



Charity Finance Directors' Group

(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

31 March 2008

Registered Charity No. 1054914

Company No. 3182826

THE CHARITY FINANCE DIRECTORS' GROUP

Registered Charity Number 1054914

Our Objects

To advance public education in and promote improved standards of management in charities

Our Vision

A transparent and efficiently managed charity sector that engenders public confidence and trust

Our Mission

To deliver services that are valued by members and enable those with financial responsibility in the charity sector to develop and adopt best practice

Our Aims

CFDG's strategy to achieve this mission is:

Membership services	Provide sound advice, access to practical solutions and opportunities to meet peers and share learning
Professional development	Meet members' needs for CPD, support members in their management roles and deliver relevant training
Policy	Identify emerging issues and represent charity finance professionals effectively on policy issues
Best practice	Raise professional standards by research, benchmarking and sharing learning
Other activities	Engage in activities to generate net income and widen the range of services to members

The Charity Finance Directors' Group

3rd Floor, Downstream Building, 1 London Bridge, London SE1 9BG

www.cfdg.org.uk mail@cfdg.org.uk

Telephone: 0845 345 3192 Fax: 0845 345 3193

Charity Finance Directors' Group

Annual Report and Financial Statements

For the year ended 31 March 2008

Contents

Chair's message	2
Report of the Board of Trustees	3
Principal achievements of the year	3
Plans for 2008 and beyond	12
Review of financial position	15
Structure, governance and management	16
Auditors' report	21
Financial statements	22
Statement of financial activities	22
Balance sheet	23
Notes to the financial statements	24
Trustees, officers and advisers	29

CHARITY FINANCE DIRECTORS' GROUP

Chair's Message

I am very pleased to be able to write to you for the first time as Chair of CFDG after what has been a very successful year for CFDG. We were able to build on the strong foundations laid in 2006/7 and increase the services provided to our members across the board.

As a result of this increase in services we have had significant increases in attendance levels at our events and training courses and increased visitor traffic at our website. Further we ended the year with 1,458 members and 107 subscribers, both up by 13%. We were especially pleased that we increased the balance of our membership outside of London and the SE as we strive to become a national organisation working throughout England and Wales.

During the year we undertook surveys of our members and subscriber members, in order to increase our understanding of our stakeholder requirements. We have ensured that the results of the surveys are taken into account in the development of our Operational Plan for the three years until 31 March 2011.

The year saw CFDG celebrate its 20th Anniversary. This occasion was marked by a reception in the crypt of St Pauls Cathedral – on 27th February 2008 - where the keynote address was given by Phil Hope MP, Minister for the Third Sector. In parallel CFDG also published a book entitled 'The Role of the Charity Finance Director' edited by Keith Hickey our Chief Executive, which provides a comprehensive review of the current role and changes to the role over the last twenty years, with most chapters contributed by a different Finance Director. Finally, in October 2007 there was a special supplement about CFDG in Third Sector to celebrate our anniversary.

In September 2007 three Trustees reached the end of their terms and had to step down; Paul Breckell, Steve Mahon and Geoff Wheeler. I should like to thank them all for their support of CFDG over the six years that they were Trustees. In different ways they all made a tremendous contribution to the Charity for which the Trustees are all extremely grateful. Following the changes made to our governance procedures at our Annual General Meeting in 2006 the Trustees are now actively looking for two additional Trustees with skills in Marketing, Media and Lobbying to strengthen the Board, having appointed Gill Nunn in April 2008, who brings new business skills to the Board.

During the year CFDG awarded four new Honorary Memberships to Paul Breckell, Andrew Hind, Les Jones and Helen Verney in recognition of the tremendous service that they have given to CFDG over a long period of time.

This annual report outlines what a successful year it has been for CFDG and the Trustees would like to thank the staff, members, subscribers, funders and volunteers who have made this possible.

The annual report also outlines the plans that we have for the future and highlights the plans that we have to deliver our strategic aims and increase the quality and quantity of the services that we provide to our members. In the current financial and regulatory climate it is likely to be a tough year for our members and we will endeavour to continue to be true to our mission and deliver services that are valued by our members and enable those with financial responsibility in the charity sector to develop and adopt best practice.



Charles Nall

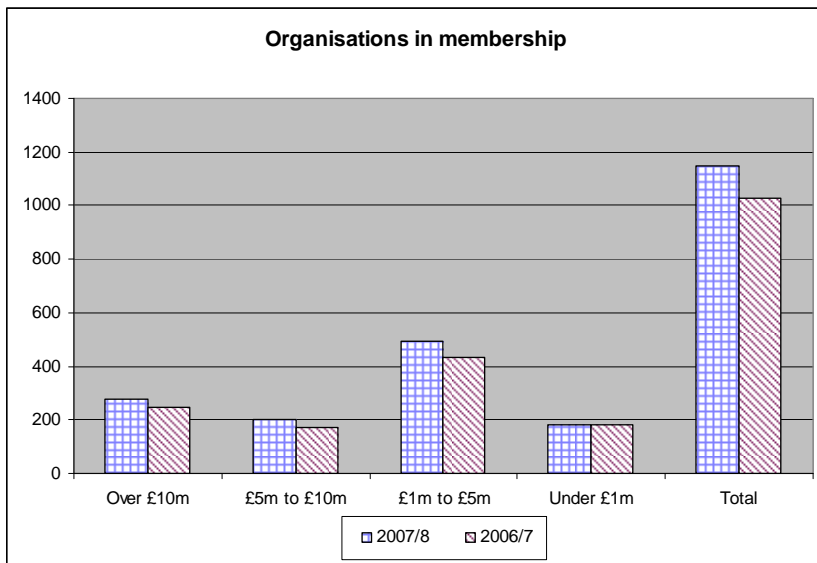
**Report of the Board of Trustees
For the year ended 31 March 2008**
(incorporating the Directors' report)

Principal achievements for the year

Member services

Membership at 31 March 2007 stood at 1,289 individuals. By 31 March 2008, membership had grown to 1,458, representing a net increase in membership of 13%.

As at 31 March 2008, the individual members represented between them a total of 1,151 different not-for-profit organisations, compared to 1,029 a year earlier. The profile of those member organisations, in relation to income size, compared with 2006/07 is as follows:



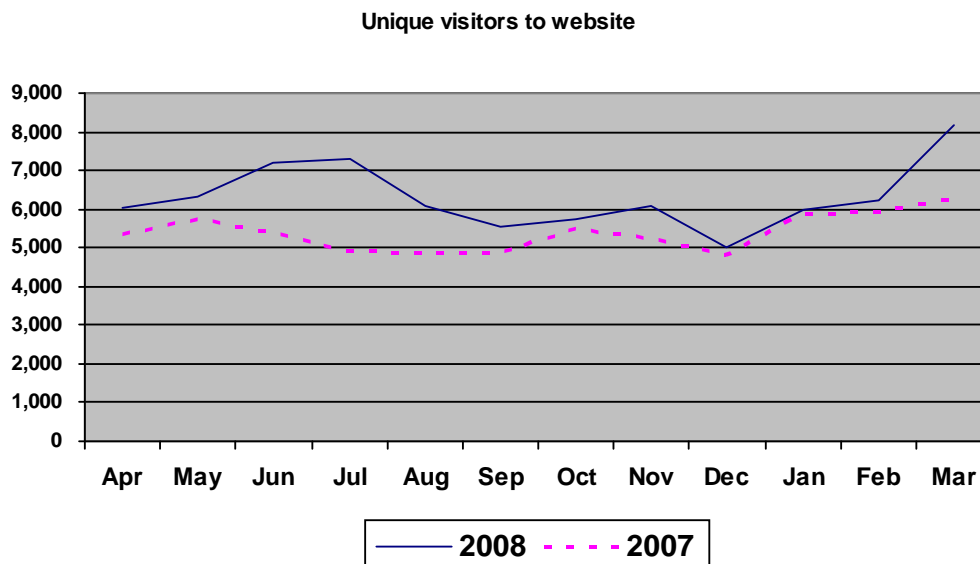
As at 31 March 2008, CFDG had four regions available for members to join. Comparison with the regional membership profile for 2006/07 shows the overall percentage of members that belong to a region other than London has increased by 2.5% to become 27.5% of the total membership figure.

