



PROMOTING BEST PRACTICE  
IN CHARITY FINANCE

## **Charity Finance Directors' Group**

(A Charitable Company Limited by Guarantee)

# **Annual Report and Financial Statements**

31 March 2009

Registered Charity No. 1054914  
Company No. 3182826

# **THE CHARITY FINANCE DIRECTORS' GROUP**

## **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:

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

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# Charity Finance Directors' Group

## Annual Report and Financial Statements

### For the year ended 31 March 2009

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## Chair's Message

I am very pleased to be able to write to you after what has been another very successful year for CFDG. Over the last three years CFDG's membership has increased by 35% to 1,608 members, within which Regional Membership has increased by 50% to around 29% of total membership, against a target of 33% of total membership. Over the same period attendance at events has increased by 50% and our profile has increased out of all recognition; last year alone media mentions of CFDG increased by 64%. All of this has led to income increasing by over 50% since 2005/06 and enabled us to significantly increase the services that we are providing our members.

CFDG's increase in profile was helped by the positive work that we have undertaken around recession issues. The Chief Executive has regularly spoken on issues concerning the onset of the recession, the implications for charities and the actions that charities should be taking in this light. The highlight of the year being a joint piece of work with the Institute of Fundraising and PricewaterhouseCoopers 'Managing in a Recession'.

For the last five years CFDG has been working hard to increase its presence outside London so that it can truly be seen as a National Charity. The large increase in membership over the last three years has enabled us to hold our first Conference outside of London in Manchester on the 12th June 2008 which was very well received and attracted over 160 people. This conference is being repeated in 2009 and for the first time we are holding a conference in Cardiff on 1<sup>st</sup> October 2009. We also held our first training course outside of London 'Understanding the Voluntary Sector'; in Birmingham in conjunction with Sayer Vincent and Wilsons. This will be repeated in Bristol and Birmingham again in 2009/10.

During the year Charities Consortium merged with CFDG and became the Large Charities Special Interest Group. The merger was an example of CFDG practising what it preaches on effective management and good financial stewardship by sharing resources, knowledge and expertise to better serve our members.

This year CFDG completed its work on implementing a new CRM system which also allowed us to further improve the members' section of the website. The functionality of this new system in managing the interface with our members and event management is already making significant improvements in the day to day running of CFDG.

Good progress has been made during the year in recruiting two Trustees who will bring Media and Lobbying skills to CFDG. Following an open advertisement for these roles we expect to be able to announce the new Trustees in June 2009.

Whilst 2009 has been a hard year for the world economy and many of our members, we are pleased to have been able to be of service to you and are very grateful to all of our staff, members, subscribers, funders and volunteers who have made this possible.

As the recession continues to bite it will hit all of us in different ways; whilst some will see nothing but gloom others will have opportunities to grow and develop their services. In meeting the challenges it is important that we are all aware of the issues that we face and have the right information and skills to proactively lead our organisations through this period and beyond. CFDG remains as committed as ever to support you in this challenge and we look forward to working with you all in 2009/10.



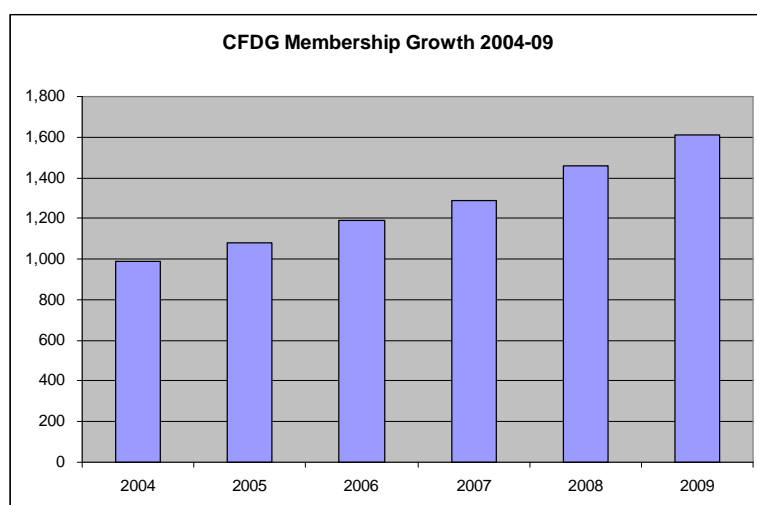
Charles Nall

## Report of the Board of Trustees For the year ended 31 March 2009 (incorporating the Directors' Report)

### Principal Achievements for the Year

#### *Member Services*

Membership at 31<sup>st</sup> March 2008 stood at 1,458 individuals. By 31<sup>st</sup> March 2009, membership had grown to 1,608 representing a net increase in membership of 10%.



As at 31<sup>st</sup> March 2009, the individual members represented between them a total of 1,262 different not-for-profit organisations, compared to 1,151 a year earlier. The profile of those member organisations, in relation to income size, compared with the previous year has been maintained:

| Income Size  | 31/03/2009   |            | 31/03/2008   |            |
|--------------|--------------|------------|--------------|------------|
|              | Count        | Percentage | Count        | Percentage |
| Over £10m    | 306          | 24.2%      | 273          | 23.7%      |
| £5m to £10m  | 210          | 16.6%      | 195          | 16.9%      |
| £1m to £5m   | 540          | 42.9%      | 492          | 42.8%      |
| Under £1m    | 206          | 16.3%      | 191          | 16.6%      |
| <b>Total</b> | <b>1,262</b> |            | <b>1,151</b> |            |

As at 31<sup>st</sup> March 2009, CFDG had four regions available for members to join. Comparison with the regional membership profile for 2007/08 shows the overall percentage of members that belong to a region other than London has grown to 29% of the total membership figure.

During the year a number of marketing initiatives to increase membership were undertaken in the Northern, Midlands and South West & Wales regions. We also held our first conference outside of London. This took place in Manchester on 12<sup>th</sup> June 2008 and we recruited five new Northern members at that event. 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.

The member recruitment plan for 2008/09 included three direct mail campaigns and email and direct mail follow-up to non-member attendees at conferences and open members' meetings. It was clear in December 2008 that our target for growth in membership would be exceeded so the third and final mailing planned for January 2009 was cancelled, enabling us to achieve the target for growth well within the planned expenditure.

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 information not just to the existing membership but also the wider sector and public audience. The implementation of the new CRM system allowed us to further improve the members' section of the website, enabling members to update even more information about themselves. The CRM also provided us with a much smoother and simpler interface for event booking and for the first time also allowed for online credit card payments. In order to pull together the increasingly wide-ranging information we are providing on the recession we launched a 'Recession watch' page on the website in February 2009; this has proved to be very popular.

#### Performance Against Plan

We planned to increase our membership headcount by 7% and our membership income by 8%. We ended the year with 1,608 members representing a 10% growth in headcount and 16% increase in membership income.

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 and the 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 72.5% in London and the South East to 71%. CFDG membership grew by 8% in London and the South East and by 15% in the Northern, Midlands and South West & Wales regions.

Our new CRM system (ThankQ by ESiT) was selected and implemented during the Summer of 2008. We went live in October only a couple of weeks after our ambitious target date and the project came in under budget. In the six months to the end of the year we bedded in the system, ironed out a few issues and it is now enabling us to significantly improve our membership and events management. Many of our plans for the forthcoming year would not have been possible without implementing this new system (for instance improving member communications, putting on more events, improving the website and improving knowledge management within CFDG).

## **Professional Development**

3,728 delegates attended 64 CFDG events during the year.

Our Annual Conference was held on 22 May, entitled "**Your Stakeholders Need You**". The five streams included: Relating to Stakeholders; Developing the Finance Department; and Resource Management. It was CFDG's largest ever Annual Conference with 541 attendees, in contrast with 490 in 2008. The keynote speech was given by Dr Daleep Mukarji of Christian Aid who looked at how charities need to become open, transparent and learning organisations, accountable for their actions and able to meet the high standards for public and stakeholder reporting. The conference, which was again held at the QEII Conference Centre, was kindly supported by Thomas Miller and Grant Thornton.

The IT conference in March 2009 (entitled "**Risks and Rewards**") was once again held at the Royal College of Surgeons. We were delighted to record an attendance of 205 delegates – our largest ever IT conference. The conference was sponsored once again by Sayer Vincent and the Touchstone Group. We were also delighted to record our largest ever IT exhibition with 14 stands.

