

# CFDG



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CHARITY FINANCE DIRECTORS' GROUP

( A Charitable Company Limited by Guarantee)

## **Annual Report and Financial Statements**

**31 March 2005**

**Registered Charity No. 1054914**

**Company No. 3182826**

# **THE CHARITY FINANCE DIRECTORS' GROUP**

**Registered Charity Number 1054914**

## **Our Objectives**

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**

We have adopted the following strategic aims to take us forward from 2005 to 2008:

- We will ensure that legislation and regulation is informed in relation to the impact of change and the burden of bureaucracy on charities.
- We will raise standards by developing and promoting best practice in the management of charities – through training, information and publications.
- We will maximise the impact of CFDG's voice by collaborating with other organisations and governments, nationally and internationally, to explain publicly the economic realities of running a charity.
- We will give CFDG a strong voice by having a growing and active membership throughout England and Wales.
- We will ensure CFDG remains a sustainable organisation.

## **The Charity Finance Directors' Group**

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# **Charity Finance Directors' Group**

## **Annual Report and Financial Statements**

*For the year ending 31 March 2005*

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## Report of the Board of Trustees for the year ending 31 March 2005 (incorporating the Directors' report)

The Board presents the report and financial statements of the Charity Finance Directors' Group for the year ended 31 March 2005. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). 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. 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.

### Structure, Governance and Management

The full complement of Trustees is ten, although from December there has been a vacancy on the Board. Trustees serve for a term of three years and may be appointed to serve for one further term. Appointment is by election at the Annual General Meeting, which takes place in September each year, and postal ballots are conducted when necessary. All Trustees must be members of CFDG and the members are invited to nominate people to serve. Prior to inviting nominations the Trustees review their skills audit to try to attract members with the relevant experience and skills to the Board. The Chair and Officers are appointed by the Trustees from among their number. The Board convenes five times each year and holds an additional strategic planning day.

Because all CFDG members are finance specialists it can be difficult to get some of the skills we need so we have set up committees to advise and support us on some aspects of our work. We also have Pesh Framjee of Deloitte as our Special Adviser and John Tate who is our IT Adviser. The supporting committees include at least one Trustee as follows:

- |                          |                                 |
|--------------------------|---------------------------------|
| • Finance                | Tom Sterry and Helen Verney     |
| • Public Affairs         | Keith Hickey and Melvin Coleman |
| • Marketing              | Alan Sharpe and Helen Verney    |
| • Education              | Geoffrey Wheeler                |
| • Information Technology | Steve Mahon                     |

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 reports from each of our four main work areas, as described later in this report. Other committees and working groups are set up as needed to support and inform staff and these include the Policy Development Working Group chaired by Claire Newton of Marie Curie Cancer Care and the Technical Accounting Group chaired by Fiona Young of Crisis. We are very grateful to them and all those who have helped us to develop our work and influence.

Since incorporation in 1996 the number of charities with a CFDG member has increased from 493 charities to 879 and there are now three regional membership groups. Each of these is constituted as a Branch under the Articles of Association and has its own steering committee. The Trustees are undertaking a governance review in 2005 to make sure that the structure, procedures and protocols are appropriate for a charity of this size and activity.

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, risk register, policies and procedures on issues such as delegation of authority, recruitment, equal opportunities, investment, reserves and conflict of interest and other guidance. It contains job descriptions for Trustees, officers and staff and a copy of Charity Commission leaflet CC3. New trustees meet with the Chair and Chief Executive and are invited to an induction tour of the office. According to their skills and aptitude they take responsibility for at least one activity area by appointment to a committee. Training needs are assessed and met.

## CHARITY FINANCE DIRECTORS' GROUP

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 outturn against budget. Management Accounts are received quarterly by the Board and monthly by the Finance Committee.

### *Membership of CFDG*

Full members of CFDG are the people employed by the Charity with responsibility for financial management. They are also members of the Company and have full voting rights. 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 Charities Resource Network (CRN) members who are not members of the Company.

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 voting 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, particularly business, operational and financial risks, and introduced procedures and reporting regimes to manage and reduce the identified risks. Trustees have agreed clear lines of delegation and authority to staff and have involved staff in recognition of risk in all their activities.

Although the success of the regional groups has demonstrated there is a demand for CFDG services outside the Home Counties the Trustees have recognised as a prime risk the lack of long-term strategy and ongoing staff support to develop the regions. Consequently the highest priority in 2005 is to recruit a Regional Development Officer to devise and consolidate plans for regional work, particularly in collaboration with other voluntary and community sector bodies.

Financial viability is essential if CFDG is to develop and insufficient income generation is a significant risk. The Trustees have approved an income strategy to address this risk over the next three years and beyond.

### *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. She 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. Particular attention to staffing structures and work allocation has been necessary since the new membership database and Charities Resource Network went live in July 2003. She has direct line management of the Policy and Campaigns work.

The Deputy Chief Executive has operational responsibility for Membership and Information and Training and Events and has particular responsibility for the IT systems used by CFDG. He is also the Finance Officer and has run our accounting systems since the outsourcing arrangement was finally terminated with effect from the 1 April 2004.

Michelle Ford, who had managed the membership and information functions for six years, resigned in February and her successor is Mike Dykes. He is supported by Margaret Waterfield, also recruited in March, which has provided an opportunity to refresh the approach to membership recruitment and services. 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.

The appointment of a second Training and Events Administrator, to join Susanne Kendler's team, was agreed and the post was filled in May. The Policy Officer, Sophie Chapman, moved to a new post in April and her successor and the part-time Regional Development Officer are being recruited.

