



INSPIRING
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CHARITY FINANCE GROUP

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 March 2012





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(A charitable company limited by guarantee)
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Chair's message

Reflecting on our history, looking to the future

The end of this financial year signals the start of an important point in our history as an organisation and marks a significant milestone in our development. As a founder member I am well placed to reflect on our journey so far and, together with a committed staff team, look forward to the role (the newly named) CFG, the Charity Finance Group, will play in the coming years.

Twenty-five years ago a small group of like-minded finance directors came together to form CFDG, the Charity Finance Directors' Group. At that time professionalism in the sector was patchy, the rules of engagement unclear and the importance of strong financial leadership and management overlooked. How things have changed. Increasingly financial leadership comes from highly skilled, professionally qualified individuals, charities are subject to a vast array of rules and regulations, and inspirational financial leadership plays a central role in effective and impactful charities.

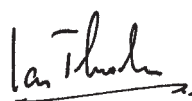
2011 was a difficult and challenging year for the charity sector. The economic climate of the past few years has been depressed, with all forms of charity income suffering acute pressure. Of course, not all charities are affected in the same way or to the same extent, but all have undergone a period of review and reflection. Looking forward, as much as I would like to herald light on the horizon, I think we are in for a number of tumultuous years. Carrying on as before is simply, almost without exception, not an option – and this is where CFG comes into its own.

Our training and information sharing activities, networking opportunities and policy work have inspired and supported members and the wider sector throughout 2011/12, and our impact is highlighted in this report. We play a critical part in advising, informing and helping develop those with responsibility for financial management within the sector. Our significant corporate subscriber base enables us to connect and support individuals and organisations working within and for the sector with unparalleled access to a broad range of expert resources. Our investment in policy and public affairs work has strengthened our position in understanding and representing the needs of the sector in matters which impact upon transparent, efficient and effective financial management. If you have an interest in or are responsible for financial leadership or management in the sector, then CFG is here for you.

CFG itself has experienced growth despite the gloomy economic climate, which reflects the hard work and commitment of the Trustees and staff team. My thanks go to all involved in CFG and as well as marking the fantastic work done by our staff, in particular I wish to thank Charles Nall, Roger Chester, Fiona Young and Kim Catcheside, who stood down as Trustees, for all their hard work and support in recent years. I am also delighted to welcome Diane Bassett, Kevin Barnes and Rosie Chapman who joined me this year as new members of the Board.

Inspiring financial leadership is critical for charities if we are to face this unprecedented period of fiscal contraction. It is essential that CFG continues to drive up standards of financial management and leadership throughout the sector and I and my fellow Trustees are delighted to be playing a part in shaping our future.

Ian Theodoreson
Chair of Trustees



Ian Theodoreson

From the CEO

At the heart of things

It's our 25th anniversary year – a very exciting time for CFG. Our reception in the House of Lords, hosted by Baroness Hayter with a moving speech by Lord Phillips, showed me that we have the power to convene big and small, across the sectors and the political spectrum. But our 25th anniversary isn't just a chance to celebrate and reflect, it's an opportunity to shine a light on two issues which go to the very heart of our existence and which have been historically 'difficult nuts to crack'. We will be focusing on improving understanding of and reporting on impact and attempting to address the ongoing challenge of developing financial capability across the sector.

Refreshing and revising our name and identity is the culmination of a year of work reflecting on the organisation we've become and focusing on our vision, mission, objects and aims. Our new identity underlines our commitment to the sector as a whole, our accessibility to individuals and organisations (whether through membership or other engagement) and our ever-deepening credibility as a strong voice for the sector in matters of charity finance.

I passionately believe that inspiring financial leadership is at the heart of thriving organisations.

Our members stand for so much more than managing the numbers, meeting compliance requirements or the delivering of charity accounts. We and our members are at the heart of strategic thinking, driving understanding of why their charities exist, what they are trying to achieve and whether they are performing against their objectives.

Finance leaders have a unique view of their whole organisations and, if nurtured and supported, they are inspirational forces for positive change in their charities. Better financial management and leadership can unleash real transparency, efficiency and efficacy.

Throughout this report we set out our activities and achievements, seeking to demonstrate the impact we create, the challenges we are facing and the work yet to be done. This report provides an honest insight into the things we've done during the financial year and signals our intentions for the future.

Caron Bradshaw

CEO



Caron Bradshaw

Report of the Board of Trustees

For the year ended 31 March 2012 (incorporating the Directors' Report)

Raising the standard

With more than 1,800 members, managing over £21 billion, we are uniquely placed to champion financial practice to promote the most effective use of charity funds.

Thanks to our support, individuals and teams provide the most forward-thinking and technically robust financial management possible. We don't simply see finance as a compliance function, but rather we aim to place inspirational financial leadership at the heart of effective charities and a robust and sustainable sector.

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 trust and confidence.