The Risk conference, held on the 18 November 2008 was entitled "**Staying Alive**" and saw a move to the Royal College of Surgeons. This year's event attracted 178 delegates. The opening keynote session which looked at the "Implications of the Economic Downturn for Charities" was given by Dr Martin Weale CBE, Director of the National Institute of Economic and Social Research. The second plenary session which focussed on "Protecting and Managing your Reputation & Brand in an Economic Downturn" was given by Don Bawtree of BDO Stoy Hayward and the final session, delivered by Dr Mark Avery, Director of Conservation at RSPB, took a timely look at "The Implications of Climate Change for Charities". This event was once again kindly supported by PKF and Thomas Miller.

The first CFDG one day conference outside London was held in Manchester and was a test of our ability to achieve the strategic objective of delivering services and extending our reach throughout England and Wales. The Conference plan was developed to ensure success if we attracted 80 fee-paying delegates and sold six exhibition stands – in addition to the corporate sponsorship. On the day we were delighted to host nine exhibition stands and 164 delegates from more than 100 charities, with almost 30% of those delegates coming from charities that were not members of CFDG.

Our half day annual Investment Conference, once again held in conjunction with Barings, Rensburg Sheppards and Sarasin & Partners, was held on 28 September at the Royal Society of Medicine and attracted 110 delegates. Philip Coggan of the Economist examined the outlook for the US and what impact the change in leadership in the White House will have on both the US and the rest of the world. Other sessions included "An Economic Overview" with Tim Bond from Barclays Capital; "What does the future hold?" from the Oxford University 'futurologist' Dr Ian Goldin; and carrying on the theme from last year's conference, Anthony Turner of CarbonSense looked at the "Impact of Climate Change".

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 this year to add "Understanding the Voluntary Sector" to CFDG's training portfolio. Held in conjunction with Sayer Vincent and Wilsons, the first course took place in London on 28th January at the offices of Coutts. It was repeated in Birmingham on 18th March at Unity Trust Bank's offices. Both courses were sold out and delegate feedback was very positive. It will be repeated in London and Birmingham and also rolled out to Bristol this year.

In direct response to emerging issues, CFDG held a half day training course in conjunction with PricewaterhouseCoopers and the Institute of Fundraising on Monday 1st December on the "Impact of the Credit Crunch" with 90 CFDG members in attendance. There was also a special members' meeting, the Launch of the Pension Maze on 28th April which recorded over 100 delegates as well as two breakfast seminars in September and December which looked at Partial Exemption in conjunction with haysmacintyre and Pensions in conjunction with BDO Stoy Hayward.

Our London members' meetings continued to grow in popularity, the ten held during the year averaged 110 delegates. The largest two being the September 'Employment Law Update' given by James Sinclair Taylor and Jane Klauber of Russell Cooke LLP, and the January 'SORP Update' by Ray Jones of the Charity Commission with Kate Sayer of Sayer Vincent and Keith Hickey. Each of these meetings attracted 158 members. As usual these meetings could not have taken place without the considerable support of the many corporate subscribers that gave us venues and provided refreshments. The hosts during the year were: Bank of Scotland; UBS; PricewaterhouseCoopers; Anglo Irish Bank; Horwath Clark Whitehill; Rensburg Sheppards; Barclays Bank and Marsh.

The excellent facilities provided by our hosts Grant Thornton, Baker Tilly and PKF and the support they give by providing speakers has helped ensure that our member meetings in the North, Midlands and South West & Wales continue to be well supported and we have seen an increase in attendance to an average of 32 delegates compared with 26 last year.

CFDG recruited consultants, Nicola Gunn and Associates, to carry out research and help prepare a Professional Development Strategy. The purpose of this project was to undertake a review of the training currently offered and to explore new markets and new audiences. It will outline potential opportunities for CFDG to develop its portfolio of training, define how CFDG can contribute long term to individuals' professional development and define how to integrate and deliver short term training in the context of the longer term educational offerings in the current market.

#### Performance Against Plan

We had intended to have completed our Professional Development Strategy by December 2008, but to ensure delivery of a comprehensive report the period was extended and the final strategy document will be presented to the Board in September 2009.

We planned to increase overall attendance at our training courses and educational events by 7%. Our target was for 3,567 delegates during the year and we achieved 3,728 which is a significant improvement against the plan. We



also planned to increase attendance at our 'flagship' Annual Conference by at least 7%. We had 541 delegates on the day (compared with 490 in 2007), a 10% increase.

In particular we aimed to increase training outside of London. We achieved this by holding our first training day of our new course, Understanding the Voluntary Sector, in March 2009 in Birmingham and will repeat this course in October in Bristol.

We planned to attract at least 100 delegates to our first Northern Conference in June in 2008. More than 160 delegates attended what was considered a very successful and much appreciated first for CFDG.

We launched our new training course 'Understanding the Voluntary Sector' in collaboration with Sayer Vincent and Wilsons Solicitors. The course was put on in London and Birmingham and both were fully booked.

### ***Policy***

With the impact of the current recession starting to be felt across the sector, CFDG along with other sector bodies met with Stephen Timms, the Financial Secretary to the Treasury to discuss proposals for further progress on Gift Aid reform and to address the issue of irrecoverable VAT. Discussions centred on exploring whether there is a realistic possibility that an opt-out scheme for Gift Aid would work and matching grant schemes for irrecoverable VAT charges for organisations involved in joint ventures and shared services.

In October 2008 when the Icelandic banking crisis broke CFDG was quick off the mark in identifying that not all its members would be covered under the Financial Services Compensation Scheme and wrote to the Chancellor asking that all charities with deposits in Icelandic banks be compensated whatever their size or governance structure. Over the next couple of months CFDG worked closely with other sector bodies to get full compensation for charities affected. Research by CFDG, NCVO, acevo, the Charities Aid Foundation and the Charity Commission revealed at the time that 48 charities were affected and they had lost £86.6m. CFDG along with other sector bodies met with Lord Myners, the Minister for the Third Sector, and various government officials to put their case for full compensation for charities.

On 4th April the Treasury Select Committee released a report, *Banking Crisis: The impact of the failure of the Icelandic banks*, which recommended that charities should be compensated in full for their losses in the Icelandic banks. So far the Government has not given a formal response to the report, and there was little to give any indicator of their likely action in the Budget on 22nd April. Alongside Save Our Savings, NCVO, CAF and acevo, CFDG wrote to the Chancellor on 20th April to welcome the report and urge the Government to adopt its recommendations.

On tax we campaigned to oppose the removal of the VAT staff hire concession. Removing this concession means that employment agencies will have to charge more VAT on their services, making temporary staff more expensive for the sector. CFDG in collaboration with other affected sectors led by the Recruitment and Employment Confederation lobbied government and raised the profile of the issue in the press to garner more support. CFDG in collaboration with the Charity

Tax Group gathered evidence of the potential impact of the removal of the staff hire concession and presented this to government. We also met with Reed Executive PLC and others to discuss an alternative solution and this work is continuing, led by the Charity Tax Group with input from CFDG members.

Other activities on tax for CFDG have been a policy breakfast on the VAT partial exemption scheme and a budget submission from CFDG to HM Treasury detailing how the government can further support the sector during the current recession.

On the area of public services we have met with Treasury and the Office of Third Sector officials to discuss barriers to public sector commissioning and to provide them with some briefing on the areas we felt needed addressing. We have now committed to delivering examples of good and bad practice from our membership to give them a better understanding and help in policy formulation. In addition, we have forged relations with the Commission for the Compact and ran two joint meetings during their consultation with the sector on the future of the Compact.

In addition to the above CFDG has also responded to the Government's request for evidence and suggestions for inclusion in its Government Action Plan to support the sector. A specific request from CFDG on pensions was followed up by government officials requesting to meet us to get clarification and this was subsequently included in the action plan.

The Large Charities Special Interest Group, formerly the Charities Consortium, has already proved most helpful in policy development. The group has taken particular interest in the future developments of the Pension Protection Levy, public sector commissioning, the removal of the staff hire concession and monitoring cross border charities.

We have extended our remit beyond the main charity sector magazine titles and have both Accountancy Age and Finance Director as media partners for our Annual Conference.

### Performance Against Plan

We have greatly extended our media coverage this year and have exceeded our KPI by 60%. This is in part due to our timely response on the Icelandic banking crisis but also due to the fact that during a recession media contacts want to talk to financial experts to glean their view of the impact of the recession on the sector.

We implemented a media action plan for 2008/09 and also got input from one of our advisors with broad experience in this area. We developed our coverage this year beyond the charity magazines into Accountancy Age and Accountancy as well as the broadsheets and have moved into radio interviews – both CFDG's CEO and Chairman have commented on the recession and the impact on the sector. We have not currently extended our policy support group but are looking at the potential for CFDG ambassadors in the policy arena.

