available for charitable application | | 379,279 | 56,438 | 435,717 | 375,726 |
| Charitable expenditure | | | | | |
| <i>Cost of activities in furtherance of the charity's objects</i> | | | | | |
| Membership services | | 163,457 | - | 163,457 | 169,800 |
| Policy | | 18,349 | - | 18,349 | - |
| Events and conferences | | 59,932 | - | 59,932 | 77,761 |
| Publications | | 45,824 | - | 45,824 | 43,369 |
| Support costs | | 26,212 | 2,250 | 28,462 | 57,936 |
| Management and administration | | 33,387 | - | 33,387 | 12,810 |
| Total charitable expenditure | | 347,161 | 2,250 | 349,411 | 361,676 |
| Total resources expended | 3 | 369,502 | 2,250 | 371,752 | 386,449 |
| Net incoming resources for the year | 4 | 32,118 | 54,188 | 86,306 | 14,050 |
| Fund balances brought forward at 1 April 2001 | | 211,742 | 41,741 | 253,483 | 239,433 |
| Fund balances carried forward at 31 March 2002 | 9 | 243,860 | 95,929 | 339,789 | 253,483 |

There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared. All the above amounts relate to continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

CHARITY FINANCE DIRECTORS' GROUP

Balance sheet as at 31st March 2002

| | Notes | 2002 £ | 2001 £ |
|---|-------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 6 | 45,885 | 37,404 |
| | | <u>45,885</u> | <u>37,404</u> |
| Current Assets | | | |
| Debtors | 7 | 57,574 | 77,586 |
| Short term deposits | | 287,954 | 150,000 |
| Cash at bank and in hand | | 65,433 | 128,615 |
| | | <u>410,961</u> | <u>356,201</u> |
| Creditors: Amounts falling due within one year | 8 | <u>(117,057)</u> | <u>(140,122)</u> |
| Net Current Assets | | <u>293,904</u> | <u>216,079</u> |
| Total assets less current liabilities | 10 | <u>339,789</u> | <u>253,483</u> |
| Funds | 9 | | |
| Unrestricted Funds - General | | 143,860 | 211,742 |
| Unrestricted Funds - Designated | | 100,000 | - |
| Restricted Funds | | 95,929 | 41,741 |
| | | <u>339,789</u> | <u>253,483</u> |

The accounts were approved by the Board of Trustees on 10 July 2002

and signed on their behalf by:



Geoffrey Miller
Chairman



Stephen Williams
Treasurer

The notes on pages 13 to 18 form part of these financial statements.

Notes To The Financial Statements for the year ended 31 March 2002

1 Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) **Basis of Preparation of Accounts**

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice on Charity Accounts (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

b) **Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFDG. Of these funds amounts are allocated for specific purposes by the Trustees and are shown as designated funds.

Restricted income funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

c) **Incoming resources**

All income is accounted for as soon as CFDG has entitlement to the income and there is certainty of receipt and the amount is quantifiable.

Donated facilities for free members' meetings are included at the value to CFDG. No amounts are included in the financial statements for other donated facilities including meeting space for other training events nor for services donated by volunteers. Rooms for meetings of the Trustees and Committees are provided by the charities employing Trustees at no cost.

d) **Subscriptions and events**

Subscriptions and events are accounted for in the year to which they apply.

Subscription income received during the year that relates to a subsequent financial accounting period is carried forward as a creditor in the balance sheet and shown as subscriptions received in advance.

e) **Pension policy**

The Trustees operate a pensions policy in compliance with the Stakeholder pension requirements. Employees may make a contribution of at least 1% of salary and the Trustees will contribute 3% or match contributions up to 5%. Two staff who benefited from personal pension plans prior to stakeholder have a separate personal pension scheme.