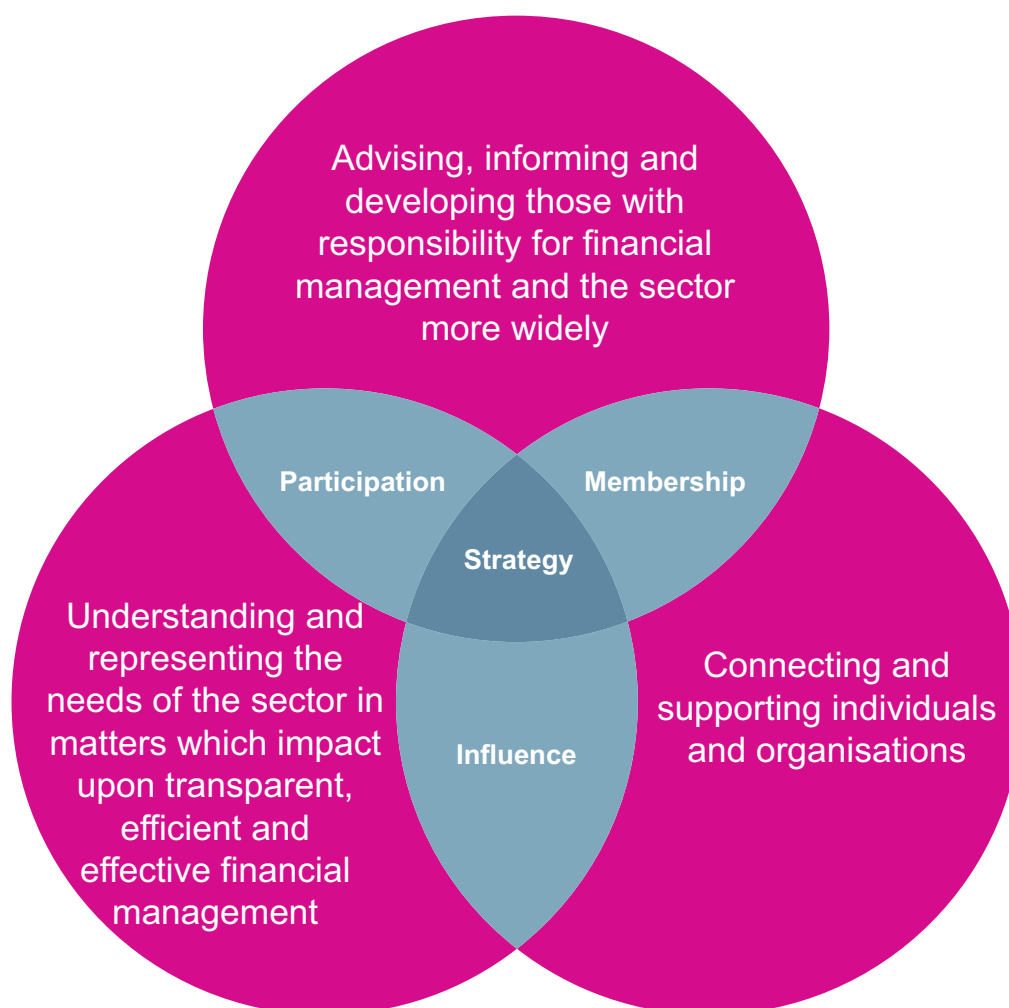
Our mission

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

Our aims

Central to achieving our vision and mission are our aims, the means by which we aspire to achieve change.

Throughout this report, we link our achievements, our plans and aspirations to these three aims.



CFG's three aims

Advising, informing and developing

Regular surveys to gather member and non-member views enable us to stay close to the needs of finance professionals in the sector. We have always recognised that when it comes to training, skills building and knowledge updates one size cannot fit all. Those managing charity finances can be new to the sector; new to a bigger job at a different charity; well established and facing the need to refresh and develop the role of finance in their organisation; or looking for technical briefings on specific issues. Whatever the need, our ambition is to support finance professionals at every stage of their career.

Our aims for 2011/12

- To reach at least 4,182 individuals with conferences and training events.
- To extend the reach of our training programme beyond London.
- To take forward the National Council for Voluntary Organisations (NCVO) funding commission recommendations.
- To continue providing publications, guides and information on our website to support the wider sector.

How we did in 2011/12

During 2011/12 we welcomed a total of 4,358 delegates representing charities across England and Wales to our events, with all areas exceeding total targets for the year. Feedback from delegates and attendees was routinely positive and when asked to rate the quality of the content the mode score was eight out of 10.

In a challenging year when many charities faced tough spending decisions, delegate attendance at the conferences was in line with our forecasts, and exceeded at the Northern, Risk and Annual Conferences. We believe our conferences and courses represent excellent value for money, are independent, bring together the best speakers from corporate and charity sectors and are a first choice for meeting the need for skills building and development of those with responsibility for charity finance.

The best use of resources requires collaboration and partnership where appropriate. This year we have

worked in partnership with New Philanthropy Capital (NPC), Association of Chief Executives of Voluntary Organisations (ACEVO) and a range of other sector bodies to produce the *Principles of Good Impact Reporting* publication, assisting charities to 'tell their story' and be more accountable and transparent to their donors and funders. We followed this up with a hugely successful series of seminars.

We were pleased to support National Ethical Investment week for the first time, producing a short guide in partnership with UK Sustainable Investment and Finance Association (UKSIF) and hosting a breakfast seminar titled Investment – where does charity's responsibility lie?. In addition we supported a range of events delivered by third parties.

As well as our collaborative activities, we also provided our own courses. During 2011/12 we delivered on our commitment to expand our training programme on a range of topics into the Midlands, North and South West & Wales. These day and half-day courses have been held across these three regions. For most courses attendance has exceeded our expectations – although as with all new activities, initial take-up was a little slow. We are reviewing performance and looking at how we can develop the course offering in relation to timing, frequency, location and content.

“All speakers were very knowledgeable and gave very helpful illustrations and examples to explain complex issues.”

Delegate, Tax Implications of Charity Trading course

Conversations with finance leaders revealed a desire for professional development that could 'inspire me, help me tackle the stereotypes in my day-to-day job, challenge me to think differently – but is practical and gives me powerful tools I can use immediately'. After investigating a number of possibilities, we worked with skilled practitioners who challenge the traditional linear ways of thinking to develop a new course called Prepare for Change. The pilot event in 2011/12 was

highly successful, so this course now features in our established training programme for 2012/13.