This year CFDG has had greater exposure to government officials and ministers and in addition, has worked in collaboration with other sector bodies where possible to achieve greater leverage with government. This is due to the

networking we have undertaken to build relations and earn credibility through our sector and government contacts.

As mentioned above CFDG and other sector bodies have met with Stephen Timms, the Financial Secretary to the Treasury to discuss further opportunities for reform on Gift Aid and VAT. There will be ongoing discussions with HM Revenue and Customs and Treasury colleagues to try and generate general principles and review perceived barriers.

### **Best Practice**

The 9 "Made Simple Guides" distributed between April and December 2008 in association with Sayer Vincent included subjects such as Mergers, Pricing and Tax Effective Giving. The series was very well received by members and by the wider public. In February 2009 we launched a follow-up series of "IT Made Simple Guides". The first two have been on Information Security Management and IT Strategy.

Following discussions with Cass Business School, their MSc students selected two projects from a list provided by CFDG for their theses last year. The topics chosen are: *Do mergers in the voluntary sector provide financial stability for voluntary organisations?* and *What are the pressures on Finance Directors in the £1m to £5m charities and how can they cope?* The first paper on mergers has been sent out to members and is now published on the CFDG website.

Agenda Consulting in partnership with CFDG, run the Finance Count™ benchmarking study. Finance Count™ is the sector's leading financial management benchmarking study run annually. The results of the Finance Count™ 2008 were launched in April and were well received by the sector. Finance Count™ is followed up by a series of six workshops that take place throughout the year. This year's included using balanced scorecards, reporting strategically and maximising Gift Aid returns.

In September 2008 we published our seventh Charities Risk Survey along with PKF, entitled "Managing risk – a healthy appetite". This year we looked at the sector's risk appetite, how it is determined, how it has changed and the extent to which actual risk exposure is outside charities' appetite and how they are dealing with this.

CFDG, the Institute of Fundraising and PricewaterhouseCoopers (PwC) launched a report entitled "Managing in a Downturn" in November 2008 looking at the impact of the recession on the sector. The report of the findings, which surveyed 362 charities, showed that although there was a wide range of experiences the average charity's income is currently stable. The income from legacies, trusts and corporates has, however, seen a downturn. According to the report, charities are already taking proactive steps to protect themselves from future instability, with 71% of respondents taking action in light of the current economic climate. Prudent initiatives carried out by charities so far include 32% of charities putting capital projects on hold and 34% of charities planning to restrict IT projects.

In January 2009 CFDG and Hays launched the second "Annual Salary and Benefits Guide and Survey", which had over 550 respondents. The report

showed that charity salaries are holding steady despite the economic gloom: some 90% of charities expect to award a general pay rise in the coming year, although the average expected rise is down 0.7% from last year, to 2.5%. Almost 10% of charities are not expecting to offer any pay rise.

Throughout the year help lines for members-only access were provided by: Horwath Clark Whitehill LLP for accounting, John Tate for IT, Charles Russell LLP for legal and JP Morgan Fleming for investment.

We also provide support for special interest groups: the Large Charities Special Interest Group (LCSIG), the Overseas Special Interest Group (OSSIG), the Entry Level Software Special Interest Group (ELSSIG), the Sage Users Special Interest Group, and the Regional Discussion Groups.

### Performance Against Plan

The original target for the total number of file downloads across the website for 2008/09 was 107,000; however part way through the reporting year, the way that the total downloads figure is calculated was changed so that the automatic downloads carried out by sites such as Google were no longer included. This change has had an impact on the comparison with the previous year and resulted in a re-statement of the target to 88,759. By 31 March 2009 we had reached a total of 80,851 file downloads. This is 10% down on the target and almost exactly the same as the figure for 2007/08. One of the reasons that this might have been lower than expected is that with the launch of the new on-line event booking system members no longer need to download event information in order to make a booking.

We committed to two best practice projects on barriers to ethical investment and sustainability reporting. The sustainability guidance has made good progress. It has been well received by the working group, has received endorsement from the Department for Environment, Food and Rural Affairs in the form of a foreword from its Secretary of State, The Rt Hon Hilary Benn MP and was launched in May 2009.

The ethical investment project has been delayed by other best practice projects but a survey with the Ethical Investment Research Foundation (EIRIS Foundation) has been completed and the next step is to gather a working group and initiate work on guidance.

As mentioned above we started what we expect to be a very valuable collaboration with Cass Business School.

All three main 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 have been repeated and have been well received by our members and the wider sector.

As planned the review of the provision of Helplines for CFDG members was undertaken during the year. However the results of the review were put on hold while the Business Development Strategy is completed as Helplines will form part of this review.

### ***Other Activities***

Our 20th CFDG Annual Fundraising Dinner took place on Wednesday 8th October 2008 for the first time at the Intercontinental Park Lane Hotel. The dinner this year was sponsored by BestInvest and the champagne reception beforehand was supported, once again, by Chantrey Vellacott DFK. Our guest speaker this year was Dr Vince Cable MP, Liberal Democrat Shadow Chancellor of the Exchequer, who gave a timely and entertaining talk.

We were delighted to host 52 tables, six of which were allocated to sponsors and CFDG, leaving a total of 46 tables sold against our target of 50. In what had become an increasingly difficult climate for our corporate subscribers we were very pleased to see our 'black-tie fundraiser' well supported at a time when the charity press was reporting the cancellation of a number of other similar events. Inevitably the shortfall in table sales affected the amount raised in support of our educational activities.

We have made slower progress than had been anticipated on the development of web-based recruitment advertising service. However, research of the market has been completed and soundings taken from potential advertisers, and pricing and product models are in development.

Work on developing new affinity products for members has been slow as it has not been easy to identify products that will provide enough of a benefit to both members and the charity to justify their development. We are considering what role, if any, such products will play in our future development within the review of the Business Development Strategy.

### **Performance Against Plan**

The first stage of the Business Development Strategy was reviewed by the Trustees at the March 2009 meeting, we now move on to the second stage of research, product development and implementation.

Work on clarifying CFDG's brand identity was completed as part of the Marketing Strategy produced in May 2008. The Marketing Strategy sets out clearly how CFDG wishes to be seen and understood, and the core messages that we wish to communicate in relation to the charity we are, and the work we do.

### ***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 and Understanding the Voluntary Sector. 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 £60 per hour (2008: £59) the total would come to £166,000 (2008: £154,000). Considering that the vast majority of our volunteers are finance professionals this would not be an unreasonable hourly rate.

|                          | <b>2009</b>         | <b>2008</b>         |
|--------------------------|---------------------|---------------------|
|                          | hours               | hours               |
| Member services          | 1,125               | 945                 |
| Professional development | 420                 | 413                 |
| Policy                   | 341                 | 355                 |
| Best practice            | 250                 | 270                 |
| Governance               | 482                 | 477                 |
| Support                  | 155                 | 150                 |
| <b>Total</b>             | <b><u>2,773</u></b> | <b><u>2,610</u></b> |

## Plans for 2009/10 and beyond

### Member Services

Membership growth remains a high priority for CFDG. We plan to increase individual membership from 1,608 at 1<sup>st</sup> April 2009 to 1,700 at 31<sup>st</sup> March 2010. We will maintain and expand our use of bought and warm name lists, using a mix of direct mail, email and face to face mechanisms. We will also explore the opportunity to raise the profile of CFDG within the client community of our corporate subscribers.

Research will be carried out within the member and non-member community to ensure we continue to develop and deliver membership services and benefits that align with the needs of finance professionals in the voluntary sector.

### Professional Development

We will increase the total number of delegates at CFDG educational events from 3,728 to 3,900. This will be done through a mix of putting on new events and strengthening existing ones.

As part of CFDG's commitment to the wider voluntary sector we will continue to secure support for our training and conference programme in order to maintain delegate rates at a level that ensures access to the widest possible audience. We will also increase the level of our outreach communications to increase awareness of the training and conference programme in the non-member community.

Building on the success of the first Northern Conference in June 2008 we will hold our second Northern Conference in June 2009, we will maintain delegate numbers for this event at about 150. Our first South West & Wales Conference will be in Cardiff in October 2009 where we plan to attract 100 delegates.

The Trustees will consider the review of the Professional Development Strategy in September 2009 and will then start implementing it.

### Policy

Our KPI is to have at least 140 media mentions – this represents a 10% increase on last year's budgeted figure of 127.