CHARITY FINANCE DIRECTORS' GROUP

Notes To The Financial Statements for the year ended 31 March 2002

Accounting Policies *(continued)*

f) **Resources expended**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that category. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Direct costs, including salaries paid from the Community Fund grant, are allocated on an actual basis to the relevant expense heading. Overheads and other salaries are allocated between expense headings on the basis of time spent as follows :

| | |
|------------------------|------|
| Membership services | 50 % |
| Policy | 7 % |
| Events and conferences | 17 % |
| Publications | 16 % |
| Support costs | 10 % |

Management and administration costs are those incurred in connection with the management of CFDG's assets, organisational administration and compliance with constitutional and statutory requirements.

g) **Fixed assets**

Assets with a cost in excess of £750 intended to be of ongoing use to CFDG in carrying out its activities are capitalised as fixed assets.

Depreciation is charged on tangible fixed assets so as to write them off over their expected useful lives at the following rates :

| | |
|------------------|------------------------|
| Office equipment | 25 % of cost per annum |
| Computer systems | 25 % of cost per annum |
| Database system | 25 % of cost per annum |

h) **Taxation**

CFDG is a charity registered under the Charities Act 1993, number 1054914. As such the charity is entitled to take advantage of the exemptions granted by section 505 of the Income and Corporation Taxes Act 1988.

2 Income from Grants

The CFDG acknowledges funding from the Community Fund of £56,438 (2001 : £114,782) for the development of a Charities Resource Network.

CHARITY FINANCE DIRECTORS' GROUP

Notes To The Financial Statements for the year ended 31 March 2002

| 3 Resources expended | Staff costs | Other direct costs | Total 2002 | Total 2001 |
|--|----------------|--------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Direct Charitable expenditure | | | | |
| Membership services | 81,727 | 81,730 | 163,457 | 169,800 |
| Policy | 11,442 | 6,907 | 18,349 | - |
| Events and conferences | 27,787 | 32,145 | 59,932 | 77,761 |
| Publications | 26,152 | 19,672 | 45,824 | 43,369 |
| Support costs | 16,345 | 12,117 | 28,462 | 57,936 |
| | <u>163,453</u> | <u>152,571</u> | <u>316,024</u> | <u>348,866</u> |
| Other expenditure | | | | |
| Costs of Generating Funds : | | | | |
| Annual dinner | - | 22,341 | 22,341 | 24,773 |
| Management and administration of the charity | 9,160 | 24,227 | 33,387 | 12,810 |
| Total resources expended | <u>172,613</u> | <u>199,139</u> | <u>371,752</u> | <u>386,449</u> |
| Total resources expended (2001) | <u>170,689</u> | <u>215,760</u> | <u>386,449</u> | |
| Management and administration costs of the charity comprise: | | | | |
| Legal and professional | | | 6,313 | |
| Audit fees | | | 975 | 922 |
| Accountancy fees | | | 14,210 | - |
| Governance costs (inc. AGM) | | | 1,012 | 784 |
| Apportionment of staff and other direct costs | | | 10,877 | 11,104 |
| | | | <u>33,387</u> | <u>12,810</u> |

Within membership services other direct costs of £11,650 (2001: £9,188) relate to services donated to CFDG and were not incurred by CFDG. Had the services not been donated CFDG would have incurred this cost. Accountancy was outsourced from September 2001. Previously accounting was done by staff and volunteers.

| 4 Net incoming resources | 2002 | 2001 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| These are stated after charging : | | |
| Auditor's remuneration | | |
| For audit | 975 | 922 |
| For other services | 1,100 | - |
| Depreciation | 13,819 | 13,775 |
| Operating leases - land and buildings | 29,150 | 20,475 |
| | <u>29,150</u> | <u>20,475</u> |

5 Board of Trustees and employee information

- a) No remuneration was paid to the Board of Trustees during the year (2001: £Nil). Expenses of £1,449 for travel and subsistence was paid to four Trustees during the year (2001: £403, two Trustees). Trustees indemnity insurance of £250 for the Board of Trustees was paid during the year (2001: £236).