During the year a number of new marketing initiatives to increase membership were trialled in the Northern, Midlands and South West and Wales regions. Using non-member charity data, charities in the relevant geographic areas were invited to attend two of the six member meetings in each of the three regions. Non-member charities in the broader geographic area of each of the three regions were targeted with a direct recruitment campaign. Non-member charities in the London and South East region were also targeted during the year with a direct recruitment campaign.

Information is provided to members through a variety of means including monthly mailings, meetings, conferences and other events. However, the CFDG website continues to be developed as the primary medium for delivering

CHARITY FINANCE DIRECTORS' GROUP

information not just to the existing membership but also the wider sector and public audience. The usage statistics for the year 2007/8 demonstrate sustained growth: the website received a total of 402,766 visits in 2007/8 compared to 351,706 visits in 2006/7. Significantly, the number of unique visitors accessing the website has increased from 33,500 in 2007 to 41,000 in 2008 as shown below:



We were delighted to record yet another increase in attendance figures for our members' meetings with an extra meeting in London in June; Newcastle in October and Cambridge in September. Booked delegate figures ranged from 70 to 165 in London and from 12 to 55 in the other regions. Once again we relied heavily on our subscribers for hosting and providing refreshments at these meetings, generous support for these events came from our corporate subscribers and other partners who included Amnesty International, Baker Tilly, Barclays, Co-Operative Bank, Deloitte, Dickinson Dees, Grant Thornton, Haysmacintyre, Halifax Bank of Scotland, Horwath Clark Whitehill, Institute of Physics and Engineering, JPMorgan, PKF, Pure Resourcing Solutions, Rensburg Sheppards, Royal Bank of Scotland, Sarasin & Partners, Sheffield Galleries, PricewaterhouseCoopers, and UBS.

In June 2007 the Charity completed a survey of its membership to check that CFDG was providing services that were valued by its members and to look for areas to improve and new areas to consider. The response rate was 20%. Whilst a number of compliments were given and there was strong support for CFDG's core services it was clear that CFDG needed to improve its communications with its membership and the Charity Resource Network, along with building up its Regional offering through conferences and training courses. All of these areas now form critical projects in the Operational Plan. There was a wealth of other information within the survey which has already been incorporated into the Operational Plan, however, by far the most requested extra service was an annual salary survey and CFDG was able to provide its first such survey this year thanks to the support of Hays Accountancy & Finance.

In February 2008 CFDG also undertook a survey with its subscriber members in order to examine how relationships could be developed to mutual advantage. The survey was developed by a subscriber working party and had a 39%

CHARITY FINANCE DIRECTORS' GROUP

response rate. Key findings to come out of the survey were for CFDG to have a more transparent and relevant relationship with subscribers, improve communications and manage the relationships better. During 2008/9 CFDG will be responding to these findings and also looking at how the Charity can develop strategic partnerships with its subscriber members.

Performance against plan

We planned to increase our membership headcount by 5% (ie from our 31/03/07 total of 1,289 to 1,354) and our membership income by 8%. We ended the year with 1,458 members representing a 13% growth in headcount and in membership income.

We also said we would develop more events outside London, in particular a conference in Manchester in June 2008. By December 2007 plans for the first CFDG conference to be held outside London had been completed, this is another important step in demonstrating our commitment to increasing the level of services delivered throughout England and Wales. The support of the Co-operative Bank and Grant Thornton and the sale of exhibition stands has enabled us to hold down ticket prices for members and non-members – ensuring the Conference has the broadest possible reach and is accessible to finance professionals in the large and smaller charities. A detailed marketing plan ensured that all exhibition stands were sold within 72 hours of promotion to corporate subscribers, and we are confident that ticket sales in the member and non-member audience will exceed the target of 100 delegates.

We held our first members' meeting in Newcastle in October 2007 and in Cambridge in September 2007. We hope that – given suitable partnerships – we can build on these in the coming year.

Our long-term strategy is to position the CFDG as a national organisation working throughout England and Wales. The growth of membership outside of London and the South East is key to meeting this objective. The goal is to grow CFDG membership year on year, but within that growth to re-balance CFDG membership from 75% London/South East to 66% – thus reflecting the actual distribution of all charities of over £1m turnover. At the year-end the membership base had shifted from 75% in London and the South East to 72.5%. CFDG membership grew by 12% in London and the South East and by 22% in the Northern, Midlands and South West and Wales.

Professional development

Over 3,330 delegates attended more than 50 CFDG events during the year.

Our Annual Conference was held on 22 May, entitled "Making a Difference", it focussed on the Role of the Finance Director. The five streams covered: Strategic Financial Management; the Finance Department; Increasing Margins; New Opportunities and Updates. It was CFDG's largest ever Annual Conference with 490 attendees, in contrast 392 in 2006. The keynote speech, which received universal praise from delegates' feedback, was given by Adrian Poffley of the World Bank who discussed how charities can improve their impact by moving away from the traditional, annual budget-centred performance

CHARITY FINANCE DIRECTORS' GROUP

management model. The conference, which was again held at the QEII Conference Centre, was kindly supported by Haysmacintyre and Agresso.

The IT conference was held in March 2008 at the ever popular Royal College of Surgeons. With a record attendance of just under 200 delegates, it was entitled "They Way Ahead" and in direct response to feedback received from members and former delegates, it focussed on charity case studies and strategic IT issues. The event was generously supported by Sayer Vincent and the Touchstone Group.

The 2007 Risk conference entitled "Making it Real" (held at the CBI Conference Centre) attracted a record 188 delegates. The opening keynote session was given by Oxfam's Director of Finance, John Shaw who gave an overview of Oxfam's approach to risk management. The second plenary session on terrorism and control was given by Neil Bennett from the Metropolitan Police and the final session, Managing Change saw Mary Bishop and Mike Shaw from John Grooms and the Shaftesbury Society discussing how the two organisations had managed their merger to form a new charity, now called Livability. This event was kindly supported by PKF and Thomas Miller.

Our half day annual Investment Conference, held in conjunction with Barings, Rensburg Sheppards and Sarasin & Partners, was held on 27 September at the Royal Society of Medicine and attracted an attendance of over 120 delegates. Jeremy Leggett – Executive Chairman of Solarcentury - addressed the topical issue of climate change while George Magnus – Senior Economic Adviser at UBS – looked at the global economy and its impact on the UK. Other sessions included 'Ensuring a Sustainable Future' with contributions from Chris Hills at Rensburg Sheppards, Jonathan Burchfield of Stone King Solicitors, James Codrington of Barings Asset Management and Richard Maitland of Sarasin & Partners.

Our 19th CFDG Annual Fundraising Dinner took place on Wednesday 3rd October 2007 for the first time at the Grosvenor Square Marriott Hotel. The dinner, which was supported by Royal Bank of Scotland (the champagne reception beforehand was supported by Chantrey Vellacott DFK), brought together a record number of 530 guests from both charities and the corporate sector. Our guest speaker was Dr John Low, the newly appointed Chief Executive of the Charities Aid Foundation. The dinner, which all agreed was a huge success, was let down by the cramped reception space area and as a result of this, the 2008 Dinner will be held at the Intercontinental Hotel, Park Lane.