We will continue discussions with HM Treasury and HM Revenue and Customs on potential reform for both Gift Aid and VAT.

We will aim to make contact with the Conservative Party with a view to influencing their policy for the sector in advance of the general election.

We will provide evidence to Government of both good and bad practice in public sector commissioning to inform their understanding and policy stances.

## **Best Practice**

We intend to develop a KPI for best practice that better reflects the wide variety and increasing success of our best practice work. In the meantime we will once again measure how many documents are downloaded from our website. This shows how well-used our website and more specifically our document library is and it is also a measure of how many members regularly go to the website as a first point of contact with CFDG. In 2009/10 we plan to exceed the actual for 2008/09 by 5% with 85,000 downloads.

We have also commenced work on impact reporting. This report will provide an overview of the theory, the work undertaken by charities on impact reporting to date, with examples, and what still needs to be done. We will also produce a report on barriers to ethical investment.

We will provide members with the remaining four issues of the "IT Made Simple Guides", provided by Sayer Vincent. Berwin Leighton Paisner LLP will provide CFDG members with six best practice guides on legal topics in the second half of 2009/10.

We started an additional help line on insolvency in April 2009 to support charities through the recession. This is provided by Gotham Erskine and PwC.

We have commenced work on a best practice strategy drawing together all the current best practice projects and reviewing the opportunities to develop further products and services based on membership needs. This strategy will be finalised and implemented in 2009/10.

## **Other Activities**

The Business Development Strategy will set out the opportunities and challenges for CFDG in taking a more strategic approach to relationships with the corporate sector and creating longer term partnerships. The focus of our work in 2009/10 will be to align the objectives of the Professional Development and Best Practice Strategies with the range of services and support that can be secured from the corporate sector.

Building on the brand work carried out as part of the Marketing Strategy 2008 we will develop a Brand and Communication Guide to support staff in the effective development of all CFDG outputs.

## **Organisational targets**

We will continue to 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>2008/09</i> |               | <i>2009/10</i> | <i>Comment</i>                                   |
|--------------------------|----------------------------|----------------|---------------|----------------|--|
|                          |                            | <i>Target</i>  | <i>Actual</i> | <i>Target</i>  |  |
| Membership Services      | Membership                 | 1,560          | 1,608         | 1,700          | As per strategic plan, aiming for 1,800 by 2011. |
| Professional Development | Attendance at events       | 3,550          | 3,728         | 3,900          | Previous year plus 5%.                           |
| Policy                   | Media mentions             | 127            | 191           | 140            | Previous year target plus 10%.                   |
| Best Practice            | Downloads from the website | 88,759         | 80,851        | 85,000         | Previous year plus 5%                            |
| Other activities         | Surplus                    | £86,058        | £77,406       | £80,851        | As per operational plan.                         |

Three targets were achieved in 2008/09, however, two were not.

The target for 'Best Practice' is a proxy output based on the number of downloads from the CFDG website. This year we were able to reset the target to exclude the impact of automatic programs which browse sites. The actual achieved was about 9% below target and slightly above the 2007/08 figure (80,690). We believe that we need to review the output measure that we use since, as can be seen earlier in this report, we have had one of our most successful years ever for best practice and this is not reflected in the proxy output that we are measuring our performance by.

The actual achieved for 'Other Activities' was 10% under target. This was principally due to a fall in surplus of £7,329 on the annual dinner and lower than anticipated sales of affinity products.

In setting targets for 2009/10 the Trustees have been mindful of the rapid expansion of CFDG over the last 3 years and the potential implications of the recession on CFDG, consequently growth has been forecast to be slower than in previous years. We have been particularly careful in setting a target for policy – media mentions – as the failure of Icelandic banks and the response to the report "Managing in a Downturn" led to two very clear spikes in the 2008/09 figures.

# Sustainability Report

## Introduction

CFDG recognises the importance of economic, environmental and social sustainability. We believe that every organisation has a responsibility to improve its sustainability, and moreover that best practise in this area can lead to significant benefits for charities – enhancing accountability, efficiency, good management and core charitable work. As a membership organisation we must also respond to the concerns of our members and other stakeholders, and this now dictates taking a lead in sustainability best practice.

Organisations have a responsibility to report transparently on their sustainability work, and thus this is our first report on environmental and social sustainability for the CFDG group. It is based on our publication *Sustainability in Practice: monitoring and reporting*, published in May 2009. Since sustainability affects our reputation for promoting and leading on accountability, transparency and management it is material to the organisation, which is why we are reporting on it here in the Annual Report. CFDG relies on its reputation to be effective and credible, because our reputation is critical to our ability to attract members and to be a voice for charity finance professionals. Reporting on sustainability will also benefit our reputation and income because they are so closely linked to the quality of our services and our accountability. Finally, it will help us to help our beneficiaries by providing them with an example of current best practice example in this area.

In this first year of reporting we have gathered as much data as possible through internal records and utility bills. There are however some gaps due to our location in a shared building with shared utilities. More detail is given with the performance data below.

## Our management approach to sustainability

Sustainability at CFDG is the operational responsibility of our Deputy Chief Executive, who ensures adherence to organisational policies, which now include the Sustainability Policy. The Sustainability Policy was approved by the Board of Trustees at their meeting in June 2008, and is reflected in the inclusion of this section in the Annual Report and Financial Statements. When we begin developing our next three-year strategic plan sustainability will be integrated at that level.

On a day-to-day basis sustainability is managed by the Policy and Campaigns Officer, through the Sustainability Management Plan (SMP). A summary of major progress against this plan is detailed in the following section. The SMP is based on BioRegional's One Planet Living Sustainability Action Plan for Businesses. One Planet Living is based on the 10 One Planet Living principles of sustainability: zero carbon; zero waste; sustainable transport; local and sustainable materials; local and sustainable food; sustainable water; natural habitats and wildlife; culture and heritage; equity and fair-trade; health and well-being.

## Performance data

This table shows the actions on our Management Plan that tackle significant impacts.

| Impact area                  | 2008/09 target  |                               | 2009/10 target                           |
|------------------------------|---|-------------------------------|--|
|                              | Target  | Actual                        |  |
| <b>Energy</b>                | Equipment and appliances set to energy-saving mode                              | Completed                     | N/A                                      |
|                              | Enforce auto switch-off from server   | Not completed                 | Implement                                |
|                              | Bypass standby mode   | Completed                     | N/A                                      |
| <b>Waste</b>                 | Introduce double-sided printing   | Completed                     | N/A                                      |
|                              | Encourage use of scrap-paper and envelopes                                      | Completed                     | Continue to encourage                    |
|                              | Ensure recycling available for paper, cardboard, plastic, tins and cans         | Completed                     | N/A                                      |
| <b>Travel</b>                | Introduce interest-free loans for bicycles                                      | Completed                     | Continue to encourage                    |
|                              | Carbon offsetting   | Not completed (inappropriate) | N/A                                      |
|                              | Encourage teleconferencing  | Ongoing                       | Continue to encourage                    |
| <b>Materials</b>             | Develop and manage sustainable procurement policy and associated guidelines     | Completed                     | Improve staff awareness                  |
|                              | Ensure all CFDG publications are on recycled paper                              | Partially completed           | Continue to pursue                       |
|                              | Undertake procurement audit for 2008/09   | Completed                     | Undertake annual audit                   |
| <b>Food</b>                  | Buy organic and/ or Fairtrade food and drink                                    | Completed                     | Improve staff awareness                  |
|                              | Offer vegetarian and vegan food options   | Completed                     | Improve staff awareness                  |
| <b>Water</b>                 | <i>No actions</i>   | N/A                           | N/A                                      |
| <b>Habitat and Wildlife</b>  | <i>No significant actions</i>   | N/A                           | N/A                                      |
| <b>Culture and Heritage</b>  | Monthly update on local cultural events   | Not completed                 | Circulate regular update                 |
| <b>Equity and fair-trade</b> | Ensure a policy of equal opportunities for all                                  | Completed                     | N/A                                      |
|                              | Introduce an ethical pension option for staff                                   | Completed                     | N/A                                      |
|                              | Set a maximum wage multiplier   | Not completed                 | Find a benchmark                         |
|                              | Introduce ethical banking   | Completed                     | Formalise ethical criteria               |
|                              | Ensure staff participation in development of CFDG                               | Completed                     | Continue to encourage                    |
| <b>Health and well-being</b> | Organise two days of staff volunteering   | Partially completed           | Continue                                 |
|                              | Ensure staff participation in development of the Sustainability Management Plan | Completed                     | Continue and integrate with 2009/10 plan |
|                              | Subsidise gym membership  | Completed                     | N/A                                      |
|                              | Encourage blood donation amongst staff  | Completed                     | Continue to encourage                    |

## Analysis of the data

There are 81 actions on our SMP, of which 59 have been completed, 22 have not. Of those that were not completed, we decided that 11 were simply inappropriate or unhelpful, 3 were much more difficult or time-consuming than we envisaged, and 8 unfortunately just weren't completed.