Our conferences remained at the core of our skills building and knowledge-sharing programme. During the year, we held seven one-day conferences on a range of topics. The Annual Conference, IT, Risk, Investment and Tax all took place in London. We also held regional conferences in the North, South West & Wales.



PRINCIPLES INTO PRACTICE

How charities and social enterprises communicate in practice

Sponsored by

ACEVO 25
CFG INSPIRING FINANCIAL LEADERSHIP
New Philanthropy Capital
Grant Thornton
PS Financial



CFDC
PKF
Accountants & business advisers

MANAGING RISK
OPERATING IN THE NEW

Looking forward to 2012/13

We recognised the limitations of event attendance for measuring the success of our advising, informing and developing aim. So during 2011/12 we also monitored feedback on the relevance and quality of our professional development activities. We will continue to develop methods to enable us to objectively assess whether such activities meet the delegates' learning objectives during 2012/13.

Response to our membership survey tells us that 85% of CFG members hold an accounting qualification, making the provision of a quality technical and professional development programme core to our agenda. During 2012/13 we are focusing on strengthening our offering to support finance professionals, at all stages of their careers.

To ensure we allocate our resources realistically in the future, we have drawn on our members' opinions. In the third biennial survey of our members, conducted during autumn 2011, we saw a clear demand for:

- Greater opportunities for networking and forums based on greater segmentation of members and associated special interest groups.
- A professional development programme that focuses on the role of the finance professional as an organisational leader within charities, supported by an expanded portfolio of CFG training plus a mentoring service.
- The provision of more support and guidance on the challenges of outcome measurement and impact reporting.

Taking feedback into account we decided to focus our 25th anniversary year on two themes: understanding and reporting on impact and financial capability and leadership. These themes enable us to tie together our professional development strategy and ambitions with our public benefit duty to raise the standards of charity finance across the sector.

During the coming year our main priorities for professional development are the creation of a mentoring scheme and a financial capability programme for smaller charities (both of which play a part in delivering the NCVO funding commission recommendations).



Connecting and supporting

Providing a forum for the exchange of ideas, experience and challenges that can lead to the participants developing their own and shared solutions is at the heart of what we mean by connecting and supporting. We bring together individuals and organisations from across civil society spanning the private, public and voluntary sectors; recognising the particular skills and knowledge that all three bring to the table.

Our aims for 2011/12

- To achieve membership growth with a target of 1,800 members (net growth of 2%).
- To survey our membership during 2011/12 to ensure we continue to deliver quality, relevance and value.
- To develop the website further as a channel for bringing together individuals and organisations that may have difficulty travelling to meetings.
- To grow to 145 corporate subscribers, with growth targeted in smaller companies and those headquartered outside London.

- To increase the number of longer term support packages to at least 15 by the end of the year.
- To hold a corporate subscriber only event to identify the most productive ways in which our corporate supporters can continue to provide products and services to our beneficiaries and the wider sector.

How we did in 2011/12

We are pleased to have maintained year on year growth in membership. We closed the year 2011/12 with 1,815 individuals in membership (1,758 members in 2010/11), representing between them 1,397 different charitable organisations. This represents a net growth of 3% and exceeds our 2011/12 target.

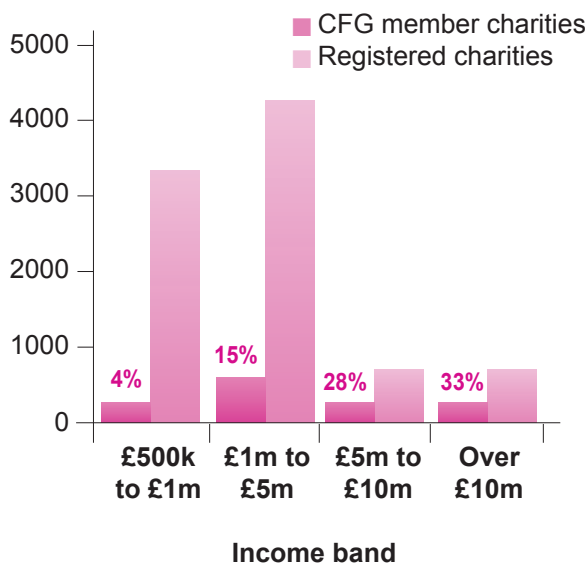
As the economy contracted and more charity finance professionals faced redundancy we felt it was important to ensure that great financial leadership and talent was not lost from the sector, and that we should provide a way to stay connected to CFG. We therefore extended free associate membership for six months to any individual who might otherwise have had to resign their membership at the point of redundancy.



CFG is there for all those with responsibility for the finances of a charity, irrespective of their title. During the year we reviewed our membership base to ensure a good understanding of our reach across the sector, and the constituency we serve.

Membership profile by income size – sector comparison

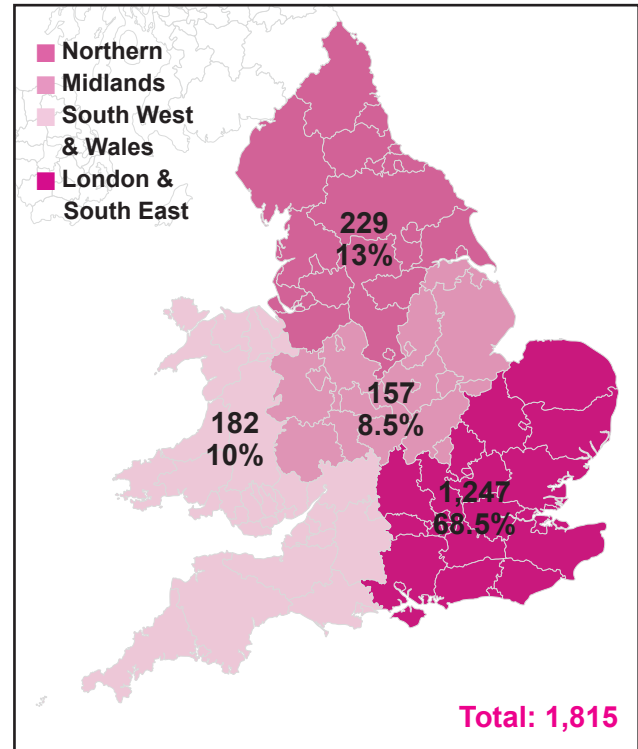
As at March 2012 there were 161,649 registered charities in England and Wales. An analysis of CFG member charities by incomes compares as follows:



CFG member charities represent just over 19% of all registered charities with income in excess of £1 million rising to nearly a third of those over £10 million. The majority of the top 100 charities, ranked in relation to level of gross annual income, are CFG members. However we recognise that the vast majority of charities are very small (under £500,000) and are actively seeking ways to collaborate with others to provide support to individuals in smaller charities.

When individual members join CFG, they can choose to belong to one of four regional groups depending on where they wish to attend member meetings. The position at the end of March 2012 was as follows:

Membership profile by region – national network



Membership profile by field of work – sub-sectors

Profile data is maintained regarding member charities’ broad field of work/area of activity. Many charities are active in more than one field.

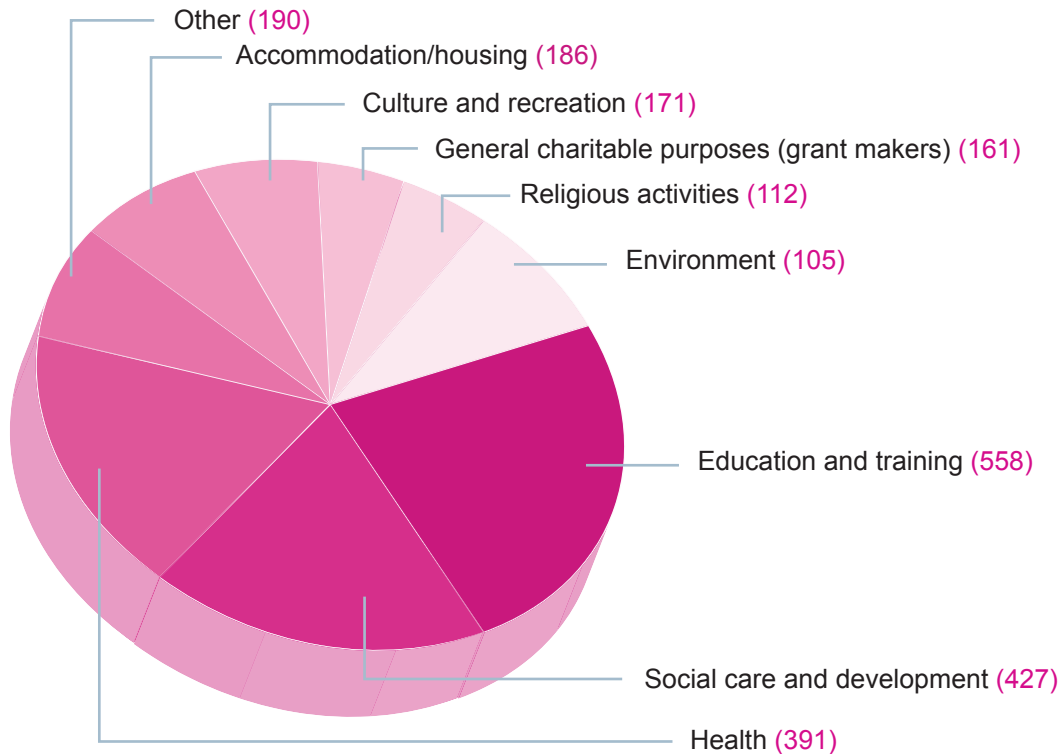
As planned, we surveyed our members in autumn 2011, using an independent market research company. With more than a quarter (27.4%, an increase from 21.7% in 2009) of our members engaging in the process we are content that the results are robust and reflect the views of our members.

The response indicated high levels of satisfaction with our services and support. Members state that CFG helps them to keep up to date, provides access to networking opportunities and is a useful source of information. We were particularly pleased that CFG is placed in the top three organisations to contact when seeking information/advice about finance issues in the sector, alongside the Charity Commission and a charity’s own professional advisors.

Our website was relaunched in May 2011. It is an excellent platform for further development that will

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CFG membership by sector



improve our ability to connect and support those within the sector using social media tools and online networking. It will be an important route for delivering professional development, special interest groups and information to a sector-wide audience.

We have focused resources on improving integration between our customer relations management (CRM) system, website and finance system to increase the efficiency and reliability of our event bookings and invoicing. This was given priority over enhancing and broadening our service provision into new digital areas. We very successfully used Wordpress to draw together Twitter content, speaker and delegate interviews and presentations for both our IT and Annual Conferences.

By 31 March 2012 we had a total of 153 subscribers (137 in 2010/11), a growth of 12% against a target of 145 (6%).

This growth was achieved without actively marketing the subscriber scheme, indicating an increased awareness of CFG and recognition that we represent an effective way for companies to engage with finance managers in the voluntary sector. As part of

“Asking a question at a CFG VAT seminar and exchanging ideas with a fellow member, I was able to take this knowledge away, apply to my own charity and make substantial savings. Practical support and ideas like this from experts and my peers make CFG membership so valuable.”