As well as our current Introduction to Charity Finance and Investment Training for Trustees courses (hosted and run by BDO Stoy Hayward and Sarasin & Partners respectively), we were delighted to add two one-off training events "Charity Trading and Taxation" to our training portfolio this year. The aim of this training day, which brought together speakers from the HMRC, The Charity Commission, Pesh Framjee and the not for profit team from Deloitte, was to identify and discuss the best practice for dealing with issues relating to charity trading.

In direct response to emerging issues, CFDG held two breakfast seminars in July 2007. The first seminar, held in Deloitte's offices, covered the topical subject, Terrorism and the second, held at Rensburg Sheppards, dealt with Gift Aid and attracted over 50 members.

Performance against plan

We planned to increase overall attendance at our training courses and educational events by 7%. Our target was for 2,890 delegates during the year and we achieved 3,334 which is a 15% improvement on the previous year.

In particular we aimed to increase the scope and attendance at our Annual Conference by adding a fifth stream and increasing the number of delegates by at least 10%. We added the fifth stream which was well received and will now be a regular part of our Annual Conference. We achieved a 25% increase in attendance.

We hoped to implement the on-line booking system and achieve 50% bookings on it by 31/03/08. The decision was taken to postpone the implementation of the upgraded on-line booking system following a decision to implement a new Customer Relations Management System (CRM) in 2008/9.

We planned to hold an event to mark our 20th anniversary in February 2008 and to use this landmark to raise our profile in the sector. Our 20th Anniversary reception was held at St Paul's Cathedral, Wednesday 27th February 2008. With a guest list of over 220 supporters, members and corporate subscribers of CFDG coming together to celebrate CFDG's continued success in this impressive and elegant venue, all agreed it was a memorable and hugely enjoyable evening. Our guest speaker for the evening was the Minister for the Third Sector, Phil Hope and the occasion was used to launch CFDG's publication, the Role of the Charity Finance Director. It was kindly supported by Anglo Irish Bank, PS Financials and Horwath Clark Whitehill.

Policy

One of our key achievements this year was to see our calls for transitional relief on Gift Aid answered in the 2008 Budget. Transitional relief is something that both CFDG and the Charity Tax Group (CTG) have been working hard to achieve since the cut in the basic rate was announced in last year's Budget. We were delighted that the Government announced three years' transitional relief at 22% worth £300 million to the sector.

CFDG made a submission of fourteen demands to HM Treasury this year in advance of the Budget. One of our demands (concerning the need to consult the sector on substantial donors) was implemented in the 2008 Budget.

The Government launched a sector wide consultation on Gift Aid over the summer. CFDG was delighted to work with a coalition of umbrella bodies including Acevo, CTG, The Institute of Fundraising, National Church Institutions and NCVO to put forward a proposal for an accounts-based method. This method allows a charity to base Gift Aid on total voluntary income as recorded in the independently examined or audited accounts. This collaboration with other sector bodies on key policy issues affecting the sector is a positive step forward and we hope to explore future opportunities as they arise. CFDG also put forward its own comprehensive response to the consultation based on extensive engagement with members through policy meetings and an online survey. We

CHARITY FINANCE DIRECTORS' GROUP

were pleased to see that government listened to our recommendations particularly those regarding the administrative burden and the difficulties faced in HMRC audits.

Over the last year CFDG has sought to increase its engagement with members on policy issues. CFDG held two breakfast meetings on policy topics to help shape our response to the Charities and Terrorism consultation and the Gift Aid consultation. These breakfast meetings were well attended and ensured a high quality response that fully reflected the views of our members. We will be repeating these for future consultations where appropriate. In addition we set up an online policy discussion group that allows members to discuss and exchange views on a wide variety of current and emerging issues. In time, we hope that the group will inform CFDG's policy stances through engaged debate and members' first hand knowledge and experience of the sector. A policy and campaigns briefing is now provided at all members meetings where appropriate.

Due to the increased policy activity that CFDG has undertaken during the year we were able to increase our resources in this area and recruit a Policy and Campaigns Officer, Kate Hand, in October 2007.

We have greatly extended our media coverage over the last year and this is in part due to development of a media strategy which has formed a framework for how we approach our media activity. We have been featured in the main charity publications as well as The Times, The Metro and Accountancy Age. In addition, CFDG now contributes a regular column to Caritas magazine.

Performance against plan

We planned to carry out a campaign on an issue central to CFDG members which results in ministerial support. Our campaigns on both transitional relief and gift-aid had considerable success.

We planned to enhance CFDG's reputation within government, so that government consistently consults CFDG on financial issues impacting on the sector. Whilst we have had success at getting our voice heard in government it would be fair to say that we are still struggling to be 'consistently consulted'. This remains a goal in 2008/9.

We planned that the implementation of our media strategy would result in 100 mentions in the press during the year. We were very successful at raising our profile in the media (commented on by many members) and ended up with 116 mentions.

Best practice

In January 2008 CFDG launched the first of a series of 12 'Made Simple' guides, produced exclusively for CFDG members by Sayer Vincent. To date they have covered reserves policies, risk assessment and trading, subsidiaries and VAT.

In February CFDG launched a publication to coincide with its 20th anniversary celebrations. Entitled 'The Role of the Finance Director' the book looks at the changing role of the Finance Director over the last 20 years. This was kindly supported by Grant Thornton and Royal Bank of Scotland.

In April this year CFDG launched its latest good practice guide entitled "The 2008 Charity Pension Maze". Produced in association with Barclays, this guide identifies pensions as a significant area of risk management for charities and reveals the need to act now to address pension scheme issues in order to meet the challenges created by a less stable economic environment and continuing regulatory change. This publication is an essential guide for any charity Trustee, finance director or pension scheme Trustee. "The 2008 Charity Pension Maze" was launched at a special members' meeting at Barclays headquarters in Canary Wharf and was attended by over 100 CFDG members.

Agenda Consulting, in partnership with CFDG, runs the Finance Count™ benchmarking study. Finance Count™ is a financial management benchmarking tool tailored specifically to the needs of the UK voluntary sector. The results of the Finance Count™ 2007 were launched in April and were well received by the sector. In future this will be an annual benchmarking study with a series of workshops supporting it during the year.

In September 2007 we published our sixth Charities Risk Survey along with PKF, entitled 'Managing risk – Protecting your assets'. The questionnaire had been sent out over the summer and we received our largest number of responses so far with 402 – a 29% increase on the previous year. This year we looked at risks around protection of the different types of assets held; these being human, financial, physical, data/technology and reputational assets.

Throughout the year help lines for members-only access were provided by: Deloitte for Accounting and Tax, John Tate for IT, Charles Russell LLP for Legal and JP Morgan Fleming for Investment. In addition many further requests for advice and guidance from members and others were dealt with directly by CFDG during 2007/8. The areas covered by these enquiries ranged from property relocation through to tendering for audit, audit fees, full cost recovery; and reserves policies.

We also provide support for special interest groups: the Overseas Special Interest Group ("OSSIG"), Entry Level Software Special Interest Group ("ELSSIG"), Sage Users Special Interest Group, Regional Discussion Groups and a newly introduced Policy Discussion Group as well as more general networking between members to help them share experience, information and good practice in any area. ELSSIG was particularly successful and gaining the attention of several major accounts software providers and we are currently in talks with three firms to see if more functionally rich accounting software can be made available to smaller charities.