Overall it has been a good year for sustainability at CFDG. We have put policies and processes in place to ensure greater sustainability into the future, and we have made some significant improvements in specific areas, such as energy-use

and purchasing. Staff have also indicated that they feel very engaged with sustainability at CFDG, and perhaps most importantly, they feel that it is important for us as an organisation. However, we can continue to improve the support for sustainability in day-to-day decision-making.

We will always be limited in the action we can take because we operate in a shared office. However, we work with our landlords to do what we can, and our landlords have set up recycling facilities for paper, cardboard, cans, glass and plastic, with food recycling being introduced in 2009/10, they provide Fairtrade tea and coffee, and when possible organic milk, and ensure that lighting, heating and water-use are as efficient as the building allows. We are also restricted in some areas by our mission, as for example our need to travel to members' meetings and to provide hard copies of reports and publications for them.

## **Targets**

The current SMP was very much a one-year plan, with a majority of one-off actions designed to put CFDG on a more sustainable basic footing. In 2009/10 we will develop a more strategic, longer-term plan, based on the information we have collected over 2008/09. We do not have a certified Environmental Management Plan and are unlikely to institute one since we are a small organisation and many of our impacts are beyond our control. The 2009/10 elements of this longer-term plan will include the discrete targets in the table above and three key areas in for action:

- Procurement: we need to improve staff awareness and understanding of all areas of sustainable procurement, and acceptable increases in cost.
- Travel: we need to develop a more reliable system for recording business travel and to identifying any possible reductions.
- Staff behaviour: in the 2008/09 staff survey twelve staff (100% of responses) felt that sustainability was important to the organisation and to their team, but four felt that they could do more and/or could be more supported. We need to increase the number who feel they are positively contributing, and support them to act sustainably.

## Review of Financial Position

In our budget for 2008/09 we anticipated a deficit of £76,638 on unrestricted funds; in the end we achieved a deficit of £26,263. This was largely due to the significant increase in income from the Annual Conference and the IT Conference, as well as the unbudgeted income from our inaugural Northern Conference. We also came in over £15,000 under budget on our CRM project and had reduced expenditure on staff training, temporary staff and recruitment. During 2008/09, excluding donated services, overall expenditure increased by nearly 24% whilst net incoming resources increased by 10% compared to 2007/08.

Our key areas of income are membership fees, events, training, and policy. Membership income increased from £474,327 in 2007/08 to £552,281 in 2008/09. This 16% 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 third and final year of our £60,000 grant from the Charities Aid Foundation Collaborative Fund.

Over 40% 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. Other incoming resources includes the sum of £4,089 received from the Charity Consortium following its merger with CFDG.

The increase in expenditure from unrestricted funds (again, excluding donated services) was 24%, compared to a 9% growth in unrestricted incoming resources. Increase in costs is due largely to increased activity (particularly increased costs of conferences). Communications and IT costs increased from £15,367 last year to £87,565, this was entirely due to the cost of implementing our CRM software (which, as mentioned above, came in under budget).

The restricted fund is made up of two grants, one of £1,440 was a supplement to the unrestricted £20,000 from CAF which was given to us specifically to help carry out a non-member survey. We also had a grant of £2,820 from the Income Generation National Support Service to produce a booklet on tax implications of trading. During the year these grants were fully spent so we have no restricted funds to carry forward. The unrestricted general fund ended the year up from £198,330 to £292,492 following designations. Our reserves target is £175,000 but we have agreed an operational plan 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 – increased by 48%. This was largely the result of the cost of trustee recruitment. The cost of generating funds (£56,879) relates solely to putting on our Annual Fundraising Dinner, which raised £109,700 in support of our unrestricted programme.

## 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, lobbying, communications and media, which are essential to the delivery of CFDG's current strategic plan. Currently two of the co-opted Trustee positions are vacant but we have been actively recruiting to fill these and expect to be able to announce two new Trustees in June 2009.

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 Horwath Clark Whitehill 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, Roger Chester and Fiona Young |
| Remuneration | Charles Nall, Melvin Coleman and Tom Sterry MBE             |

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 Support 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. The Board has agreed that there can be Support Groups for each of the strategic aims plus IT.

Since incorporation in 1996 the number of charities with a CFDG member has increased from 493 charities to 1,262 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. We have several special interest groups but the majority tend to only be email discussion groups. However two are more formally convened. The Overseas Special Interest Group (OSSIG) has been very active for many years and has an advisory committee that plans events. During the year we also created a new group called the Large Charities Special Interest Group (LCSIG). This was created when CFDG took over responsibility for the Charity Consortium (a previously independent organisation that had provided a forum for the finance directors of the largest charities). Membership of this LCSIG is restricted to the representatives of the top 100 charities by turnover.

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 and aptitude they take responsibility for at least one activity area by appointment 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)                         | 5        | 5     | 3                | 3     |
| Melvin Coleman (Vice Chair)                  | 3        | 5     | 2                | 3     |
| Tom Sterry MBE (Treasurer)                   | 4        | 5     | 4                | 5     |
| Phil Brown                                   | 5        | 5     | 4                | 4     |
| Roger Chester                                | 5        | 5     | 1                | 2     |
| Rohan Hewavisenti                            | 4        | 5     | 0                | 2     |
| Gill Nunn (from 18 <sup>th</sup> April 2008) | 3        | 5     | 0                | 0     |
| Fiona Young                                  | 3        | 5     | 1                | 1     |

### 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.

The main risks identified were: failure to deliver quality in our policy work; failure to access and react to intelligence on new or emerging issues; failure to communicate adequately with members; and failure to operate at a national level. Each of these risks could result in CFDG not achieving its membership and revenue potential. In order to address the first two risks the Policy team has been strengthened in the last year and links with other umbrella bodies and with Government have also been built up. Member communication has been improved with the deployment of our new CRM system. Considerable strides have been made in recent years and we are continuing to develop membership and services outside London so that it can truly be said that we are working at a national level.

The Chief Executive has been tasked with continuing to deliver and implement plans to strengthen these areas over the next two 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 Esau Rahim, the part-time bookkeeper and for Elisha Odera, the Office Administrator.

The Membership and Information Team is led by Mike Dykes who is supported by Margaret Waterfield. Responsibility for the membership database and website rests with the Membership and Information Team, with Christopher Hall as Website and Information Officer.

The Events team is led by Laura James, supported by Bex Falkingham-Rushton as Conferences and Events Co-ordinator and Octavia Coombs 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 is supported by Kate Hand as Policy and Campaigns Officer.

Lindsay Derry is Marketing and New Business Manager. She has responsibility for developing CFDG membership and services outside of London for marketing and commercial activities. She is supported by Laura Anderson who joined us in the new post of Marketing Co-ordinator in January 2009.

### Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.



Company law requires the Trustees to prepare financial statements for the charity for each financial year. Charity law requires the Trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for the year. In preparing the 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;
- 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the group 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

### Reserves Policy

During the year the Trustees have reviewed the Reserves Policy and have re-examined CFDG's requirements for free reserves in the light of the predominant risks to the organisation and its working capital requirements. The two major risks are the impact of the current economic climate and the loss of reputation; the latter would result in falling membership income and loss of corporate support, along with reduced margins on key events such as the Annual Fundraising Dinner and the Annual Conference. In this light they have set a target of £175,000, based on the agreed budget for 2009/10. Total free reserves at 31 March 2009 were £292,492 (2008: £198,330). 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 by the Trustees for a particular project or use. Within the Operational Plan for the two years until 31 March 2011 the Trustees have set aside designated funds of £57,000 to cover two projects; the development and updating of the Charity Resource Network (£45,000), and the

final tranche of the development of a strategy for professional development (£12,000).

### 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 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 member's 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 2009/10 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

*2 June 2009*

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF CHARITY FINANCE DIRECTORS' GROUP**

We have audited the group and parent charity financial statements of Charity Finance Directors' Group for the year ended 31 March 2009 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members as a body, in accordance with section 235 of the Companies Act 1985 and, in respect of the group financial statements, to the charity's trustees as a body, in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity, the charity's members as a body and the charity's trustees 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 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.