During the year we moved our administrative office from Vauxhall to London Bridge, where facilities are shared with other charities. We achieved sufficient rental savings this year to easily cover all the cost of the move and also avoided a significant increase in rent and service charges scheduled for March 2005.

### **Trustees' Responsibilities**

Company law requires the Board of Trustees to prepare financial statements for each financial year that 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 has:

- 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 is 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.

### **Principal achievements for the year**

Activity areas are:

- Members services, including recruitment and retention of members;
- Information services, including CRN development and websites;
- Training, Events and Conferences, including subscriber recruitment and our one fundraising event, the CFDG Annual Dinner;
- Policy and Campaigning.

#### *Member Services*

Membership is renewed annually and at 31 March 2004 we invited 987 individual members to renew. By 31 March 2005, the number invited to renew had grown to 1,077, against a target of 1,053, representing a net increase in total membership of 90. We also have ten Associates, ten CRN members and two Honorary members.

Although the profile of membership types had changed little since the renewals issued in 2004, members from the largest charities with an income of over £10m per annum formed 19% of members, (or 204 members), compared with 18%, (or 178), last year. There were also free secondary members from those charities, making up another 14% of the total (149 members). The number from large charities (£5m to £10m) had increased from 12% to 14% (118 to 148) but the proportion from medium charities (£1m to £5m) remained constant at 35%, numbers increasing from 355 to 375. The number of members from small charities (under £1m) had increased from 138 to 141. The remaining 5% were paying secondary members (60 members). Some of these changes were due to changes in the income of the organisation.

By June, at the conclusion of our main renewal period for 2005/06, we can see that total regional membership has continued to increase, with 24% of CFDG membership now being located in a region other than London compared with 21% last year. This is broken down as follows:

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- London members 76% (758)
- CFDG (Northern) 10% (99)
- CFDG (South West & Wales) 9% (92)
- CFDG (West Midlands) 5% (50)

The growth is due to the new CFDG (West Midlands) group as the number of members in CFDG (South West & Wales) has remained constant and numbers in CFDG (Northern) dropped slightly as some members transferred to the new group. We are confident that further renewals will be received.

This year we planned the first membership recruitment campaign since 2001. We bought mailing list data and used that to target potential members in each of our main regions. Mailings were sent with invitations to attend one of our events, and to publicise the new regional group, CFDG (West Midlands), launched as planned with support from Baker Tilly in Birmingham in July 2004. CFDG (Northern) is to have a recruitment event in York in July and the remaining section of data will be used in that mailing. At the Charity Accountants Conference in Bath in September we had a "meet us" session one lunchtime that brought in another 8 new members. Much of our recruitment is by word of mouth and our website.

### *Information Services and the Charities Resource Network*

In line with our Operational Plan we introduced e mailings as an option to our monthly mailing, which contain regular reports on training, policy matters and events. This has the dual advantage of getting information to the right person quickly and saving us printing and postage costs. Our mailings give members the opportunity to advertise job vacancies and we help any charity to find a Treasurer or Financial Trustee – about 20% of our members are Treasurers of at least one other organisation, as are many of our subscribers.

For the third year, with PKF, we carried out a survey on risk management in charities. The report "Managing risk – Reducing your risk exposure" revealed that progress is being made at integrating risk assessments into planning but that inadequate management and lack of staff are two main risks. The survey also provided useful information for some of our training events.

Charities were invited to take part in CFDG's first exercise at benchmarking finance activities. 127 charities (the majority of them being CFDG members) supplied completed questionnaires out of a total of 142 who had expressed an interest in participating. The results of the research were published in June 2005 and there will be further work done during the next year. CFDG have worked in partnership with Agenda Consulting on this project and anticipate lots of material to use as a basis for further best practice work and training sessions.

Help lines provided by Deloitte & Touche, John Tate, Charles Russell, JP Morgan Fleming and Control Risks Group are part of members' services, although not fully used, perhaps because members are not aware of them. We also provide support for special interest groups, particularly Overseas Special Interest Group ("OSSIG") and more general networking between members to help them contact others with direct experience of issues and good practice in any area.

To help our regional members in particular we negotiated membership of the Royal Commonwealth Society at a reduced rate as an additional benefit of membership during the year. The target total of 50 members had been reached by December 2004.

It is two years since the CRN site was launched and the database came into use and have been delighted with its success in providing people with information and as a shop window on the work of CFDG. We have made some small improvements but a major part of the work in 2005 is to upgrade and improve both the site and the functionality. The CRN is part of the service CFDG provides to the sector and is managed alongside our membership database and the CFDG website. We introduced a CRN-specific membership scheme in June 2004, available to non-CFDG members, in an attempt to broaden use of the CRN. This was only minimally promoted through the remainder of the year and we will re-examine this scheme during 2005/06.



Both the content and use of the CRN increased throughout 2004/05. By the end of the year the average monthly total of documents downloaded from the site was 1,023 compared to an average of 630 documents per month during the first quarter.

### *Training, Events and Conferences*

A wide range of topics is covered in our training programme and we make sure that new technical accounting issues, government reports and legislative change are highlighted. Members have diverse responsibilities, including information technology, human resources and facilities management, so our varied programme helps towards 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.

Every member is entitled to attend regular free meetings in their region and attendance averages around 100 in London and 25 in the regions. Ten members' meetings were held in London and a total of 12 across the regions. The new CFDG (West Midlands) enjoyed three regional meetings in Birmingham supported by Baker Tilly and our first meetings in Cardiff were arranged for CFDG (South West & Wales), again supported by PKF who are our hosts at our regular Bristol venue. CFDG (Northern) met in both Manchester and Leeds, supported by the Co-operative Bank in Manchester and Addleshaw Goddard and Deloitte in Leeds. Barclays Bank, Carr Sheppards Crosthwaite, Deloitte, PWC, and the Royal Bank of Scotland hosted London meetings. Members can count our meetings towards their Continuing Professional Development.