Finally we have implemented a new standalone database for our online document library. This has enabled us to redesign and improve the online search facilities associated with the library in relation to both speed and functionality. It also provided an opportunity to review the existing contents. The database is an innovative online library that seeks to strengthen good practice through the direct sharing of information. The contents of the document library include practical working documents e.g. investment strategies and procurement policies which are currently used by charities, as well as professional guidance and advice provided by firms who subscribe to the CFDG.

CHARITY FINANCE DIRECTORS' GROUP

Performance against plan

Our plan for the year included the production of two publications building on current best practice in the sector. We published 'Know Your Cost-Base', supported by Haysmacintyre which was well-received by our members and the wider sector. All members received a free copy and we sold almost 200 more. To coincide with our 20th anniversary we also published 'The Role of the Charity Finance Director'.

We planned to continue to develop the website as a tool to facilitate communication with members and non-members. And as a measure of increased use of the site we planned a minimum of 60,500 document downloads. We actually achieved over 97,000 document downloads during the year.

Other activities

Currently all of CFDG's fundraising income is generated by the Annual Fundraising Dinner. A combination of excellent table sales and a well-priced venue for the Dinner in October 2007 resulted in an increased surplus from the forecast figure of £58,000 to £73,000. The opportunity to increase income from this activity was identified in last year's Report.

CFDG's trading income came largely from adverts taken in our monthly mailing with a small but growing group of affinity deals also beginning to make a contribution.

We took 42 job adverts and other advertisements in the monthly Newsletter, which brought in £10,506 an increase of 20% on the previous year. Following an internal review in November 2007 the viability of establishing a web-based service and increasing the level of recruitment advertising has been completed. CFDG is now running a web service for membership recruitment advertising, and further work is being carried out on pricing and potential volumes for generating advertising income from the wider charity sector.

An arrangement was reached, from September 2007, with corporate Subscriber BusinessHR to provide CFDG members with specially discounted access to their online and telephone Human Resources advice and information services. By the end of the year, 13 member charities had taken this up, resulting in £195 income to CFDG.

Performance against plan

One of the five aims of our new strategic plan is to "engage in activities to generate net income and widen the range of services to members". Previously the only activity that fell within this category was the recruitment adverts in our monthly mailing. During the year we planned to develop this area. We launched two affinity deals that will both bring in funds for CFDG whilst offering valuable services to our members. The BusinessHR deal meant that members could get access to a one-stop HR resource at only 25% of the normal price whilst CFDG receives a £15 premium every year that each of our members subscribes.

CHARITY FINANCE DIRECTORS' GROUP

The CODAL charity insurance product was developed by Thomas Miller with advice from CFDG, it aims to provide a cost-effective and comprehensive package for small to medium-sized charities and CFDG receives 2% of all premiums.

Our KPI for other activities was to raise £74,500 in surplus from the Annual Dinner and other income-generating activities. We ended up raising £83,500, thus exceeding our target by 12%. This income was used in support of our unrestricted programme.

Valuing volunteers

It is obvious from the preceding sections of our report that the part played by volunteers in achieving our objectives is huge. In keeping with recommended practice we have made an estimate of the number of hours that members and subscribers give to us free of charge during the year. We rely on numerous speakers at our members' meetings and conferences as well as trainers for our courses such as Introduction to Charity Finance, Investment Training for Trustees. CFDG also has many committees covering its policy, education, regional work etc. Without the many volunteers that serve on these committees and manage our helplines we would not be able to carry out the wide variety of work that our members have come to rely on. We have not put a value on the many hours work that our volunteers give us but if we were to value them at £59 per hour (2007: £57) the total would come to £154,000 (2007: £137,000). Considering that the vast majority of our volunteers are finance professionals this would not be an unreasonable hourly rate.

	2008	2007
	hours	hours
Member services	945	782
Professional development	413	535
Policy	355	330
Best practice	270	40
Governance	477	636
Support	150	80
Total	2,610	2,403

Plans for 2008 and beyond

Member services

The priority for 2008/09 is to maintain the momentum of membership growth. We plan to grow our charity membership by 7% to 1,560 members. This will be achieved through the development of direct member recruitment, but also through the effective retention of existing members. Recruitment and retention materials, mechanisms and media will be reviewed and developed in the coming year. We will pilot special introductory meetings for new members to take place immediately before members' meetings at least twice during the year. As part of this growth we aim to continue to increase the balance of membership outside of London and the SE.

One of our major projects for the coming year is to implement a CRM. This will involve not only the selection and implementation of a CRM software package but also the modification of all our internal processes to accommodate this new focus. We plan to have the software in place by the end of 2008 and to have bedded in all CRM-focussed procedures by March 2009.

Professional development

The Professional Development Strategy is due for completion in December 2008. The work in progress and final Strategy will be used to shape and focus the longer term role of training, events and conferences within the broader remit of improving services to members.

This year, we will once again aim to increase attendance at our training courses and educational events by 7% (from 3,334 to 3,567) and attendance at our annual conference by 7%.

We will hold our first conference outside London in June 2008 in Manchester and we plan to attract at least 100 delegates. If this conference is successful we will plan further such events for 2009 and beyond.

We have decided to trial a training course for finance professionals new to the sector. 'Understanding the Voluntary Sector' will be a one-day training course that aims to provide an overview of the sector with specific emphasis on finance. We have approached our subscribers to partner us in running this course and are in the process of selecting a firm of accountants as well as a firm of lawyers. We envisage the course will be run quarterly but with flexibility to respond to the level of demand.

Policy

Our KPI for policy is to increase media mentions by at least 10% on last year's actual to 127.

We will implement a media action plan for 2008/09 that seeks to address the recommendations resulting from our media audit and our marketing strategy. This includes work to extend our media coverage beyond the main titles in the voluntary sector and reviewing our media partnering arrangements for conferences.

We have started to implement our Policy and Campaigns strategy in an ad hoc fashion but have now developed a work plan for the year ahead and will extend membership of the Public Affairs Committee to support this work.

As part of our Policy and Campaigns strategy we have identified a list of key people in government and the sector that we need to engage with and will start to develop these relations with help and support from our Public Affairs Committee.

We will continue to work in collaboration with the Gift Aid coalition charities and HM Treasury to increase take up of Gift Aid amongst charities and to develop other proposals contained in our response to the Gift Aid consultation.

Best practice

Once again one of our main KPIs will be the measure of how many documents were downloaded from our website. This shows how well-used our document library is and is also a measure of how many members regularly go to the website as a first point of contact with CFDG. In 2008/9 we plan to exceed the actual for the previous year by 10% with 107,000 document downloads.

In April 2008 we launched 'The 2008 Charity Pensions Maze'. This guide builds on our previous highly regarded 'Charity Pensions Maze' published in 2004, taking an in depth look at the current issues around pensions and their implications for charities.

We will be undertaking two best practice projects on the areas of environmental reporting and responsible investment. Both are topical areas that have recently garnered much attention and there is a clear role for the Finance Director in promoting and showcasing best practice.

We are developing relations with the CASS business school to see what potential there is to boost our research capacity through their MSc students taking on research that we put forward as dissertation topics.

We intend to repeat all three of our successful best practice projects, namely the Risk Survey in association with PKF; the Finance Count™ benchmarking project with Agenda Consulting and the Salary Survey with Hays.

We will carry out a review of the help lines during 2008/09 with a view to strengthening and extending this member service.

CHARITY FINANCE DIRECTORS' GROUP

Other activities

Exploration of the opportunities available to CFDG to increase income by engaging in activities to generate net income and widen the range of services to members was identified in last year's Report. The review and development of a new business strategy is scheduled for completion during the second quarter of 2008/9.