The trustees were not required by section 227 of the Companies Act 1985 Act to prepare group financial statements for the financial year and accordingly have prepared the group financial statements in accordance with the requirements of the Charities Act 1993 and regulations made under that Act.

We have been appointed as auditors under the Companies Act 1985 and, in respect of our audit of the group financial statements, under paragraph 6 of Schedule 5A to the Charities Act 1993. We report to you in accordance with those Acts and in accordance with regulations made under section 44 of the Charities Act 1993 (as modified by paragraph 8 of Schedule 5A to that Act).

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 and, in respect of the group financial statements, regulations made under the Charities Act 1993. We also report whether the information given in the trustees' report is consistent with the financial statements.

We also report to you if, in our opinion, the parent charity has not kept proper accounting records, if the charity's individual financial statements are not in agreement with those 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 and other members of the group 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 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 charity'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 group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009 and of the group's incoming resources and application of resources for the year then ended;
- the parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the group financial statements have been prepared in accordance with Regulation 13 of the Charities (Accounts and Reports) Regulations 2008; and
- the information given in the trustees' report is consistent with the financial statements.



### **PKF (UK) LLP**

Registered auditors  
London, UK  
2 June 2009

**Consolidated Statement of Financial Activities for the year ended 31 March 2009**

(Incorporating the income and expenditure account)

|  | Notes     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2009<br>£ | Total<br>2008<br>£ |
|--|-----------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>                            |           |                            |                          |                    |                    |
| <i>Incoming resources from generated funds</i>       |           |                            |                          |                    |                    |
| Voluntary income:                                    |           |                            |                          |                    |                    |
| Grants   |           | 20,000                     | 4,260                    | 24,260             | 24,000             |
| Activities for generating funds:                     |           |                            |                          |                    |                    |
| Annual Fundraising Dinner                            |           | 109,700                    | -                        | 109,700            | 112,050            |
| Affinity products                                    |           | 415                        | -                        | 415                | -                  |
| Investment income:                                   |           |                            |                          |                    |                    |
| Bank interest  |           | 29,463                     | -                        | 29,463             | 34,981             |
| <i>Incoming resources from charitable activities</i> |           |                            |                          |                    |                    |
| Membership subscriptions                             |           | 552,281                    | -                        | 552,281            | 474,327            |
| Member services                                      |           | 59,250                     | -                        | 59,250             | 48,000             |
| Professional development                             |           | 357,597                    | -                        | 357,597            | 291,589            |
| Policy   |           | 4,400                      | -                        | 4,400              | 21,410             |
| Best practice  |           | 26,004                     | -                        | 26,004             | 42,563             |
| Other activity                                       |           | 9,800                      | -                        | 9,800              | 10,701             |
| <i>Other incoming resources</i>                      |           | 5,638                      | -                        | 5,638              | 2,025              |
| <b>Total incoming resources</b>                      |           | <u>1,174,548</u>           | <u>4,260</u>             | <u>1,178,808</u>   | <u>1,061,646</u>   |
| <b>Resources expended</b>                            |           |                            |                          |                    |                    |
| <i>Cost of generating funds</i>                      |           |                            |                          |                    |                    |
|  |           | 56,879                     | -                        | 56,879             | 48,901             |
| <i>Charitable activities</i>                         |           |                            |                          |                    |                    |
| Member services                                      |           | 368,962                    | 1,580                    | 370,542            | 305,694            |
| Professional development                             |           | 441,372                    | -                        | 441,372            | 325,717            |
| Policy   |           | 161,592                    | 1,580                    | 163,172            | 136,484            |
| Best practice  |           | 89,537                     | 1,100                    | 90,637             | 97,286             |
| Other activity                                       |           | 23,215                     | -                        | 23,215             | 18,591             |
| <i>Governance costs</i>                              |           | 59,254                     | -                        | 59,254             | 40,070             |
| <b>Total resources expended</b>                      | <b>3</b>  | <u>1,200,811</u>           | <u>4,260</u>             | <u>1,205,071</u>   | <u>972,743</u>     |
| <b>Net (outgoing)/incoming resources /</b>           | <b>4</b>  | <u>(26,263)</u>            | <u>-</u>                 | <u>(26,263)</u>    | <u>88,903</u>      |
| <b>Net income/(expenditure)</b>                      |           |                            |                          |                    |                    |
| <b>Net movement in funds</b>                         |           | <u>(26,263)</u>            | <u>-</u>                 | <u>(26,263)</u>    | <u>88,903</u>      |
| Total funds brought forward at 1 April               |           | 375,755                    | -                        | 375,755            | 286,852            |
| <b>Total funds carried forward at 31 March</b>       | <b>10</b> | <u>349,492</u>             | <u>-</u>                 | <u>349,492</u>     | <u>375,755</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 £1,081,908 (2008: £984,446) and total expenditure is £1,108,171 (2008: £895,543), which is total incoming resources and total resources expended as shown above, both net of gifts in kind of £96,900 (2008: £77,200). All the above amounts relate to continuing activities.

Within the Group Statement of Financial Activity the Charity Finance Directors' Group's incoming resources is £1,178,808 (2008: £1,061,646) and its resources expended is £1,203,171 (2008: £972,743).

Voluntary income during the year was £24,260, (2008: £24,000), this was made up of a grant from the CAF Collaborative Fund (£21,440) and a grant from the Income Generation National Support Service (£2,820).

The notes on pages 30 to 36 form part of these accounts.

**Balance sheet**

As at 31 March 2009

|  | Note | 2009                  |                       | 2008                  |                       |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |      | Group                 | Charity<br>£          | Group                 | Charity<br>£          |
| <b>Fixed Assets</b>                            |      |                       |                       |                       |                       |
| Tangible assets                                | 6    | 13,557                | 13,557                | 11,610                | 11,610                |
| Investments                                    | 7    | -                     | 10,000                | -                     | -                     |
|  |      | <u>13,557</u>         | <u>23,557</u>         | <u>11,610</u>         | <u>11,610</u>         |
| <b>Current Assets</b>                          |      |                       |                       |                       |                       |
| Debtors  | 8    | 219,508               | 219,508               | 349,501               | 349,501               |
| Short term deposits                            |      | 602,278               | 602,278               | 520,478               | 520,478               |
| Cash at bank and in hand                       |      | 65,126                | 65,126                | 56,350                | 56,350                |
|  |      | <u>886,912</u>        | <u>886,912</u>        | <u>926,329</u>        | <u>926,329</u>        |
| <b>Liabilities</b>                             |      |                       |                       |                       |                       |
| Creditors: amounts falling due within one year | 9    | (550,977)             | (559,077)             | (562,184)             | (562,184)             |
| <b>Net current assets</b>                      |      | <u>335,935</u>        | <u>327,835</u>        | <u>364,145</u>        | <u>364,145</u>        |
| <b>Total assets less current liabilities</b>   | 11   | <u><u>349,492</u></u> | <u><u>351,392</u></u> | <u><u>375,755</u></u> | <u><u>375,755</u></u> |
| <b>Funds</b>                                   |      |                       |                       |                       |                       |
| 10   |      |                       |                       |                       |                       |
| Unrestricted funds                             |      |                       |                       |                       |                       |
| Designated                                     |      | 57,000                | 57,000                | 177,425               | 177,425               |
| General reserves                               |      | 292,492               | 294,392               | 198,330               | 198,330               |
|  |      | <u>349,492</u>        | <u>351,392</u>        | <u>375,755</u>        | <u>375,755</u>        |
| Restricted funds                               |      |                       |                       |                       |                       |
|  |      | -                     | -                     | -                     | -                     |
|  |      | <u><u>349,492</u></u> | <u><u>351,392</u></u> | <u><u>375,755</u></u> | <u><u>375,755</u></u> |

The notes on pages 30 to 36 form part of these accounts.

The accounts were approved and authorised for issue by the Board of Trustees on 2 June 2009 and signed on their behalf by:

Charles Nall  
Chair

Tom Sterry MBE  
Treasurer

**Notes to the financial statements**For the year ended 31 March 2009

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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 (revised May 2008) and applicable accounting standards.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and of its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The Charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA or Income and Expenditure Account has been presented for the Charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

**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 10).

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 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 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 were either members of the CIS Stakeholder Pension Scheme or of The Pensions Trust Growth Plan up to July 2008, from then onwards all staff moved to a scheme with Aegon Scottish Equitable (see note 12).