CHARITY FINANCE DIRECTORS' GROUP

Notes To The Financial Statements for the year ended 31 March 2002

| | | | | | |
|--|----------------------------|---------------------------------------|-----------------------------------|------------------------------------|----------------------------|
| 7 Debtors | | 2002 | 2001 | | |
| | | £ | £ | | |
| Trade debtors | | 36,604 | 64,415 | | |
| Other debtors | | 7,382 | 1,461 | | |
| Prepayments and accrued income | | 13,588 | 11,710 | | |
| | | 57,574 | 77,586 | | |
| | | 57,574 | 77,586 | | |
| 8 Creditors : | | | | | |
| Amounts falling due within one year | | 2002 | 2001 | | |
| | | £ | £ | | |
| Subscriptions received in advance | | 103,689 | 135,244 | | |
| Other creditors and accruals | | 13,368 | 4,878 | | |
| | | 117,057 | 140,122 | | |
| | | 117,057 | 140,122 | | |
| 9 Total funds | | | | | |
| | Opening balance | Net incoming resources | Charitable expenditure | Transferred in the year | Closing balance |
| | £ | £ | £ | £ | £ |
| Unrestricted - General | 211,742 | 379,279 | (347,161) | (100,000) | 143,860 |
| Unrestricted - Designated | - | - | - | 100,000 | 100,000 |
| Restricted - Community Fund | 41,741 | 56,438 | (2,250) | - | 95,929 |
| | 253,483 | 435,717 | (349,411) | - | 339,789 |
| | 253,483 | 435,717 | (349,411) | - | 339,789 |

The General reserve fund represents the free funds of the charity which are not designated for particular purposes. The Trustees have designated £100,000 for the development of services for members. The Restricted - Community Fund was established in 2000 by a grant from the Community Fund to create and establish the Charities Resource Network.

10 Analysis of assets between funds

Fund balances at 31 March 2002 are represented by :

| | Unrestricted Funds | Restricted Fund | Total Funds |
|--------------|-------------------------------|----------------------------|------------------------|
| | £ | £ | £ |
| Fixed assets | 19,135 | 26,750 | 45,885 |
| Debtors | 57,574 | - | 57,574 |
| Cash | 284,208 | 69,179 | 353,387 |
| Creditors | (117,057) | - | (117,057) |
| | 243,860 | 95,929 | 339,789 |
| | 243,860 | 95,929 | 339,789 |

CHARITY FINANCE DIRECTORS' GROUP

Notes To The Financial Statements for the year ended 31 March 2002

11 Operating leases

Annual commitments under non-cancellable operating leases for buildings were as follows

| | 2002 | 2001 |
|-----------------------------------|-------------|--------|
| | £ | £ |
| Leases expiring: After 4 years | 29,150 | 32,385 |

12 Capital commitment

At 31st March 2002 there was a commitment of £30,000 to purchase a database management system for use by the Charities Resource Network (Restricted Fund). (2001: Nil).

13 Related Party Transaction

Nigel Scott, the husband of the Director of CFDG was engaged as a trainer for one half day and paid the amount of £150, including travel, with the approval of the Trustees prior to commencing this work (2001 : £621).

Trustees Officers and Advisers

Charity No: 1054914 **Company No:** 3182826
VAT registration No: 769375081

Board of Trustees

Geoffrey Miller (Chairman from September 2001)
Leslie Jones (Deputy Chairman)
Stephen Williams (Treasurer)
Alan Sharpe
Amahl Smith
Helen Verney
Martin Waller
Paul Breckell (appointed 10 September 2001)
Stephen Mahon (appointed 10 September 2001)
Geoffrey Wheeler (appointed 10 September 2001)

Directors resigning in the year:

Mark Freeman (10 Sept 2001)
Roger Hancock (10 Sept 2001)
Sara Wallace (10 Sept 2001)

Chief Executive and company secretary

Shirley Scott

Special adviser

Pesh Framjee

Auditors

Chantrey Vellacott DFK,
Russell Square House,
10-12 Russell Square,
London, WC1B 5LF.

Bankers

Unity Trust Bank plc,
Nine Brindleyplace,
4 Oozells Square,
Birmingham, B1 2HB.

Solicitors

Bircham Dyson Bell,
1 Dean Farrar Street,
Westminster,
London, SW1H 0DY

Charity Finance Directors' Group

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Web site: www.cfdg.org.uk Telephone: 0207 793 1400