CFDG has a strong visual identity that in the main is used well and consistently on our core communications. However, there is some work to do to ensure consistency and clarity in relation to our brand identity - how we describe the charity we are, and the way we describe the work we do. This work is scheduled for completion during the first six months of 2008/9.

Organisational targets

We will work as a staff team on developing the organisational culture so that we embed a transparent and inclusive ethic such that all staff feel encouraged to participate fully in the growth and development of CFDG.

As part of our monthly reporting process we have selected five KPIs that are the basic indicators of the organisation's performance. These are:

<i>Strategic Aim</i>	<i>Measure</i>	<i>2008</i>		<i>2009</i>	<i>Comment</i>
		<i>Target</i>	<i>Actual</i>	<i>Target</i>	
Membership Services	Membership	1,354	1,458	1,560	As per strategic plan, aiming for 1,800 by 2011.
Professional Development	Attendance at events	2,890	3,334	3,550	Previous year plus 7%
Policy	Media mentions	100	116	127	Last year plus 10%
Best Practice	Downloads from the website	60,500	97,000	107,000	Previous year plus 10%
Other activities	Surplus	74,500	83,595	£86,058	As per operational plan.

Review of financial position

In our budget for 2007/8 we anticipated a deficit of £40,000 on unrestricted funds; in the end we achieved a surplus of £91,000. This was largely due to the significant increase in number of exhibition stands and delegates at the Annual Conference and to reduced costs for the Annual Fundraising Dinner, increased numbers of new members and subscribers and much improved interest on our deposit accounts. We also reduced expenditure on salaries by not recruiting new staff as early in the year as planned. During 2007/8, excluding donated services, overall expenditure increased by nearly 19% whilst net incoming resources increased by 25% compared to 2006/7.

Our key areas of income are membership fees, events, training, and policy. Membership income increased from £418,370 in 2007 to £474,327 in 2008. This 13% increase was due to our considerable success at recruitment of both charity members and subscribers. Although almost half of our income comes from membership fees it is essential for future growth to diversify income sources and develop reliable income streams. This was the second year of our £60,000 grant from the Charities Aid Foundation Collaborative Fund over three years from 2006 to 2008. We have used the second tranche of £20,000 to take forward our regional development. CAF also provided us with £4,000-worth of consultancy which we used to look at potential methods for funding our professional development strategy. Over half of our income comes directly from our corporate subscribers in the form of annual fees, sponsorship, exhibition stands and the in-kind donation of venues, refreshments and time. Without this significant support we would not be able to provide the wide range of cost effective services that our members have come to expect.

The increase in expenditure from unrestricted funds (again, excluding donated services) was 48%, compared to a 41% growth in unrestricted income. Increase in costs is due in part to direct service provision (particularly increased costs of conferences) but also increased salaries and premises costs and an increase in unrecoverable VAT. Employee related costs rose from £6,390 last year to £17,215. This was due to the very low recruitment costs last year. This year we recruited two posts where staff had left and two new posts.

The restricted fund is made up only of the ongoing depreciation of fixed assets on the CRN project. During the year this fund was finally fully depreciated so we had no restricted funds to carry forward. The unrestricted general fund ended the year down from £284,769 to £198,330 following designations. Our reserves target is £150,000 but we have agreed a three year budget to March 2011 which will bring our reserves back down to the agreed level.

All staff are directly engaged in activities in furtherance of the objects of CFDG and their cost has been allocated accordingly. Governance costs – which include an allowance for the value of donated venues and refreshments – decreased by 32%. This was the result the legal advice we needed last year for the changes to the Memorandum and Articles of Association. We also allocated less staff time to governance as we were no longer engaged in the revision. We had fewer in kind donated resources for governance as we have now moved all our Trustees meetings to our offices at London Bridge. The cost of generating funds relates solely to putting on our Annual Fundraising Dinner, which raised £112,050 in support of our unrestricted programme.

CHARITY FINANCE DIRECTORS' GROUP

Structure, governance and management

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. The governing document is the Memorandum and Articles of Association of the company and members of the Board of Trustees are the Directors of the company.

Only 7 out of the 10 Board Members need to be CFDG members, allowing 3 non-members to be co-opted as Trustees. This move aims to reflect the wider variety of skills such as marketing, communications and media, which are essential to the delivery of CFDG's current strategic plan.

Trustees serve for a term of three years and may be appointed to serve for one further term. Appointment of the 7 'member' Trustees is by election at the September Members' Meeting, postal ballots are conducted when necessary. The three 'non-member' Trustees are selected by an open and transparent process of advertising and interview by the Trustees. The Chair and Officers are appointed by the Trustees from among their number. The Board convenes four times each year and holds an additional strategic planning day. We also have Pesh Framjee of Deloitte as our Special Adviser and John Tate who is our IT Adviser. The supporting committees included at least one Trustee as follows:

Finance	Tom Sterry MBE and Phil Brown
Nominations	Charles Nall, Melvin Coleman and Fiona Young
Remuneration	Charles Nall, Melvin Coleman and Tom Sterry MBE
Public Affairs	Charles Nall and Melvin Coleman
Marketing	Roger Chester and Rohan Hewavisenti
Education	Fiona Young and Rohan Hewavisenti
Information Technology	Phil Brown and Roger Chester

Each Committee has its own Terms of Reference and their reports are a standing agenda item for the full Board meetings. The Board also receives a report from the Chief Executive, which covers each of our five main work activities, as described earlier in this report. Other committees and working groups are set up as needed to support and inform the staff team; we are very grateful to all those who have helped us to develop our work and influence. During the year the Board agreed to have three standing committees – Finance, Nominations and Remuneration – and Support Groups for each of the strategic aims plus IT. We will transfer to this structure during 2008/9.

Since incorporation in 1996 the number of charities with a CFDG member has increased from 493 charities to 1,151 and there are now four regional membership groups. The three outside of London and the South-East are constituted as Branches under the Articles of Association and have their own steering committees.

On appointment each Trustee signs a code of conduct and completes a register of interests. The latter is renewed annually. They are given a Trustee Handbook that includes the Memorandum and Articles of Association, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, and conflict of interest and other guidance. It contains job descriptions for Trustees, officers and staff. New Trustees meet with the Chair and Chief Executive and undertake an induction process. According to their skills

CHARITY FINANCE DIRECTORS' GROUP

and aptitude they take responsibility for at least one activity area by appointment to a committee (in future to a support group or committee). We are fortunate that as seven of the ten Trustees are charity finance directors, their training needs are met by their employers.

CFDG Trustees have delegated management of CFDG to the Chief Executive who reports on the performance against the Strategic and Operational Plans approved by the Trustees. The Deputy Chief Executive reports, via the Treasurer and Finance Committee, on the financial position, including out-turn against budget. Management Accounts are received quarterly by the Board and monthly by the Finance Committee.

Trustee attendance register

	Board		Other committees	
	Attended	Total	Attended	Total
Charles Nall (Chair)	6	6	6	6
Melvin Coleman (Vice Chair)	6	6	4	6
Tom Sterry MBE (Treasurer)	4	6	6	6
Paul Breckell (until 06/09/07)	3	3	2	2
Phil Brown	4	6	5	6
Roger Chester	5	6	10	14
Rohan Hewavisenti	6	6	1	4
Stephen Mahon (until 06/09/07)	2	3	4	4
Geoffrey Wheeler (until 06/09/07)	2	3	1	2
Fiona Young	5	6	6	6

Membership of CFDG

The Trustees are members of the Company. Full members of CFDG are the people employed by a Charity with responsibility for financial management. If another person joins from the same charity they are termed "Secondary Members", pay a lower, or no, subscription but have the same rights and services. Other classes of member are Associates and Honorary.