CFG member, Midlands

“Being involved with CFG enables us to talk directly to the finance leaders in the sector and to understand what the issues and the concerns are, and actually what solutions we might be able to produce for the sector and finance leaders.”

Richard Pierce, PS Financials

our strategy to broaden our reach throughout England and Wales and encourage smaller firms, this year we introduced a reduced subscriber membership rate for smaller companies. We believe that diversity in the corporate subscriber base is as important as it is in our charity membership. We started the year with four such companies and have ended the year with a total of 10.

We negotiated 10 longer term packages of support with subscribers, securing their commitment to the delivery of CFG activities in 2011/12. We recognised the level of support required to deliver on all our commitments was greater than the resource available and we decided not to pursue the target of 15 packages. However we are clear that such packages are mutually beneficial and contribute to the development of sustainable funding streams for CFG so they will figure in our future model.

We did not hold the planned subscriber event, but we held individual meetings with the majority of our subscribers during the year. We intend to carry on this process in the coming year.

We are very grateful to all of our corporate subscribers whose input and support – financial, in kind and intellectual – is essential to our ability to operate.

Looking forward to 2012/13

We will continue to grow our membership among our core audience (charities with an income in excess of £1 million). We will nurture organisations with limited financial support, focusing on financial capability to improve provision for those with the most need. Providing guidance, information and support to charities with an income of less than £1 million will

require the development of joint working and collaboration with existing groups (for example, the Small Charities Coalition, National Association for Voluntary and Community Action, Community Accountancy National Network, Association of Charity Independent Examiners). We will aim to increase the number of charities with a member of staff in CFG membership to 1,411 in the coming year – an increase of 1%.

We have revised the membership structure to increase access to our services and to connect with and support more widely the hard-pressed sector we serve. From 1 April 2012 all charities with an individual CFG membership can nominate a free secondary member. Free secondary members receive all the same CFG member benefits as primary members. Thereafter additional members can be added at a discounted rate tiered to reflect the size of the charity's income. We believe this, alongside refreshing our name, will encourage a wider range of those responsible for managing charity finance to join CFG and benefit from the connections and support membership brings. We plan to research the non-member market to ensure we understand the challenges that they face and how CFG can seek to address those challenges.

In the coming year, we plan to further strengthen our corporate subscriber base by improving relationships with existing partners and by welcoming new ones. We intend to open up further opportunities for corporate subscribers to engage regionally. Our Memorandum and Articles of Association limits the corporate subscriber base to 10% of our charity membership base and currently we aim to target any growth at smaller companies and to companies headquartered outside London where appropriate.

During 2012/13 we will review and develop our website, including the document library, the functionality of the members' directory, online membership renewal and the development of online forums. We will also explore the opportunities that distance learning represents.



Understanding and representing

Our policy and public affairs work and our best practice publications are important aspects of our work. We have invested significantly in these activities over the recent past and we believe that our ability to influence and inform policy development, regulation of charities and give voice to the views of finance professionals have improved as a result. To represent the sector in matters of charity finance, we have to understand the views of those that manage charity finances and to engage with sector bodies, regulators and parties across the political spectrum.

Our aims in 2011/12

- To maintain our reputation for high-quality and practical input.
- To continue to develop our role in influencing decision makers and regulators on key issues that affect the sector, where relevant, backed by empirical evidence.
- To develop our public profile in the sector and with the wider media, working collaboratively with other bodies and producing practical and comprehensive publications.

How we did in 2011/12

A solid understanding of the support and skills modern finance professionals need in light of the changes in the policy and economic environment is crucial to deliver our mission. We need to demonstrate that we are representative of the sector so we are delighted to have achieved our goal with 32% of our membership based in charities outside London and the South East.

“Excellent presentation; made understanding the SORP easier.”

Delegate, Introduction to Charity Finance course

We carried out a number of surveys and consultations to provide evidence and support for policy lines, from formal surveys such as our Risk, Salary and Managing in a Downturn surveys to more informal engagement such as round tables, short questionnaires (eg. the Charities Act review) and through our Technical Accounting and Banking Forums.

This year marked the 10th annual Risk Survey (with PKF), tracking the key risks charity finance teams face. To mark this we worked with students from CASS Business School to look at lessons from the survey and how risk management had changed over the decade.

Measures from the Budget 2011, a positive one for the sector, kept us preoccupied in the early part of the year. We developed proposals on VAT on shared services and constructively informed policy on inheritance tax relief on legacies and Gift Aid small donation schemes through our membership of HMRC's Charity Tax Forum.

We were particularly pleased government announced the long-awaited introduction of the VAT cost sharing measure after many years of lobbying. Together with NCVO's Sir Stuart Etherington, we met with Treasury Minister, David Gauke and the Minister for Civil Society, Nick Hurd to discuss the implementation of the EU directive. There will be further work to be done on this in 2012/13.

In November 2011, Lord Hodgson was announced as the formal reviewer of the implementation of the Charities Act 2006. The review offers an opportunity to improve the regulatory landscape that is so important to our members. We implemented a rolling programme of short surveys to gather views on issues from accounting thresholds to the role of the Charity Commission and ensured this informed our response to the review team. Our CEO Caron Bradshaw was part of an NCVO review group on the role of the Charity Commission. Caron Bradshaw and Chair of Trustees, Ian Theodoreson met with Lord Hodgson to consider the review of the Charities Act.

We have actively engaged with the Accounting Standards Board on reforming the accountancy framework. By working with the Charity Retail Association, we successfully highlighted the significant burden some of the proposed measures would impose on charity shops and ensured the proposals were removed.

We have enhanced our focus on accountancy issues through dedicated internal resources and drawing more widely on our Technical Accounting Forum (TAF), which brings together our corporate subscribers and members. Our CEO joined the SORP committee this year as a formal observer.