Our Annual General meeting, to which all members are invited, was held in London and Buzzacott supported the reception afterwards. James Sinclair Taylor of Russell Cooke gave the talk on employment law following the AGM.

As an example of co-operation with other organisations, CFDG was delighted to share its December London members' meeting with CAF and the ICAEW who were presenting the Charities' Online Accounts awards. It is good to know that the winners in the largest categories were CFDG members and that the winner in the smallest category had one of our members as the Treasurer (and producer of the accounts). We plan to work with them again this year.

Complexities of VAT are a persistent problem for many charities and for them the free quarterly meetings of the VAT Exchange, provided especially for us by haysmacintyre, are a vital member service.

The Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) was reviewed in the last year and is obviously central to our purposes. Consequently we held a special free information event in London in July 2004 to introduce and discuss the consultation draft. Open to members and non-members the event, held in conjunction with the Charity Commission, helped to inform the CFDG response to the consultation draft. It also helped with our recruitment drive as over 300 delegates attended and several joined the group as a result. Sapphire supported the event.

Following publication of the revised SORP Deloitte generously supported a series of three practical SORP training workshops that started in March 2005 with repeats in April and May. Pesh Framjee, our Special Adviser, with Keith Hickey, CFDG Trustee were both members of the SORP Review Committee and delivered the workshops with Nick Kavanagh, Chair of the Charities Tax Reform Group, an organisation with which we have close associations.

Those training workshops were among the additional training we provide that can focus on a particular subject or be designed for people who have reached a particular level of career development. This is provided for a fee and may be delivered through conferences, workshops, seminars or presentations. Training fees were received from more than 850 people in the year.

Training included repeats of our popular one-day course "Introduction to Charity Finance" from BDO Stoy Hayward. This was complemented by an equally popular advanced version designed for those who have been finance directors outside the sector and need help with making the transition to charity tax and accounting regimes.

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Another regular course, which helps us to educate the wider charity community, is Investment Training for Trustees, provided for us by Sarasin Chiswell. That course has now been expanded so that one session covers governance issues and an introduction to investment management while the second covers the principles of investment in much greater depth.

An IT training seminar focusing on IT in multiple-site organisations and on project-management in such settings was supported by Horwath Clark Whitehill LLP and OpenAccounts plc.

We held three conferences during the year, all one-day events, and also associated with The Guardian for their Charities Investment Conference. All of them offered members and others the opportunity to learn and to engage in networking and the exchange of experiences with their peers. Conference exhibitions enable them to learn about professional services to the charity sector and closing receptions give a chance to relax.

CFDG's 13<sup>th</sup> Annual Conference was held on 26 May 2004 under the theme "Managing the Cost of Change". Attended by 300 delegates, (easily exceeding our target of 200), three plenary sessions and a choice of 16 seminars offered ample opportunity for all to learn about developments in accountability, finance, regulatory change and new organisational working models. With Helen Edwards, then Director General, Home Office Active Communities Group and John Stoker, outgoing Charity Commissioner, speaking at the event CFDG's position as a recognised partner working closely with regulatory bodies and departments was confirmed.

We have already held our Annual Conference for 2005 on the subject of "Sustainable Outcomes" which was again a great success with an even higher attendance.

In 2004/05, we successfully re-launched our IT and Risk Conferences, with the help of new partners. Both these events - IT Conference with the theme "Making IT Work" in April 2004 and Risk Conference with the title "Feeling Exposed?" in November 2004 - offered a diverse, topical programme and attracted about 130 delegates each. Feedback from both conferences was excellent and speakers and delegates confirmed the importance of IT and risk management in striving for excellence in charities' financial management.

Haysmacintyre, Merrill Lynch Investment Management, Touchstone, Chantrey Vellacott, PKF, Charity Logistics and Keegan & Pennykid supported CFDG conferences during 2004/05 as sponsors.

A highlight of the year was the fully booked Annual Dinner in October 2004, sponsored by Royal Bank of Scotland, with the opening drinks reception sponsored by Sarasin Chiswell. This gave over 450 members and corporate supporters the opportunity to celebrate yet another successful year. for CFDG.

CFDG is very grateful to the organisations and individuals who support our training and events in so many ways. We particularly thank all those who give their time to prepare for and speak at any of our events and all our subscribers who support us with venues, speakers, ideas and advice. Only with their help can we continue to expand membership services for charity members and offer the breadth of advice and quality of information for which CFDG is well known.

### *Policy and Campaigns*

Our work in seeking to influence and keeping members informed of legislative change was highly regarded, according to the independent report that followed research into what members most valued about CFDG activities. Our Policy Officer, Sophie Chapman, worked closely with the Chief Executive and Keith Hickey, Chair of our Public Affairs Committee, and with the Policy Development Working Group and Technical Accounting Group.

Staff, Trustees or members take on the responsibility of supporting the policy and public affairs activities of CFDG through membership of our various working parties, committees and consultative groups and through regular meetings with other organisations whose work is complementary to ours. In addition we have participated in regular meetings with Ministers and senior staff of HM Treasury, Inland Revenue and Customs and Excise (now Her Majesty's Revenue and Customs) and with the Active Communities Unit of the Home Office. These meetings have brought to the attention of

government issues that are generic to the voluntary and community sector, including cost of insurance, anomalies in the taxation regime, the complexities of VAT in relation to charities and trading. They have also discussed delivery of "ChangeUp", the cross-Government framework on capacity building and infrastructure in the voluntary sector. CFDG has become a member of the core group delivering the Finance and Funding Hub, part of the ChangeUp initiative.