**Notes to the financial statements**

For the year ended 31 March 2009

**1 Accounting policies (continued)****f) Resources expended**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that 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.

**2 Results from the trading activities of the subsidiary**

The Charity has one wholly owned subsidiary which is incorporated in Great Britain. CFDG Trading Ltd was incorporated on 5th February 2009 so that it would be ready to raise funds via commercial activities and sponsorship for CFDG from 1st April 2009. CFDG Trading Ltd intends to donate its taxable profits to CFDG under Gift Aid subject to its working capital requirements being maintained.

| CFDG Trading Ltd                  | 2009                  | 2008 |
|-----------------------------------|-----------------------|------|
| <b>Incoming Resources</b>         |                       |      |
| Total incoming resources          | -                     | -    |
| <b>Resources Expended</b>         |                       |      |
| Governance                        | 1,900                 | -    |
| Total resources expended          | <u>1,900</u>          | -    |
| <b>Retained loss for the year</b> | <b>(1,900)</b>        | -    |
| Fund balances at 1st April        | -                     | -    |
| Fund balances at 31st March       | <u><u>(1,900)</u></u> | -    |
| <b>Total Assets</b>               | <b>10,000</b>         | -    |
| <b>Total Liabilities</b>          | <b>(1,900)</b>        | -    |
| <b>Total Shareholders' Funds</b>  | <b>8,100</b>          | -    |

**Notes to the financial statements**

For the year ended 31 March 2009

**3 Resources expended**

| a) Analysis of total resources expended      | Staff costs    | Support costs  | Other direct costs | Total 2009       | Total 2008     |
|--|----------------|----------------|--------------------|------------------|----------------|
|  | £              | £              | £                  | £                | £              |
| <b>Unrestricted funds</b>                    |                |                |                    |                  |                |
| <b>Cost of generating funds</b>              | 9,984          | 4,386          | 42,509             | 56,879           | 48,901         |
| <b>Charitable activities</b>                 |                |                |                    |                  |                |
| Member services                              | 154,962        | 68,071         | 145,929            | 368,962          | 303,611        |
| Professional development                     | 162,356        | 71,319         | 207,697            | 441,372          | 325,717        |
| Policy                                       | 105,899        | 46,520         | 9,173              | 161,592          | 136,484        |
| Best practice                                | 45,547         | 20,007         | 23,983             | 89,537           | 97,286         |
| Other activity                               | 16,130         | 7,085          | -                  | 23,215           | 18,591         |
| <b>Governance</b>                            | 17,423         | 7,654          | 34,177             | 59,254           | 40,070         |
| <b>Total unrestricted resources expended</b> | <u>512,301</u> | <u>225,042</u> | <u>463,468</u>     | <u>1,200,811</u> | <u>970,660</u> |
| <b>Restricted funds</b>                      |                |                |                    |                  |                |
| <b>Charitable expenditure</b>                |                |                |                    |                  |                |
| Member services                              | 1,580          | -              | -                  | 1,580            | 2,083          |
| Policy                                       | 1,580          | -              | -                  | 1,580            | -              |
| Best practice                                | -              | -              | 1,100              | 1,100            | -              |
| <b>Total restricted resources expended</b>   | <u>3,160</u>   | <u>-</u>       | <u>1,100</u>       | <u>4,260</u>     | <u>2,083</u>   |
| <b>Total resources expended</b>              | <u>515,461</u> | <u>225,042</u> | <u>464,568</u>     | <u>1,205,071</u> |                |
| <i>Total resources expended 2008</i>         | <u>433,660</u> | <u>144,900</u> | <u>394,183</u>     | <u>972,743</u>   |                |

Within all charitable activities rows of the 'Other direct costs' column there are costs of £96,900 (2008: £77,200) 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**

| 1. Analysis of support costs: summary                    | Total Charitable activity | Generating funds                | Governance    | Total 2009           | Total 2008            |                |
|--|---------------------------|---------------------------------|---------------|----------------------|-----------------------|----------------|
|  | £                         | £                               | £             | £                    | £                     |                |
| <b>Unrestricted funds</b>                                |                           |                                 |               |                      |                       |                |
| Employee-related costs                                   | 10,432                    | 215                             | 375           | 11,022               | 18,257                |                |
| Premises   | 65,249                    | 1,344                           | 2,345         | 68,938               | 58,833                |                |
| Communications & IT                                      | 82,881                    | 1,706                           | 2,978         | 87,565               | 15,367                |                |
| Postage & printing                                       | 12,657                    | 261                             | 455           | 13,373               | 13,358                |                |
| Financial costs  | 34,238                    | 705                             | 1,230         | 36,173               | 30,796                |                |
| Depreciation   | 7,545                     | 155                             | 271           | 7,971                | 6,206                 |                |
| <b>Total unrestricted</b>                                | <u>213,002</u>            | <u>4,386</u>                    | <u>7,654</u>  | <u>225,042</u>       | <u>142,817</u>        |                |
| <b>Restricted funds</b>                                  |                           |                                 |               |                      |                       |                |
| Depreciation   | -                         | -                               | -             | -                    | 2,083                 |                |
| <b>Total restricted</b>                                  | <u>-</u>                  | <u>-</u>                        | <u>-</u>      | <u>-</u>             | <u>2,083</u>          |                |
| <b>2. Analysis of support costs: Charitable Activity</b> | <b>Member Services</b>    | <b>Professional development</b> | <b>Policy</b> | <b>Best practice</b> | <b>Other activity</b> | <b>Total</b>   |
|  | £                         | £                               | £             | £                    | £                     | £              |
| <b>Unrestricted funds</b>                                |                           |                                 |               |                      |                       |                |
| Employee-related costs                                   | 3,334                     | 3,493                           | 2,278         | 980                  | 347                   | 10,432         |
| Premises   | 20,852                    | 21,847                          | 14,251        | 6,129                | 2,170                 | 65,249         |
| Communications & IT                                      | 26,487                    | 27,751                          | 18,102        | 7,784                | 2,757                 | 82,881         |
| Postage & printing                                       | 4,045                     | 4,238                           | 2,764         | 1,189                | 421                   | 12,657         |
| Financial costs  | 10,942                    | 11,464                          | 7,477         | 3,216                | 1,139                 | 34,238         |
| Depreciation   | 2,411                     | 2,526                           | 1,648         | 709                  | 251                   | 7,545          |
| <b>Total unrestricted</b>                                | <u>68,071</u>             | <u>71,319</u>                   | <u>46,520</u> | <u>20,007</u>        | <u>7,085</u>          | <u>213,002</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.

**Notes to the financial statements**

For the year ended 31 March 2009

**3 Resources expended (continued)**

|  | <b>Total<br/>2009</b> | <b>Total<br/>2008</b> |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| c) <b>Analysis of governance costs</b>               |                       |                       |
| Legal and professional fees                          | 9,066                 | 1,960                 |
| Audit fees   | 4,000                 | 3,600                 |
| Costs of AGM, Trustee travel, recruitment & training | 21,111                | 11,532                |
| Apportionment of staff and support costs             | 25,077                | 20,978                |
| Donated resources                                    | -                     | 2,000                 |
| <b>Total governance costs</b>                        | <u>59,254</u>         | <u>40,070</u>         |

**4 Net (outgoing)/incoming resources****a) These are stated after charging :**

|                        | 2009         | 2008         |
|------------------------|--------------|--------------|
|                        | £            | £            |
| Auditors' remuneration |              |              |
| Audit                  | 4,000        | 3,600        |
| Other                  | 2,850        | -            |
| Depreciation           | <u>7,971</u> | <u>8,290</u> |

We have been located at 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.

|                          | 2009          | 2008          |
|--------------------------|---------------|---------------|
|                          | £             | £             |
| Members services         | 59,250        | 48,000        |
| Professional development | 33,250        | 26,800        |
| Policy                   | 4,400         | 400           |
| Governance               | -             | 2,000         |
| <b>Total</b>             | <u>96,900</u> | <u>77,200</u> |

**5 Trustees and employee information****a) Trustee information**

No remuneration was paid to the Trustees during the year (2008: £Nil). Expenses of £57 for travel was paid to two trustees during the year (2008: £865, four trustees).