“The Banking Forum enables us to meet with finance leaders from across the sector. One issue that springs to mind was the proposed abolition of cheques, we were really happy to join forces with CFG to campaign against the abolition of cheques. We find membership really valuable.”

Paul Martin, Co-operative Bank

Considerable effort was put into highlighting the impact on charities of the removal of cheques. Working closely with Institute of Fundraising and our own Banking Forum (bringing together our corporate subscribers and members) we raised our concerns and made representations to the Public Affairs Select Committee. We held a series of joint meetings with the Payments Council and our members in each of our four regions to gather evidence for our representation. Our work contributed to the announcement of the cancellation of the ‘end date’ for cheques.

Throughout the year we have strengthened our processes for engaging with the sector. Representing the views of charity finance professionals to policy makers is central to what we do. We have strengthened our contacts with politicians – recognising that some changes require

UNDERSTANDING AND REPRESENTING

higher level political influencing. This year, we attended all three of the main political party conferences for the first time, and used the opportunity to highlight our views with a range of key decision makers across all the parties.

We continue to ensure that close working relationships with our sector colleagues are maintained, not limited to but including work with the Small Charities Coalition, Directory of Social Change (our CEO is a trustee of DSC), NCVO (our CEO sits on the regional assembly), Institute of Fundraising, NPC and ACEVO. During 2011/12 our CEO was a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) charities panel. Our partnership with the Charity Investors' Group (CIG) is going from strength to strength. CIG supported our first independent investment conference for the sector and later in the year worked with us to produce an enormously helpful and practical guide on how to write a charity's investment policy.

We worked closely with the National Fraud Authority (NFA) on the issue of charity fraud, supporting the Annual Fraud Indicator and the Fighting Fraud Together (FFT) initiative, a partnership between public, government, law enforcement, private and voluntary sector organisations. Under the remit of FFT, we have collaborated with the NFA, Charity Commission and others on the Charity Fraud Project. We led the production of a charity fraud guide, collaborating with 14 other organisations to help Trustees and managers of charities prevent, detect and report fraud.

Our media presence results from a mixture of proactive and reactive media engagement. The press, including broadcast (Channel 4, BBC central and regional and Sky News for example) and printed media (from the *London Metro* and sector press to national broadsheets) approached us to comment on a range of issues.

We have used our media relationships as well as social media avenues, through our Twitter accounts

(including @CFGtweets), to raise the profile of a number of issues affecting the sector. Our CEO has blogged regularly for the Guardian Voluntary Sector network and *FD* magazine, and she appeared on BBC Look North to talk about the impact of the economic climate on charities. Our Head of Policy and Public Affairs, Jane Tully was interviewed on Sky News in the wake of the 2012 budget. The 2011 Managing in a Downturn survey was covered in

national media articles in the *Financial Times*, *Independent* and the *Guardian* as well as the sector press. In print media alone, CFG received 217 press mentions (208 in 2010/11) over the year.

Looking forward to 2012/13

Budget 2012 cast a dark shadow over what had been a cautiously positive year for charities in policy terms. The announcement of the cap on tax reliefs and removal of zero VAT rating for listed buildings called into question government support for the sector. However the change of heart on the tax cap at the end of May 2012, as a result of the Give it back George campaign that CFG took part in, showed that they do listen to sector-wide responses.

Our efforts over the next year

will be targeted at achieving a reversal of these measures and ensuring that the role charities play in our economic and social life is recognised as being central to the government's policy agenda. Other priorities for the year ahead include:

- building on our work on pensions to support those charities that face crippling schemes and limited options;
- social investment;
- pursuing the impact reporting agenda;
- developments in accounting standards;
- following up the Charities Act reform.

“CFG's work on VAT and shared services was exemplary leading to a significant change of policy and particularly showed that CFG was able to elicit real-time examples, which were terribly important in influencing policy. I have been extremely impressed by the work that CFG has undertaken in the public policy sphere.”

Sir Stuart Etherington, CEO, NCVO

Review of financial position

CFG finances continue to be healthy in tough economic conditions, with membership continuing to grow and demand for CFG conferences and events increasing. We have re-categorised our expenditure during the year and restated the prior year figures to provide year-on-year comparison.

We planned a deficit of £59,643 in the year but achieved a small surplus of £30,702. This was due to growing support from our corporate partners, keeping a close eye on costs and negotiating hard with our venue hosts and our events programme delivering an additional £80,453.

The free reserves carried forward have increased to £321,337 against our current reserves target of £175,000. This is despite planned activity to reduce the reserves. We will take action to invest free reserves in activities over the next three years to reduce our reserves to target.

Overall income has grown by 19% to £1,553,205. CFG received 43% of its income from membership fees and strong demand for our professional development events meant conference and training income grew by 33% to £520,137.

Income from our annual fundraising dinner increased by 24% to £126,245 with £47,741 of direct costs. We were delighted to welcome Nick Hurd MP, Minister for Civil Society as the after-dinner speaker. In what was potentially a challenging climate for fundraising dinners the evening was very successful with 51 tables sold to 40 corporate hosts and £79,504 raised. This makes it our second largest annual fundraising dinner in terms of table sales with our largest surplus ever.

Over 40% of CFG income comes directly from 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 our wide range of cost-effective services. We negotiated 10 longer term packages of support with corporate subscribers, securing their commitment to the delivery of CFG activities in 2011/12.

During the year CFG has significantly increased its expenditure on advising, informing and developing its members by 15% to £485,388. Connecting and supporting expenditure increased by 13% to £613,282. Expenditure on understanding and representing members has increased by 11% to £209,147.