Central to the activities during the year were:

- The Charities Bill;
- Following up our "Inputs Matter" report published in 2003 and its influence on the new SORP; and
- "The Charity Pensions Maze", our report published in 2004.

*Charities Bill:* This is the first significant piece of legislation to address the definition of charity and public benefit since 1601 and an exciting development in the sector. CFDG generally supported the draft Bill although we considered that provision for trading by charities and the requirement for charities to produce group accounts where relevant should be included. We were invited to give evidence to the Pre-legislative Scrutiny Committee on both of these issues, and, as a direct result of our campaigning and getting Lord Dubs to sponsor our amendment, a requirement for group accounts to be prepared and submitted to the Charity Commission is to be included in the final Act. Group (or consolidated) accounts attempt to present a picture of the charity and its subsidiary undertakings as an economic unit enabling users of accounts to appreciate the wider aspects of a charity's work and assets it deploys indirectly through a group structure. The Bill gave us an excellent opportunity to work in collaboration with other sector umbrella organisations as part of the Charities Bill Coalition and demonstrated the strength of joint working. We now look forward to enactment of the Bill early in 2006.

*Accounting and Reporting by Charities: SORP March 2005:* At the end of 2003 the CFDG Inputs Measurement Project published its report, entitled "Inputs Matter". It was prepared on the premise that there needs to be greater comparability between charities and more general acceptance of fundamental principles of accounting for inputs. Three technical working groups were set up to study each of

- Measuring inputs to fundraising costs,
- Problems comparing financial indicators due to differences in accounting practice in relation to support, management and administration costs
- Resource inputs – Value of volunteers.

The report had a period of consultation and the outcomes of that, together with the 13 original recommendations, were referred to the Charity Commission and the SORP Review Committee.

We were delighted that all the recommendations were included in the revised SORP, except for the recommendation to include a financial value for the work of volunteers in the statement of Financial Activities (SOFA). There is, however, a recommendation that volunteer value is recognised in the Trustees' Report. Support costs are now fully allocated, fundraising costs more accurately shown to demonstrate the effort it takes to raise funds and governance costs is a new heading on the SOFA, replacing management and administration.

***"It has been particularly rewarding for me that this report has been produced as a result of a huge amount of voluntary effort by experts from charities, working with our professional advisers and the Charity Commission. Working in partnership in this way, we are a real force to be reckoned with."***

*Leslie Jones, OBE, former Deputy Chair of CFDG and Chair of the Inputs Matter Project.*

*"The Charity Pensions Maze":* CFDG members are in the best position to recognise the impact of changes to the pension regime and performance of the stock market on the pension funds of charities. Although comparatively few of the 180,000 registered charities have their own occupational schemes many of those that do are the "household name" charities.

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Against the backcloth of rapidly changing legislation and difficult economic conditions, many charities have seen some bewildering changes in the solvency of their pension schemes and charity staff have understandably expressed concerns about the financial status of their pensions scheme or in the falling value of their pension pot. Historically, pensions have been managed separately from other charity operations, investments and employee issues. The only obvious link has been the requirement for charities to pay for what, until recently, were relatively stable rates of pension contributions. But that situation has now changed radically. Pension investment performance is now a live and real risk issue for charity trustees and directors.

The CFDG Pensions Taskforce was born out of a realisation of the nature and possible implications of the changes and a desire to provide some general guidance in these difficult areas. Its Report was published in July 2004 and has been instrumental in informing and enlarging the debate about the risks faced by charities and the options available to them.

One very satisfactory direct outcome of our campaigning on the pensions issue has been the publication by the Charity Commission of guidance on defined benefit schemes and the application of Financial Reporting Standard 17 to charities. In some circumstances the essential reserves of charities could appear to be exhausted by the pension deficit or the charity could appear to be insolvent. The Commission has been extremely helpful in recognising the risk to funds and reputation this might cause and worked with us to prepare its guidance.

The work of the CFDG Pensions Taskforce, chaired by Peter Griffiths, Trustee and Treasurer of John Grooms and supported by Sedgwick Independent Financial Consultants, Lane Clark & Peacock, Sarasin Chiswell, Speechly Bircham, Z/Yen and members of CFDG, exposed a major issue for the sector and proposed approaches for managing the risks.

***“[This Report] is an important contribution to the pensions debate, but it is also a clear and vital guide for charities and Trustees about the kind of issues they are going to face and the questions they need to ask”***

*Malcolm Wicks MP, Pensions Minister, in his foreword to The Charity Pensions Maze.*

## 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 and SORP Workshops. CFDG also has many committees covering its policy, education, regional work etc. Without the many volunteers that serve on these committees 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 £50.00 per hour the total would come to nearly £77,000. Considering that the vast majority of our volunteers are finance professionals this would not be unreasonable.

	2005	2004
	No. of hours	No. of hours
Members services	617	536
Events & conferences	409	337
Policy & campaigning	236	416
Governance	277	277
<b>Total</b>	<b>1,539</b>	<b>1,566</b>

### Funding Sources

During the year the Trustees agreed an income strategy as part of their work towards risk mitigation. A high proportion of our income comes from membership fees but it is essential for future growth to diversify income sources and develop reliable streams. We applied to the Charities Aid Foundation for grant funding and have provisionally been awarded £60,000 over three years from their Collaborative Fund. We will use this money to take forward our strategic plan, especially in connection with our regional development and structuring our educational services.

In the coming year we will apply for grants from other organisations or government as well as looking for sponsorship from our traditional support base.