**b) Employee information**

|   | 2009           | 2008           |
|---|----------------|----------------|
| The average number of staff employed during the year was: | <u>12.4</u>    | <u>10.8</u>    |
| Employee costs during the year were :                     | 2009           | 2008           |
|   | £              | £              |
| Salaries  | 427,947        | 374,967        |
| Social security   | 45,098         | 38,359         |
| Pension   | 42,416         | 20,334         |
|   | <u>515,461</u> | <u>433,660</u> |

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

|                    | 2009     | 2008     |
|--------------------|----------|----------|
| £80,000 to £89,999 | <u>1</u> | <u>1</u> |

**Notes to the financial statements**

For the year ended 31 March 2009

**6 Tangible fixed assets - Group and Charity**

|                       | <b>Computers</b> | <b>Database</b> | <b>Total</b>  |
|-----------------------|------------------|-----------------|---------------|
|                       | £                | £               | £             |
| <b>Cost</b>           |                  |                 |               |
| At 1 April 2008       | 7,502            | 74,445          | 81,947        |
| Additions             | 9,918            | -               | 9,918         |
| Disposals             | (6,548)          | -               | (6,548)       |
| At 31 March 2009      | <u>10,872</u>    | <u>74,445</u>   | <u>85,317</u> |
| <b>Depreciation</b>   |                  |                 |               |
| At 1 April 2008       | 7,502            | 62,835          | 70,337        |
| Charge for the year   | 1,860            | 6,111           | 7,971         |
| Disposals             | (6,548)          | -               | (6,548)       |
|                       | <u>2,814</u>     | <u>68,946</u>   | <u>71,760</u> |
| <b>Net book value</b> |                  |                 |               |
| At 31 March 2009      | <u>8,058</u>     | <u>5,499</u>    | <u>13,557</u> |
| At 31 March 2008      | <u>-</u>         | <u>11,610</u>   | <u>11,610</u> |

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

**7 Investments**

|                                   | <b>Group</b> | Shares in<br>subsidiary<br>undertaking | <b>Charity</b>       |
|-----------------------------------|--------------|--|----------------------|
| <i>Market value</i>               |              |  |                      |
| At 1 April 2008                   | -            | -                                      | -                    |
| Additions                         | -            | 10,000                                 | <b>10,000</b>        |
| <b>At 31 March 2009</b>           | <u>-</u>     | <u>10,000</u>                          | <u><b>10,000</b></u> |
| Historical value at 31 March 2009 | <u>-</u>     | <u>10,000</u>                          | <u><b>10,000</b></u> |

**Principal Subsidiary Undertakings**

|                  | Registered<br>in | Percentage of<br>Capital held | No. of £1<br>ordinary<br>shares held |
|------------------|------------------|-------------------------------|--------------------------------------|
| CFDG Trading Ltd | England & Wales  | 100%                          | 10,000                               |

**8 Debtors**

|                                | 2009           |                | 2008           |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | Group          | Charity        | Group          | Charity        |
|                                | £              | £              | £              | £              |
| Trade debtors                  | 136,660        | 136,660        | 272,225        | 272,225        |
| Other debtors                  | 12,630         | 12,630         | 12,438         | 12,438         |
| Prepayments and accrued income | 70,218         | 70,218         | 64,838         | 64,838         |
|                                | <u>219,508</u> | <u>219,508</u> | <u>349,501</u> | <u>349,501</u> |

Trade debtors are significantly lower this year largely as a result of not having invoiced for the sponsorship and exhibitors at the Annual Conference prior to the year-end, so these do not figure in debtors as they have done in previous years.

**Notes to the financial statements**

For the year ended 31 March 2009

**9 Creditors :****Amounts falling due within one year**

|                               | 2009           |                | 2008           |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | Group<br>£     | Charity<br>£   | Group<br>£     | Charity<br>£   |
| Deferred subscriptions income | 405,590        | 405,590        | 344,632        | 344,632        |
| Deferred events income        | 39,700         | 39,700         | 153,899        | 153,899        |
| Other creditors and accruals  | 105,687        | 113,787        | 63,653         | 63,653         |
|                               | <u>550,977</u> | <u>559,077</u> | <u>562,184</u> | <u>562,184</u> |

Creditors are slightly down on last year. Deferred subscription income is up because a larger percentage of our members had paid their annual membership renewal fee by the year-end. Deferred events income is reduced because we had not invoiced for conference exhibition stands as mentioned in the note above. Other creditors are up because we had two large invoices for conference venue costs that remained unpaid at the year-end (but were paid in April) these amounted to over £38,000.

**10 Total group funds**

|                                   | Opening<br>balance<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Closing<br>balance<br>£ |
|-----------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Unrestricted funds                |                         |                            |                            |                         |
| Designated funds                  |                         |                            |                            |                         |
| CRM project                       | 82,425                  | -                          | (82,425)                   | -                       |
| Online document library/CMS       | 45,000                  | -                          | -                          | 45,000                  |
| Professional development strategy | 50,000                  | -                          | (38,000)                   | 12,000                  |
|                                   | <u>177,425</u>          | <u>-</u>                   | <u>(120,425)</u>           | <u>57,000</u>           |
| General funds                     | 198,330                 | 1,174,548                  | (1,080,386)                | 292,492                 |
| Total unrestricted funds          | <u>375,755</u>          | <u>1,174,548</u>           | <u>(1,200,811)</u>         | <u>349,492</u>          |
| Restricted funds                  | -                       | 4,260                      | (4,260)                    | -                       |
|                                   | <u>375,755</u>          | <u>1,178,808</u>           | <u>(1,205,071)</u>         | <u>349,492</u>          |

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 online document library fund which consists of funds set aside for the development of an improved document library and content management system for the website which work will commence on now that the new CRM system is completed; and the final tranche of 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.

**11 Analysis of group assets between funds**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>£ |
|--|----------------------------|--------------------------|---------------------|
| <i>Funds balances at 31 March 2009 are represented by:</i> |                            |                          |                     |
| Fixed assets   | 13,557                     | -                        | 13,557              |
| Debtors  | 219,508                    | -                        | 219,508             |
| Deposits and cash at bank                                  | 667,404                    | -                        | 667,404             |
| Creditors  | (550,977)                  | -                        | (550,977)           |
|  | <u>349,492</u>             | <u>-</u>                 | <u>349,492</u>      |

**Notes to the financial statements**

For the year ended 31 March 2009

**12 Pensions**

During the year CFDG operated three pension plans. The CIS Stakeholder Pension and The Pensions Trust Growth Plan were used until July 2008, when as a result of a review carried out by Gissings, at the request of the Trustees, it was decided to move all staff to a Group Personal Pension Scheme operated by Aegon Scottish Equitable. When we launched the new pension scheme we were able to persuade several more staff to join it and the Board decided to offer staff the opportunity to backdate their contributions. During the previous financial year pensions were provided through CIS and The Pensions Trust and also the Office of Government Commerce (OGC), who administered the pension for a member of staff that was on secondment.

**Employer contributions to staff pensions**

|   | 2009          | 2008          |
|---|---------------|---------------|
|   | £             | £             |
| CIS Stakeholder Pension                           | 7,976         | 11,729        |
| The Pensions Trust                                | 1,676         | 4,836         |
| Office of Government Commerce                     | -             | 3,769         |
| Aegon Scottish Equitable                          | 28,435        | -             |
| Aegon Scottish Equitable (retrospective payments) | 4,329         | -             |
|   | <u>42,416</u> | <u>20,334</u> |

**13 Capital commitment**

At 31st March 2009 there were no capital commitments.

**14 Related party transaction**

There were no related party transactions during the year. (2008: There were also none.)

**Trustees Officers and Advisers****Registered Charity No:** 1054914 **Company No:** 3182826 **VAT No:** 945 6038 09**Board of Trustees**

Charles Nall (Chair)  
Melvin Coleman (Vice Chair)  
Tom Sterry MBE (Treasurer)  
Phil Brown  
Roger Chester  
Rohan Hewavisenti  
Gill Nunn (from 18<sup>th</sup> April 2008)  
Fiona Young

**Finance Committee**

Tom Sterry MBE (Chair)  
Phil Brown  
Lisa Burger  
Ray Salmons

**Nominations Committee**

Charles Nall (Chair)  
Roger Chester  
Melvin Coleman  
Fiona Young

**Chief Executive and Company Secretary**

Keith Hickey

**Deputy Chief Executive**

David Membrey

**Special Adviser**

Pesh Framjee

**IT Adviser**

John Tate

**Remuneration Committee**

Charles Nall (Chair)  
Melvin Coleman  
Tom Sterry MBE

**Head Office and Registered Office**

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London  
SE1 9BG  
Web site: [www.cfdg.org.uk](http://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

Royal London Cash Management  
55 Gracechurch Street  
London  
EC3V 0UF

**Solicitors**

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