Other activities and governance costs reflect the increase of 17% in staff costs over the previous year in supporting the increased services to members. Overall expenditure has grown by 13.5% to £1,522,503. A surplus for the year of £30,702 was generated. There has been no restricted income or expenditure in the year.

All staff are directly engaged in activities in furtherance of our objects and their cost has been allocated accordingly. Governance costs include an allowance for the value of donated venues and refreshments.

In 2012/13 CFG plans similar activity with an agreed budget deficit of £54,897.



Structure, governance and management

Who we are and how we work together

The Charity Finance Group (trading name of 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 directors of the company.

Related organisations

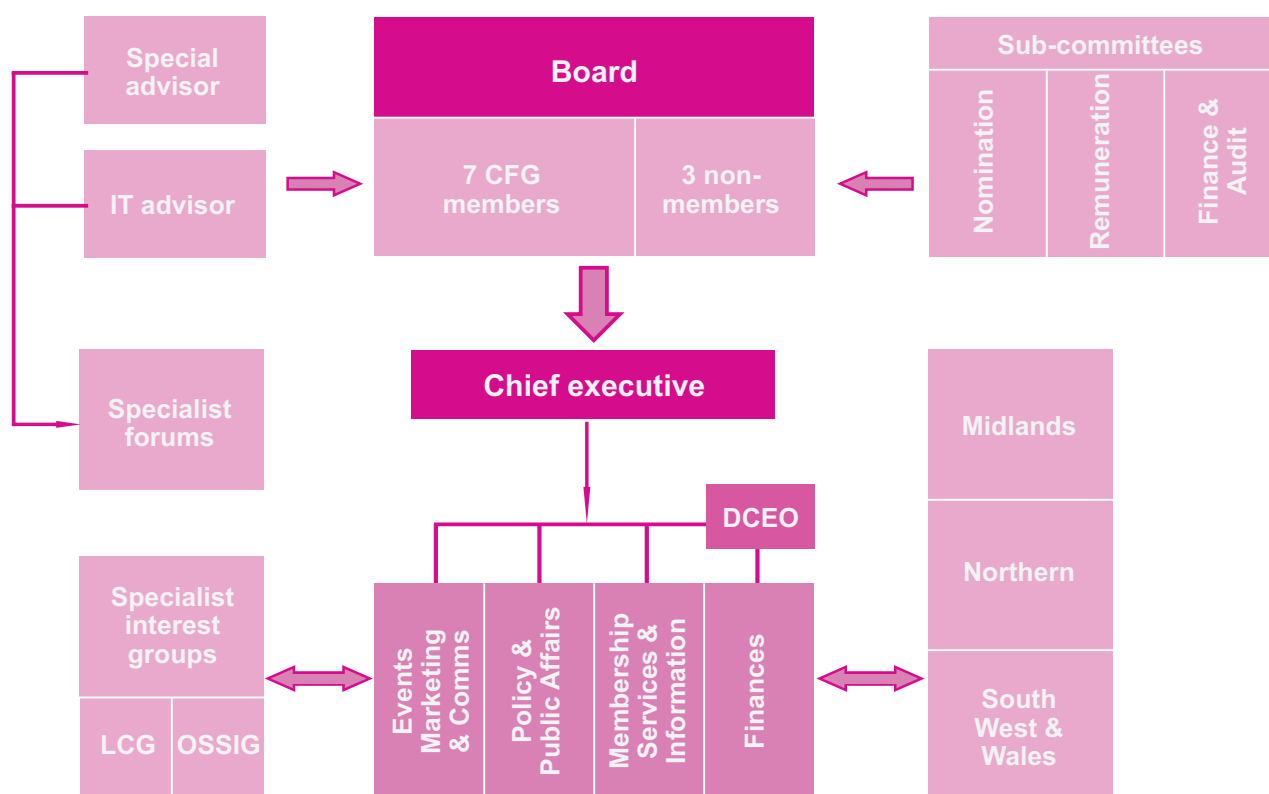
The charity has one wholly-owned trading subsidiary, CFGD Trading Ltd, which carries out ancillary trading on its behalf. Further details can be found in note 2 to the financial statements.

Organisational structure

Of the 10 Board members, seven are required to be CFG members and the Board may appoint three non-members as Trustees. This reflects the wider variety of skills, such as marketing, lobbying, communications and media, that are essential to the delivery of CFG's current strategic plan.

The Trustees serve for a term of three years and may be appointed to serve for a further term. Appointment of the seven member Trustees is by election at the September 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 a year and holds two additional half-day strategic planning sessions. We also have two advisers, Pesh Framjee as our special adviser and John Tate as our IT adviser.

On appointment each Trustee signs a code of conduct and completes a register of interests, reviewed 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 conflicts of interest/duty. Job descriptions for Trustees, officer holders and staff are also included. New Trustees meet with the Chair and Chief Executive and undertake an induction process



CFG's organisational structure

with the staff. According to individual skills, Trustees are invited to support CFG sub-committees, work areas or forums as appropriate. Trustees are expected to attend at least one member meeting outside their own region during a year.

The Board has a number of sub-committees to assist in the expedient execution of duties. The membership of our three existing committees is stated on page 31. Sub-committees are governed by their own terms of reference and delegated duties, approved by the full Board.

Trustees have delegated management of CFG to the Chief Executive, who reports on the performance against strategic objectives approved by the Trustees. During 2011/12 operational departments were created and heads of each area appointed. Financial and risk management are overseen by the Finance and Audit committee with operational duties being discharged by the finance team under the oversight of David Membrey, the Deputy CEO.