### Plans for 2005 and beyond

The next two or three years will see continued growth of the work and influence of CFDG. Our Chair has another year of his appointment and will bring the review of governance to completion. Changes in the sector, particularly from the Government's ChangeUp initiative and the Charity Commission's new business strategy, will create more awareness amongst charities and more opportunities for us. By focusing on our new strategic aims and delivering our operational plans we will ensure that CFDG will continue to promote best practice in charity management. Some specific plans for next year are:

#### *Member Recruitment*

We will grow membership by at least 12%. To achieve this we will implement a Recruitment Strategy, which will seek to utilise the following potential sources for new members:

- Existing members (consideration will be given to a member-get-member reward scheme);
- Subscribers' other charity clients;
- Other sector umbrella bodies;
- CFDG Website;
- Continued use of "cold mailing" lists;
- Targeting by specific interest, for example by region, by issue or by type.

We will also increase the number of corporate subscribers we have from 76 to 84. This will in part be linked to our strategy for regional development but will also involve identifying specific 'industries' where we feel that representation would support the needs of our membership.

We will review the use of the CRN, which will include conducting and analysing an online survey of CRN needs and satisfaction amongst members.

The database software used to maintain the register of members and provide the CRN will be upgraded during 2005. This significant project will be assisted by a volunteer from the Worshipful Company of Information Technologists and managed by our own staff. ProTech Computer Systems are co-operating fully with us in this upgrade, which will allow the introduction of some new functionality that the current version of Pro2000 cannot support. Much of the additional functionality was due to be provided in the first project and relates to events booking and accounting. This will lead to improvements in the appearance and user friendliness of the website, as well simplifying the administration for the ever-increasing number of training events we arrange for members.

#### *Training and Events*

We will extend the CFDG training programme by introducing a number of new courses. We intend to:

- Extend the training we give on VAT;
- Roll out the trustee training we currently provide in London to at least two regions;
- Provide SORP workshops in the South West & Wales region, with the intention of extending it to the other regions by the end of the year;
- Work with partners to introduce a range of management training especially tailored to finance staff.

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We must generate income from training if our programme is to reach more charities, but we will keep our delegate rates in line with similar organisations. We are confident that with the reputation for excellence that our training has earned and the generosity of our sponsors we will be able to increase income on our events by at least 10%.

We will repeat last year's successful risk conference and we have entered into a new arrangement for the Charities Investment Conference this year with the sponsors Carr Sheppards Crosthwaite, Baring Asset Management and Sarasin Chiswell.

We will also increase attendance at our Annual Fundraising Dinner by at least 10% and income by 15%.

All events will be advertised well in advance so that members get ample opportunity to plan their attendance, with a target of event outlines on the website at least 6 weeks in advance of all chargeable events. We will have full on-line booking (including payment) by December 2005.

We will get at least twice as much media coverage of CFDG events during the year. This will be achieved by improving media relations and by getting press releases out more frequently.

We maintained the size and scope of the Annual Conference in 2005 but during the year we will explore ways of developing the 2006 Conference.

In September 2005 we will launch our new CFDG branding visuals across all events literature & materials, both printed and electronic. We will also revise the format of event invitations and launch forward-looking calendars on a quarterly or bi-annual basis.

To enable us to measure our impact and outcomes more effectively staff will work together to investigate ways of measuring members' requirements and obtaining feedback on the CFDG training programme.

### *Policy work*

There are many influences at work in the sector, particularly as a result of the HM Treasury Cross-Cutting Review and the publication of Public Action, Private Benefit from the Cabinet Office, both in 2002. Key areas for our Public Affairs Committee to concentrate on during the next three years will include the role of the finance director, which is changing, (as we have been forecasting since our conference in 2000) and will have greater strategic responsibility for the long term viability and funds of charities in the future.

With the broader acceptance of the principle of Full Cost Recovery and the government's progress on Sure Funding we will campaign with others to achieve a level playing field for charities bidding for contracts, particularly in the care and community sector, and for recognition of the true price of services provided by charities.

We will also look at:

- Funding: providing advice and training on bidding and accounting for funds;
- Best practice: guides, advice and training, including guidance for trustees on financial and governance issues;
- Contracts: joining with others to campaign on issues around level playing fields and full cost recovery, plus guidance on contracts and negotiating skills;
- Outcome reporting: outline and develop best practice and monitor development of Guidestar and the Summary Information Return;
- Pensions: the consequences for charities of the new legislation.

Although not accepted by the SORP Review Committee we intend to do more work to develop our recommendation from the Inputs Matter Report for the addition of volunteer value to the Statement of Financial Activities. We intend to give guidance as to how a valuation could be calculated and suggest workable methods.

We will continue our involvement in the Insurance Cover Working Group. The issue relating to charities and insurance has been recognised by government, thanks to persistent pressure from the CFDG, and they have set up a cross-departmental group to consider it.

The Charities Bill has begun its progress through Parliament and we are watching keenly. Our representations in respect of trading have not been included but we will continue to pursue our efforts to simplify taxation in respect of charities.

### Review of Financial Position

CFDG moved into the final year of its current strategic plan with an ambitious plan for activity and income generation combined with a rigorous plan to keep increases in running costs to a minimum. Excluding donated services, overall expenditure decreased by about 14% whilst net incoming resources increased by 19%.

As usual year-end cash balances were high due to the influx of subscriptions and conference fees in late March. The Trustees still maintain their policy of transferring cash not needed for immediate working purposes to short term deposit and a transfer was made just after the year-end.

Membership income increased from £248,785 in 2004 to £312,331 in 2005. This 26% increase was due in part to increasing our subscription rates (which had been static for several years) but was largely due to recruiting twice as many new members as we did in 2004 and increasing income from subscribers (our corporate supporters) by 30%.

Policy and campaigning income is down on last year as most of the funds for the Pensions Project were brought forward. There was also less activity during the year on policy, reflected by the fact that we had frozen one of our two policy & campaigning posts from January 2004.