Subscribers of CFDG are individuals working for professional or commercial suppliers who are active in charity finance and other related matters. They are essential for the work of CFDG and we value their support enormously. They are not members of the company and their number may not exceed 10 per cent of the number of members. Full details of membership are always available on our website, and application forms can be downloaded.

Risk assessment

The Board of Trustees has reviewed during the year an assessment of the risks to which the charity is exposed. The review looked at the key risks around CFDG's ability to deliver its strategy, reviewed current controls and identified a number of areas where controls could be strengthened.

Firstly, there is a need to enhance the efficiency of CFDG's computer systems to enable development to be accelerated. Improving the charity's customer relationship management system during 2008/9 will address this. Secondly, the charity is not yet operating at a National level, which could lead to CFDG not achieving its membership and revenue potential. Whilst considerable strides have been made in recent years, the charity is continuing to develop its membership and services outside London so that it can truly be said to be

CHARITY FINANCE DIRECTORS' GROUP

working at a National level. Thirdly, CFDG needs to communicate more effectively with its members, as a failure to do so inhibits its ability to identify new and emerging issues and lead on responses and solutions. This will be addressed by a complete review of communication channels with our members, which was started in 2008 and will be completed after the new CRM system is in place.

Finally, loss of knowledge makes life difficult in a small organisation when people leave, therefore the management systems for capturing and retaining this knowledge will be developed. During 2008/9 we will start working on this and it will be completed in 2009/10 once the new CRM system is in place. The Chief Executive has been tasked with delivering and implementing plans to strengthen these areas over the next three years and an Operational Plan has been agreed with the board to take these areas forward.

Management and staffing

The Chief Executive has responsibility for planning and developing the services and strategies for CFDG within clear policies and protocols set by the Trustees. The Chief Executive ensures that the staff team is recruited and supported to provide the skills and expertise needed to run a successful organisation and that the values of CFDG are observed.

The Deputy Chief Executive has operational responsibility for major projects, subscribers and large charity members and has particular responsibility for the IT systems used by CFDG. He also has responsibility for Finance and runs our accounting systems. He has line-management responsibility for the part-time bookkeeper and for the new post of Office Administrator which was filled by Elisha Odera in November 2007.

The Membership and Information Team is led by Mike Dykes who is supported by Margaret Waterfield. Responsibility for the membership database and Charities Resource Network (CRN) rests with the Membership and Information Team, with Tom Steel as Website and Information Officer until October 2007 when he moved on and was replaced by Chris Hall.

The Events team is led by Laura James, supported by Francesca Barbieri, who took over from Charlotte Giles as Conferences and Events Co-ordinator and Bex Falkingham-Rushton as Training and Events Administrator. The Policy and Campaigns Manager Ernese Skinner works closely with Keith Hickey to handle the increasing amount of policy and campaigning activity. She was joined this year by Kate Hand (Policy and Campaigns Officer).

During the year Lindsay Derry expanded her role from that of The Regional Development Manager (three days a week) to Marketing and New Business Manager (full-time). She retains responsibility for developing CFDG membership and services outside of London but also takes on responsibility for marketing and commercial activities.

Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The Trustees have confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Reserves policy

During the year the Trustees have reviewed the Reserves Policy and have re-examined CFDG's requirements for general reserves in the light of the predominant risks to the organisation and its working capital requirements. The major risk is loss of reputation, causing falling membership income, and loss of corporate support along with reduced margins on key events, for example the Annual Conference and the Annual Fundraising Dinner. In this light they have set a target of £150,000, based on the agreed budget for 2008/9. Total general reserves at 31 March 2008 were £198,330 (2007: £284,769). The Trustees have agreed a three year-plan to invest the surplus of free reserves in new initiatives to improve services to members.

Designated funds are amounts set aside by the Trustees for a particular project or use. Within the Operational plan for the three years until 31 March 2011 the Trustees have set aside designated funds of £177,425 to cover three projects; the development and implementation of a new CRM (£82,425); the development and updating of the Charity Resource Network (£45,000), and; the development of a strategy for professional development (£50,000).

Investment policy

CFDG receives income on an annual basis through membership subscriptions, sponsorship, grants and other sources. It plans activities over a three to five year time horizon and budgets to expend all anticipated income, except for retaining a prudent amount in reserves. It has no permanent endowment and

CHARITY FINANCE DIRECTORS' GROUP

provides for capital expenditure within the budget. The only funds of CFDG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period.

Consequently the Board of Trustees does not consider that it is prudent to invest income for the longer term. Its policy for investment is therefore to retain funds as cash and place them on bank deposit at the best rate obtainable. As a result it considers that it is not appropriate for CFDG to adopt an ethical investment policy.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

CFDG's charitable purpose is enshrined in its objects 'to advance public education in and promote improved standards of management in charities'. The Trustees ensure that this purpose is carried out for the public benefit by delivering services that are valued by our members and enable those with financial responsibility in the charity sector to develop and adopt best practice, (our mission) thereby promoting a transparent and efficiently managed charity sector that engenders public confidence and trust. Membership is open to people employed by a charity with responsibility for financial management.

These services cover our five strategic aims; membership services, professional development, policy, best practice and other activities. Many of these services are open to all, for example training courses, conferences and publications and our policy and campaigning work will also benefit everyone. Our membership fees reflect the size of the members' organisation and the costs of providing the services given. Any charges for our training courses and conferences are kept low thanks to the kind support received from our corporate subscribers.

The structure of the Trustees Annual Report allows us to report on each of our five strategic aims and explain CFDG's activities and achievements during the year and our plans for 2008/9 within each of these areas.

Through supporting those in the charity sector with financial responsibility in this way we are able to help all charities to maximise the use of their resources and make a greater impact for all their beneficiaries.

Appointment of auditors

A resolution for the appointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD OF TRUSTEES



Charles Nall
Chair
3 June 2008

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 2008 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees (who are also the directors of the charitable company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

R Funnell

London, UK
3 June 2008

PKF (UK) LLP
Registered auditors

CHARITY FINANCE DIRECTORS' GROUP

Statement of Financial Activities for the year ended 31 March 2008

(Incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income:					
Grants		24,000	-	24,000	20,000
Activities for generating funds:					
Annual Fundraising Dinner		112,050	-	112,050	94,900
Investment income:					
Bank interest		34,981	-	34,981	15,275
<i>Incoming resources from charitable activities</i>					
Membership subscriptions		474,327	-	474,327	418,370
Member services		48,000	-	48,000	32,810
Professional development		291,589	-	291,589	241,413
Policy		21,410	-	21,410	6,095
Best practice		42,563	-	42,563	14,107
Other activity		10,701	-	10,701	8,910
<i>Other incoming resources</i>		2,025	-	2,025	8,650
Total incoming resources		<u>1,061,646</u>	<u>-</u>	<u>1,061,646</u>	<u>860,530</u>
Resources expended					
<i>Cost of generating funds</i>		48,901	-	48,901	50,801
<i>Charitable activities</i>					
Member services		303,611	2,083	305,694	232,599
Professional development		325,717	-	325,717	300,600
Policy		136,484	-	136,484	103,078
Best practice		97,286	-	97,286	54,575
Other activity		18,591	-	18,591	29,033
<i>Governance costs</i>		40,070	-	40,070	58,873
Total resources expended	2	<u>970,660</u>	<u>2,083</u>	<u>972,743</u>	<u>829,559</u>
Net incoming/(outgoing) resources /	3	<u>90,986</u>	<u>(2,083)</u>	<u>88,903</u>	<u>30,971</u>
Net income/(expenditure)					
Net movement in funds		<u>90,986</u>	<u>(2,083)</u>	<u>88,903</u>	<u>30,971</u>
Total funds brought forward at 1 April		284,769	2,083	286,852	255,881
Total funds carried forward at 31 March	8	<u>375,755</u>	<u>-</u>	<u>375,755</u>	<u>286,852</u>

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.