The decrease in expenditure from unrestricted funds (again, excluding donated services) was as a result of keeping tight control of establishment costs and having an average of nearly one less member of staff compared to last year.

Restricted expenditure was down from £115,629 in 2004 to £28,750 in 2005, a drop of 75%. This was due to the Inputs project having finished in 2004 and the CRN project now being finished apart from the ongoing depreciation of fixed assets. The only substantive restricted project was the Pensions project which was funded by Sedgwick Financial Consultants, Lane Clark & Peacock and Sarasin Chiswell.

All the restricted current assets brought forward at the beginning of the year were expended; these all related to the Pensions Project. There is now only £27,083 representing the net book value of fixed assets relating to the CRN.

The unrestricted general fund ended the year up from £110,920 to £150,702, an increase of over 35%. Free reserves (i.e. unrestricted funds less fixed assets) rose by 43% from £103,283 to £147,952. This is in line with the Trustees' strategy of building up the reserves to an appropriate level (see reserves policy below).

All staff are directly engaged in activities in furtherance of the objects of CFDG and their cost has been allocated accordingly. Governance costs include an allowance for the value of donated venues and refreshments. We incurred irrecoverable VAT of just over £15,000.

In our budget for the year we anticipated breaking even on the unrestricted fund. We managed to achieve a surplus of nearly £40,000. This was due to the tight control of expenditure mentioned above and to having a successful member recruitment drive and exceeding our budgeted surplus on all our major events (the IT Conference, Risk Conference, Main Conference and Annual Dinner). We

## CHARITY FINANCE DIRECTORS' GROUP

have built on this success in our budget for 2006 with equally ambitious targets for member recruitment and event income.

### *Reserves Policy*

The Trustees have examined CFDG's requirements for free reserves in the light of the predominant risks to the organisation. These are identified as loss of reputation, causing falling membership income, and loss of corporate support. They have set a target of between 25% and 35% of annual unrestricted charitable income (budgeted income for 2005/06 is £698,304; therefore the target is £175,000 to £244,000). The Free reserves are needed to meet the working capital requirements of CFDG and to allow for the development of new initiatives (where we would incur significant expenditure in advance of anticipated income) and to provide a buffer against a significant drop in funding. The current level of reserves falls short of this target so our policy is therefore to continue building up our free reserves to the ideal level by means of planned operating surpluses. Total free reserves at 31 March 2005 were £147,952 (2004: £103,283). The Trustees have agreed a three year business plan, which will bring resources back within the target range.

### *Investment Policy*

CFDG receives income on an annual basis through membership subscriptions, sponsorships, 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 every year. It has no permanent endowment and provides for capital expenditure within the budget or through designated income funds. 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 consider that it is not appropriate for CFDG to adopt an ethical investment policy.

### *Tangible fixed assets*

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

## **Appointment of Auditors**

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly the audit report has been signed in the name of PKF (UK) LLP and 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**

**Paul Breckell**  
**Chairman**  
*6 July 2005*



**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 2005 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the 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 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 company and the 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 trustees' (who are also the directors of Charity Finance Directors' Group for the purposes of company law) responsibilities for preparing the Trustees' 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 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 information specified by law regarding trustees' remuneration and transactions with the charity 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.

**Basis of audit 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 charity'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 charity's affairs as at 31 March 2005 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 Companies Act 1985.

**PKF (UK) LLP**  
Registered Auditors  
LONDON, UK  
*6 July 2005*

CHARITY FINANCE DIRECTORS' GROUP

**Statement of Financial Activities for the year ended 31 March 2005**

(Incorporating the income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities</i>					
Members' subscriptions		312,331	-	312,331	248,785
Member services and training		91,718	-	91,718	77,229
Events and conferences		173,951	-	173,951	110,813
Policy & campaigning		6,675	1,500	8,175	26,000
CRN development		-	-	-	33,141
<i>Incoming resources from generated funds</i>					
Bank interest		9,888	-	9,888	8,934
<i>Other incoming resources</i>		6,431	-	6,431	2,932
<b>Total incoming resources</b>		<u>600,994</u>	<u>1,500</u>	<u>602,494</u>	<u>507,834</u>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Member services and training		198,904	-	198,904	197,749
Events & conferences		200,100	-	200,100	188,469
Policy & campaigning		81,474	14,000	95,474	148,814
CRN development		24,845	14,750	39,595	113,716
<i>Governance costs</i>		56,139	-	56,139	33,788
<b>Total resources expended</b>	<b>3</b>	<u>561,462</u>	<u>28,750</u>	<u>590,212</u>	<u>682,536</u>
<b>Net incoming/(outgoing) resources for the year / Net income/(expenditure) for the year</b>	<b>4</b>	39,532	(27,250)	12,282	(174,702)
Total funds brought forward 1 April 2004		110,920	54,333	165,253	339,955
<b>Total funds carried forward 31 March 2005</b>	<b>9</b>	<u>150,452</u>	<u>27,083</u>	<u>177,535</u>	<u>165,253</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. All the above amounts relate to continuing activities.

All figures for 2004 have been re-stated in accordance with SORP 2005.