For Companies Act purposes, total income is £984,446 (2007: £786,480) and total expenditure is £895,543 (2007: £755,509), which is total incoming resources and total resources expended as shown above, both net of gifts in kind of £77,200 (2007: £74,050). All the above amounts relate to continuing activities.

Voluntary income during the year was £24,000, (2007: £20,000), this was entirely made up of a grant from the CAF Collaborative Fund.

The notes on pages 24 to 28 form part of these accounts.

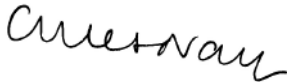
Balance sheet

As at 31 March 2008

	Note	2008 £	2007 £
Fixed Assets			
Tangible assets	5	<u>11,610</u>	<u>19,900</u>
Current Assets			
Debtors	6	349,501	208,664
Short term deposits		520,478	478,933
Cash at bank and in hand		<u>56,350</u>	<u>43,644</u>
		926,329	731,241
Liabilities			
Creditors: amounts falling due within one year	7	(562,184)	(464,289)
		<u>364,145</u>	<u>266,952</u>
Net current assets			
		<u>375,755</u>	<u>286,852</u>
Total assets less current liabilities			
	9	<u><u>375,755</u></u>	<u><u>286,852</u></u>
Funds			
	8		
Unrestricted funds			
Designated		177,425	-
General reserves		<u>198,330</u>	<u>284,769</u>
		375,755	284,769
Restricted funds			
		-	2,083
		<u>375,755</u>	<u>286,852</u>

The notes on pages 24 to 28 form part of these accounts.

The accounts were approved and authorised for issue by the Board of Trustees on 3 June 2008 and signed on their behalf by:



Charles Nall
Chair



Tom Sterry MBE
Treasurer

Notes to the financial statements

For the year ended 31 March 2008

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 comply with the Companies Act 1985. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities: Statement of recommended practice", published in March 2005 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.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees for particular purposes (see note 8).

Restricted income funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal.

c) Incoming resources

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

Donated facilities are included at the value to CFDG, as described in note 3b. Although SORP 2005 recommends that the value of donated facilities is included in voluntary income, they are included under the relevant category of income for charitable activities because CFDG considers this gives a fairer presentation.

d) Members' subscriptions and events & conferences

Subscriptions and events income 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 deferred subscriptions income, it is accrued in line with the benefits received.

e) Pension policy

CFDG operates a pensions policy in compliance with the Stakeholder pension requirements. CFDG pays twice the percentage that the employee contributes up to a maximum of 10%. CFDG employees who contribute to a pension scheme are either members of the CIS Stakeholder Pension Scheme or of The Pensions Trust Growth Plan (see note 10).

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 activity. 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 directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of time spent.

Governance costs include the costs of governance arrangements which relate to the general running of the charity. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.

Cost of generating funds is the cost of the Annual Fundraising Dinner and covers direct expenditure on the dinner together with the appropriate allocation of staff and support costs.

g) Fixed assets

Assets with a cost in excess of £2,000 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 at 25% of cost *per annum*, so as to write them off over their expected useful lives.

Notes to the financial statements

For the year ended 31 March 2008

2 Resources expended

a) Analysis of total resources expended	Staff costs	Support costs	Other direct costs	Total 2008	Total 2007
	£	£	£	£	£
Unrestricted funds					
Cost of generating funds	8,986	2,959	36,956	48,901	50,801
Charitable activities					
Member services	130,542	42,991	130,078	303,611	220,099
Professional development	141,947	46,747	137,023	325,717	300,600
Policy	83,896	27,630	24,958	136,484	103,078
Best practice	38,523	12,687	46,076	97,286	54,575
Other activity	13,985	4,606	-	18,591	29,033
Governance	15,781	5,197	19,092	40,070	58,873
Total unrestricted resources expended	<u>433,660</u>	<u>142,817</u>	<u>394,183</u>	<u>970,660</u>	<u>817,059</u>
Restricted funds					
Charitable expenditure					
Member services	-	2,083	-	2,083	12,500
Total restricted resources expended	<u>-</u>	<u>2,083</u>	<u>-</u>	<u>2,083</u>	<u>12,500</u>
Total resources expended	<u>433,660</u>	<u>144,900</u>	<u>394,183</u>	<u>972,743</u>	
<i>Total resources expended 2007</i>	<u>396,694</u>	<u>133,303</u>	<u>299,562</u>	<u>829,559</u>	

Within all charitable activities rows of the 'Other direct costs' column there are costs of £77,200 (2007: £74,050) relating to services donated to CFDG that were not incurred by CFDG. (See note 3b.) Had the services not been donated CFDG would have incurred this cost.

b) Analysis of support costs

1. Analysis of support costs: summary	Total Charitable activity	Generating funds	Governance	Total 2008	Total 2007	
	£	£	£	£	£	
Unrestricted funds						
Employee-related costs	17,215	378	664	18,257	6,390	
Premises	55,473	1,219	2,141	58,833	47,792	
Communications & IT	14,490	318	559	15,367	15,258	
Postage & printing	12,595	277	486	13,358	14,999	
Financial costs	29,037	638	1,121	30,796	29,297	
Depreciation	5,851	129	226	6,206	7,067	
Total unrestricted	<u>134,661</u>	<u>2,959</u>	<u>5,197</u>	<u>142,817</u>	<u>120,803</u>	
Restricted funds						
Depreciation	2,083	-	-	2,083	12,500	
Total restricted	<u>2,083</u>	<u>-</u>	<u>-</u>	<u>2,083</u>	<u>12,500</u>	
2. Analysis of support costs: Charitable Activity	Member Services	Professional development	Policy	Best practice	Other activity	Total
	£	£	£	£	£	£
Unrestricted funds						
Employee-related costs	5,496	5,976	3,532	1,622	589	17,215
Premises	17,710	19,258	11,382	5,226	1,897	55,473
Communications & IT	4,626	5,030	2,973	1,365	496	14,490
Postage & printing	4,021	4,372	2,584	1,187	431	12,595
Financial costs	9,270	10,080	5,958	2,736	993	29,037
Depreciation	1,868	2,031	1,201	551	200	5,851
Total unrestricted	<u>42,991</u>	<u>46,747</u>	<u>27,630</u>	<u>12,687</u>	<u>4,606</u>	<u>134,661</u>
Restricted funds						
Depreciation	2,083	-	-	-	-	2,083
Total restricted	<u>2,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,083</u>

All support costs are allocated on the basis of staff time.

Staffing support costs have not been analysed as the majority of CFDG staff work directly on activities and the amount allocatable to support is therefore not material.