## CHARITY FINANCE DIRECTORS' GROUP

### Balance sheet

As at 31 March 2005

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	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible assets	6	<u>29,833</u>	<u>49,470</u>
<b>Current Assets</b>			
Debtors	7	128,178	120,118
Short term deposits		157,684	139,710
Cash at bank		<u>121,739</u>	<u>84,871</u>
		407,601	344,699
<b>Liabilities</b>			
Creditors: amounts falling due within one year	8	(259,899)	(228,916)
<b>Net current assets</b>		<u>147,702</u>	<u>115,783</u>
<b>Total assets less current liabilities</b>	10	<u><u>177,535</u></u>	<u><u>165,253</u></u>
<b>Funds</b>	9		
Unrestricted funds		150,452	110,920
Restricted funds		27,083	54,333
		<u><u>177,535</u></u>	<u><u>165,253</u></u>

The accounts were approved by the Board of Trustees on 6 July 2005 and signed on their behalf by:

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*Tom Sterry* Treasurer

## CHARITY FINANCE DIRECTORS' GROUP

### Notes to the financial statements

For the year ended 31 March 2005

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#### 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. Where appropriate comparative figures have been restated.

##### b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of CFDG.

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 are included at the value to CFDG, as described in note 4b. 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 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

CFDG operates a pensions policy in compliance with the Stakeholder pension requirements. Employees may make a contribution of at least 1% of salary and CFDG contributes 3% or matches contributions up to 5%. Two staff who benefited from personal pension plans prior to stakeholder continued to have a separate personal pension scheme into which CFDG contributes 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 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 £2,000 intended to be of ongoing use to CFDG in carrying out its activities are capitalised as fixed assets (2004: £750).

Depreciation is charged on tangible fixed assets at 25% of cost *per annum*, so as to write them off over their expected useful lives.

#### 2 Income from grants

As these Accounts follow SORP 2005 we no longer show grants separately on the face of the SOFA. We had no grants during the year. (2004: Community Fund £33,141 for the development of a Charities Resource Network). We received sponsorship of £1,500 from Sarasin Chiswell towards the costs of the Pensions Project (2004: £10,000 from Sedgwick Financial Consultants and £5,000 from Lane Clark & Peacock).

CHARITY FINANCE DIRECTORS' GROUP

Notes to the financial statements

For the year ended 31 March 2005

3 Resources expended

a) Analysis of total resources expended	Staff costs	Support costs	Other direct costs	Total 2005	Total 2004
	£	£	£	£	£
<b>Unrestricted funds</b>					
<b>Charitable activities</b>					
Membership services	95,599	33,960	69,345	198,904	180,350
Events & conferences	102,480	36,405	61,215	200,100	188,469
Policy & campaigning	57,750	20,514	3,210	81,474	119,298
CRN development	18,333	6,512	-	24,845	45,002
Governance	29,185	10,368	16,586	56,139	33,788
<b>Total unrestricted resources expended</b>	<b>303,347</b>	<b>107,759</b>	<b>150,356</b>	<b>561,462</b>	<b>566,907</b>
<b>Restricted funds</b>					
<b>Charitable expenditure</b>					
Membership services	-	-	-	-	17,398
Policy & campaigning	14,000	-	-	14,000	29,516
CRN development	-	14,750	-	14,750	68,715
<b>Total restricted resources expended</b>	<b>14,000</b>	<b>14,750</b>	<b>-</b>	<b>28,750</b>	<b>115,629</b>
<b>Total resources expended</b>	<b>317,347</b>	<b>122,509</b>	<b>150,356</b>	<b>590,212</b>	
<i>Total resources expended 2004</i>	<i>350,554</i>	<i>148,057</i>	<i>183,925</i>	<i>682,536</i>	

Within the membership services, policy & campaigning and governance rows of the 'Other direct costs' column there are costs of £50,900 (2004: £58,400) relating to services donated to CFDG that were not incurred by CFDG. (See note 4b.) Had the services not been donated CFDG would have incurred this cost.

b) Analysis of support costs

	Membership Services	Events & Conferences	Policy & Campaigning	CRN Development	Governance	Total 2005	Total 2004
	£	£	£	£	£	£	£
Travel	1,399	1,499	845	268	427	4,438	3,914
Premises	12,755	13,675	7,705	2,446	3,894	40,475	31,004
Communications & IT	9,887	10,599	5,973	1,896	3,018	31,373	20,796
Postage & printing	4,005	4,293	2,419	768	1,223	12,708	14,202
Financial costs	5,083	5,448	3,070	975	1,552	16,128	43,828
Depreciation	831	891	502	159	254	2,637	9,367
<b>Total support costs</b>	<b>33,960</b>	<b>36,405</b>	<b>20,514</b>	<b>6,512</b>	<b>10,368</b>	<b>107,759</b>	<b>123,111</b>

Support costs are all 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.

c) Analysis of governance costs

Legal and professional fees	830	800
Taxation advice from auditors	5,000	-
Audit fees	3,150	3,010
Audit fees (previous year)	-	1,375
Costs of AGM & Trustee travel etc	5,746	5,730
Apportionment of staff and support costs	39,413	20,873
Donated resources	2,000	2,000
<b>Total governance costs</b>	<b>56,139</b>	<b>33,788</b>

**CHARITY FINANCE DIRECTORS' GROUP**

**Notes to the financial statements**

For the year ended 31 March 2005

**4 Net incoming/(outgoing) resources**

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

	2005	2004
	£	£
Auditors' remuneration	3,150	3,010
Depreciation	17,388	22,036
Operating leases - land and buildings	20,049	28,784
	<u>          </u>	<u>          </u>

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.

	2005	2004
	£	£
Members services	45,700	45,700
Policy & campaigning	3,200	10,700
Governance	2,000	2,000
<b>Total</b>	<u>50,900</u>	<u>58,400</u>

**5 Trustees and employee information**

a) **Trustee information**

No remuneration was paid to the Trustees during the year (2004: £Nil). Expenses of £1,010 for travel was paid to three trustees during the year (2004: £2,626, six trustees).

b) **Employee information**

	2005	2004
	£	£
<i>Employee costs during the year were :</i>		
Salaries	255,300	248,044
Social security	27,420	25,982
Pension	13,942	13,295
Agency staff	7,827	10,161
Freelance staff	6,394	34,625
Training	2,180	5,537
Recruitment	4,095	10,876
Other staff costs	189	2,034
	<u>317,347</u>	<u>350,554</u>

The number of employees whose emoluments amounted to over £60,000 during the year was nil (2004 nil).