CHARITY FINANCE DIRECTORS' GROUP

Notes to the financial statements

For the year ended 31 March 2008

2 Resources expended (continued)

	Total 2008	Total 2007
	£	£
c) Analysis of governance costs		
Legal and professional fees	1,960	4,896
Audit fees	3,600	3,450
Costs of AGM, Trustee travel, recruitment & training	11,532	10,898
Apportionment of staff and support costs	20,978	35,979
Donated resources	2,000	3,650
Total governance costs	<u>40,070</u>	<u>58,873</u>

3 Net incoming/(outgoing) resources

a) **These are stated after charging :**

	2008	2007
	£	£
Auditors' remuneration	3,600	3,450
Depreciation	8,290	19,567
	<u>11,890</u>	<u>23,017</u>

We have been in 1 London Bridge since 2004. In common with all the other organisations sharing the space, we have a licence agreement with Community Action Network which means that our commitment is only three months.

b) **Valuation of donated resources**

Donated facilities are included at the value to CFDG. These are largely made up of meeting venues, audio-visual equipment and refreshments.

	2008	2007
	£	£
Members services	48,000	32,800
Professional development	26,800	37,200
Policy	400	400
Best practice	-	-
Other activities	-	-
Governance	2,000	3,650
Total	<u>77,200</u>	<u>74,050</u>

4 Trustees and employee information

a) **Trustee information**

No remuneration was paid to the Trustees during the year (2007: £Nil). Expenses of £865 for travel was paid to four trustees during the year (2007: £946, five trustees).

b) **Employee information**

	2008	2007
The average number of staff employed during the year was:	<u>10.8</u>	<u>9.8</u>

	2008	2007
	£	£
Employee costs during the year were :		
Salaries	374,967	336,602
Social security	38,359	33,338
Pension	20,334	26,754
	<u>433,660</u>	<u>396,694</u>

The number of employees whose emoluments for the year fell within the following bands were:

	2008	2007
£80,000 to £89,999	<u>1</u>	<u>1</u>

Notes to the financial statements

For the year ended 31 March 2008

5 Tangible fixed assets

	Computers	Database	Total
	£	£	£
Cost			
At 1 April 2007	<u>7,502</u>	<u>74,445</u>	<u>81,947</u>
Depreciation			
At 1 April 2007	7,407	54,640	62,047
Charge for the year	<u>95</u>	<u>8,195</u>	<u>8,290</u>
	<u>7,502</u>	<u>62,835</u>	<u>70,337</u>
Net book value			
At 31 March 2008	<u>-</u>	<u>11,610</u>	<u>11,610</u>
<i>At 31 March 2007</i>	<u>95</u>	<u>19,805</u>	<u>19,900</u>

The above fixed assets are used to support all of CFDG's activities.

6 Debtors

	2008	2007
	£	£
Trade debtors	272,225	145,599
Other debtors	12,438	12,420
Prepayments and accrued income	64,838	50,645
	<u>349,501</u>	<u>208,664</u>

Trade debtors are significantly higher this year largely as a result of differences in timing. The Annual Conference is three weeks earlier in May 2008 and therefore many delegates and exhibitors were invoiced before 31st of March. Also annual subscriber invoices were sent out later in March this year and as a result fewer had been paid by the year-end. We are holding a Northern Conference in June 2008 for the first time so invoices for delegates and exhibitors are also on the balance sheet at year end.

7 Creditors :

Amounts falling due within one year

	2008	2007
	£	£
Deferred subscriptions income	344,632	291,203
Deferred events income	153,899	102,395
Other creditors and accruals	63,653	70,691
	<u>562,184</u>	<u>464,289</u>

Creditors are significantly up on last year. This can be explained by two factors. Firstly members' annual fees have been coming in much faster this year than usual. By the end of March we were 10% ahead of the same time the previous year. Secondly as mentioned above our 2008 Annual Conference being three weeks earlier than last year we had had a significant amount of delegate fee income in by the 31st of March.

CHARITY FINANCE DIRECTORS' GROUP

Notes to the financial statements

For the year ended 31 March 2008

8 Total funds

	Opening balance	Incoming resources	Resources expended	Transfers	Closing balance
	£	£	£	£	£
Unrestricted funds					
Designated funds					
CRM project	-	-	-	82,425	82,425
Online document library	-	-	-	45,000	45,000
Professional development strategy	-	-	-	50,000	50,000
	-	-	-	177,425	177,425
General funds	284,769	1,061,646	(970,660)	(177,425)	198,330
Total unrestricted funds	284,769	1,061,646	(970,660)	-	375,755
Restricted funds	2,083	-	(2,083)	-	-
	286,852	1,061,646	(972,743)	-	375,755

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees for particular purposes. At the year-end they comprise: the CRM project fund which represents funds set aside for the purchase and implementation of a CRM system during 2008/9; The online document library fund which consists of funds set aside for the development of an improved document library which will be put in place once the new CRM system is completed; and the Professional development strategy fund which is set aside to cover the costs of a consultancy to help produce a strategy for our professional development.

9 Analysis of assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<i>Funds balances at 31 March 2008 are represented by:</i>			
Fixed assets	11,610	-	11,610
Debtors	349,501	-	349,501
Deposits and cash at bank	576,828	-	576,828
Creditors	(562,184)	-	(562,184)
	375,755	-	375,755

10 Pensions Trust Growth Plan - Pensions Obligations

Last year CFDG had a contingent liability under this pension plan of £47,539.84; however this year that debt has been reduced to £Nil. The reason for this was explained in a letter from the Pensions Trust of May 2007, which explained: 'The estimated amount of employer debt on withdrawal liability for Charity Finance Directors' Group as at 30 September 2006 has been calculated as nil.... Previously if a member had transferred Series 1 and Series 2 benefits from their former employer, you as the member's current or last employer were allocated the liability of those benefits. We have now refined our data, something that we were not able to do previously, to re-allocate the liability for benefits to the employer with whom they were originally accrued.... If your organisation has a nil debt for the first time this year it is probably as a result of the allocation exercise. This position is unlikely to change in the future.'

11 Capital commitment

At 31st March 2008 there were no capital commitments.

12 Related party transaction

There were no related party transactions during the year. (2007: There were also none.)

Trustees Officers and Advisers

Registered Charity No: 1054914 Company No: 3182826 VAT No: 769375081

Board of Trustees

Charles Nall (Chair)
Melvin Coleman (Vice Chair)
Tom Sterry MBE (Treasurer)
Paul Breckell (until 6th September 2007)
Phil Brown
Roger Chester
Rohan Hewavisenti
Stephen Mahon (until 6th September 2007)
Gill Nunn (from 18th April 2008)
Geoffrey Wheeler (until 6th September 2007)
Fiona Young

Chief Executive and Company Secretary

Keith Hickey

Deputy Chief Executive

David Membrey

Special Adviser

Pesh Framjee

IT Adviser

John Tate

Head Office and Registered Office

3rd Floor, Downstream Building
1 London Bridge
London SE1 9BG
Web site: www.cfdg.org.uk
Tel: 0845 345 3192 Fax: 0845 345 3193

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Bankers

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

Anglo Irish Bank
10 Old Jewry
London
EC2R 8DN

Finance Committee

Tom Sterry MBE (Chair)
Phil Brown
Ray Salmons

Nominations Committee

Charles Nall (Chair)
Melvin Coleman
Fiona Young

Remuneration Committee

Charles Nall (Chair)
Melvin Coleman
Tom Sterry MBE

Public Affairs Committee

Charles Nall (Chair)
Melvin Coleman
John Graham
Mark Salway

Marketing Committee

Roger Chester (Chair)
Rohan Hewavisenti
John Tate
Bonny Young

Education Committee

Fiona Young (Chair)
Rohan Hewavisenti
Pesh Framjee
Chris Harris
Jill Mordaunt
Paul Palmer

IT Committee

John Tate (Chair)
Phil Brown
Roger Chester
David Clayden
David Locke
Michael Price

Solicitors

Russell-Cooke Solicitors
2 Putney Hill
Putney
London SW15 6AB