	2005	2004
The average number of persons employed during the year was:	<u>8.7</u>	<u>9.5</u>

**CHARITY FINANCE DIRECTORS' GROUP**

**Notes to the financial statements**

For the year ended 31 March 2005

**6 Tangible fixed assets**

	<b>Office equipment</b>	<b>Computers</b>	<b>Database</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 April 2004	25,290	46,251	50,000	121,541
Disposals	<u>(25,290)</u>	<u>(16,837)</u>	<u>-</u>	<u>(42,127)</u>
	<u>-</u>	<u>29,414</u>	<u>50,000</u>	<u>79,414</u>
<b>Depreciation</b>				
At 1 April 2004	22,173	39,481	10,417	72,071
Charge for the year	867	4,021	12,500	17,388
Disposals	<u>(23,040)</u>	<u>(16,838)</u>	<u>-</u>	<u>(39,878)</u>
	<u>-</u>	<u>26,664</u>	<u>22,917</u>	<u>49,581</u>
<b>Net book value</b>				
At 31 March 2005	<u>-</u>	<u>2,750</u>	<u>27,083</u>	<u>29,833</u>
At 31 March 2004	<u>3,117</u>	<u>6,770</u>	<u>39,583</u>	<u>49,470</u>

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

**7 Debtors**

	2005	2004
	£	£
Trade debtors	94,610	93,134
Other debtors	10,164	3,185
Prepayments and accrued income	23,404	23,799
	<u>128,178</u>	<u>120,118</u>

**8 Creditors :**

**Amounts falling due within one year**

	£	£
Deferred subscriptions income	181,569	130,642
Deferred events income	36,215	50,133
Other creditors and accruals	42,115	48,141
	<u>259,899</u>	<u>228,916</u>

**9 Total funds**

	<b>Opening balance</b>	<b>Net incoming resources</b>	<b>Charitable expenditure</b>	<b>Closing balance</b>
	£	£	£	£
Unrestricted - general	110,920	600,994	(561,462)	150,452
Restricted - CRN project	41,833	-	(14,750)	27,083
Restricted - Pensions project	12,500	1,500	(14,000)	-
	<u>165,253</u>	<u>602,494</u>	<u>(590,212)</u>	<u>177,535</u>

The Pensions Project was established towards the end of 2004 and most of the funding was received during that year, the project was carried out during 2005.

**Notes to the financial statements**

For the year ended 31 March 2005

**10 Analysis of assets between funds**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<i>Funds balances at 31 March 2005 are represented by :</i>			
Fixed assets	2,750	27,083	29,833
Debtors	128,178	-	128,178
Deposits and cash at bank	279,423	-	279,423
Creditors	(259,899)	-	(259,899)
	<u>150,452</u>	<u>27,083</u>	<u>177,535</u>

The Restricted CRN Project was established in 2000 by a grant from the Community Fund to develop the Charities Resource Network. This project was complete during 2004 and the closing balance represents the net book value of the membership database which is being depreciated over four years from the date it went live in June 2003. April 2005 to May 2007 represents 26 months at £1,042 per month.

**11 Operating leases**

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

	2005	2004
	£	£
Leases expiring in less than 1 year	-	28,784

In December 2004 CFDG moved from its rented office space at Camelford House on the Albert Embankment to 1 London Bridge. 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 one month.

**12 Capital commitment**

At 31st March 2005 there were no capital commitments.

**13 Related Party Transaction**

There were no related party transactions during the year. (2004: Nigel Scott - a related party to the Chief Executive of CFDG - was paid £6,000 as a consultant on the Inputs Project.)



# CHARITY FINANCE DIRECTORS' GROUP

## Trustees Officers and Advisers

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

### ***Board of Trustees***

Paul Breckell (Chair)  
Helen Verney (Deputy Chair)  
Tom Sterry (Treasurer from December 2004)  
Melvin Coleman  
Keith Hickey  
Stephen Mahon  
Alan Sharpe  
Martin Waller  
Geoffrey Wheeler  
Stephen Williams (*Resigned December 2004*)

### ***Chief Executive and Company Secretary***

Shirley Scott

### ***Deputy Chief Executive***

David Membrey

### ***Special Adviser***

Pesh Framjee

### ***IT Adviser***

John Tate

### ***Head Office and Registered Office***

(*From 6 December 2004*)

3<sup>rd</sup> Floor, Downstream Building  
1 London Bridge  
London  
SE1 9BG

Web sites: [www.cfdg.org.uk](http://www.cfdg.org.uk) [www.thecrn.org.uk](http://www.thecrn.org.uk)

Telephone: 0845 345 3192

### ***Solicitors***

Robert Seeckts  
Thorpe House, 18-20 London Road  
Tunbridge Wells  
TN1 1DA2

### ***Finance Committee***

Tom Sterry (Chair)  
Helen Verney  
Fiona Young  
(*From December 2004*)  
Stephen Williams  
(*Resigned December 2004*)

### ***Public Affairs Committee***

Keith Hickey (Chair)  
Melvin Coleman  
Stephen Burgess  
Peter Burrows  
John Graham  
Claire Newton

### ***Marketing Committee***

Alan Sharpe (Chair)  
Helen Verney  
Charles Mesquita  
Carol Sellwood  
John Tate  
Bonny Young

### ***Bankers***

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

### ***Auditors***

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