The Board receives a report from the CEO and operational heads that covers our areas of activity and risk management. Other support groups and forums are used throughout the year to support the staff team. We are grateful for all members and corporate supporters who provide such essential assistance and technical support, helping us develop our policy work and influence.

Since incorporation in 1996 the number of charities with a CFG member has increased from 493 to 1,397 and regional groups support our work throughout England and Wales. Outside London and the South East, our regional activities are constituted as branches under the Articles of Association and supported through regional committees.

In the Midlands, North and South West & Wales a committee of CFG members and staff have worked together to develop the programme of activities that is appropriate for each region on a range of topics and content. Non-member finance professionals are invited to the regular open meetings.

We have two formally convened special interest groups – the Large Charity Group (LCG) and the Overseas Special Interest Group (OSSIG). OSSIG has been active for many years and has an advisory committee that plans events and liaises with the staff policy team on development of relevant policy and best practice activities. The LCG, created in 2008

when CFG took over responsibility for the Charities Consortium, is an increasingly important part of CFG's engagement with the top 100 charities (by turnover). It is an essential part of the work we do and is particularly important to inspiring financial leadership throughout the sector. LCG is also supported by a steering committee.

Management and staffing

The Chief Executive has responsibility for planning, developing and implementing services and strategies within clear policies and protocols set by the Trustees. The CEO 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 CFG are observed. Caron Bradshaw has been Chief Executive since June 2010.

CFG presently has a staff headcount of 17 full time equivalents. In addition we participate in the Charityworks scheme and have provided a placement for one graduate during the period. Lindsay Derry leads the Events, Marketing and Communication team, Jane Tully leads Policy and Public Affairs and Mike Dykes heads up the Membership Services and Information team.

Trustees

During the period our Nomination committee refreshed our skills audit of the Board to ensure diversity in skills and approach is maintained, to identify any gaps and to inform our recruitment of new Trustees. They also reviewed succession to ensure an appropriate skills mix is maintained during the transition between Trustees.

This review highlighted the need to manage the departure of Chair and Vice Chair, whose terms were due to end concurrently. To ease succession plans Charles Nall stood down as Chair shortly after the annual conference in May 2011. Roger Chester stepped into the role of Chair for the interim period approaching the AGM and Gill Gibb was elected Vice

“The access that we have to high-quality networking, personal development and conferences up in the North is absolutely fundamental to why I joined CFG”

CFG member, North of England



Chair by her fellow Trustees. After advertising the casual vacancy, Ian Theodoreson was co-opted to the Board.

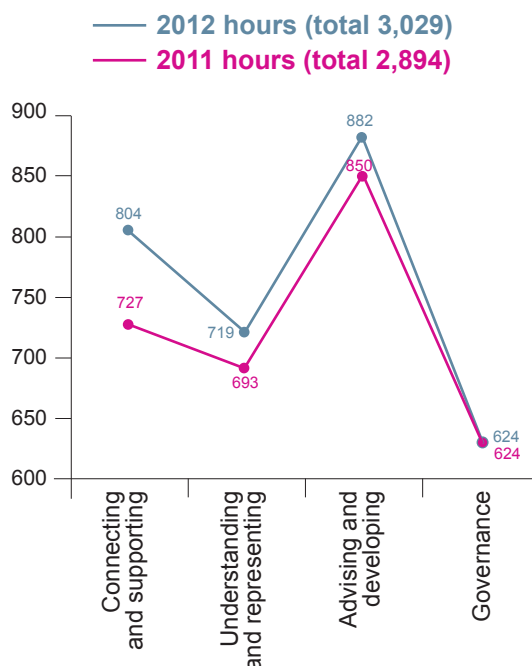
During the period Kim Catcheside and Fiona Young resigned as Trustees. Three new Trustees were elected to the board in September, following an open election (managed by the Electoral Reform Commission). The three new trustees are Kevin Barnes, Diane Bassett and Ian Theodoreson, who was also duly appointed Chair by the Board. One non-member trustee, Rosie Chapman, was appointed.

In 2012/13 we will review our Regional committee structure and purpose with a view to further strengthening the support given to CFG members and our reach more broadly into the sector.

Valuing volunteers

This report gives an indication of the huge amount that CFG achieves considering our modest staff headcount. A large part of this is down to the contribution made by volunteers. These include speakers at Members’ Meetings and conferences, trainers at training events, the many hours of time provided by experts on the CFG helplines and the commitment of our Trustees and regional committees, all of which provide invaluable support to our charity members.

If we were to value the many hours that our volunteers freely give at £67 per hour (£65 in 2010/11), the total would come to £202,943 (£188,110 in 2010/11). Considering that the majority of our volunteers are finance professionals, this would not be an unreasonable hourly rate.



Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its income and expenditure, of the charity for the year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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

establish that the charitable company's auditors are aware of that information.

Reserves policy

During the year the Trustees considered the Reserves Policy and have re-examined CFG's requirements for free reserves in the light of the predominant risks to the organisation and its working capital requirements. Risk management has evolved to be linked to the overarching key performance indicators for CFG. The four key areas of risk are:

- a failure of financial management (in the context of both operational sustainability and organisational reputation);
- a diminution in influence on matters core to CFG objects;
- a failure to provide services of value to the wider sector;
- a failure to connect with and support finance professionals, leading to a fall in retention and/or failure to recruit new members

In addition to these strategic areas a failure of key income generating events, such as the annual conference or annual fundraising dinner, would present risks in sustaining current levels of activity or capitalising on new opportunities for support. In light of these factors a target of £175,000, for reserves was agreed in the budget for 2011/12. Total free reserves at 31 March 2012 were £321,337 (£292,255 in 2010/11). The Trustees have agreed an ongoing plan to invest the surplus of free reserves in new initiatives to improve our services to members over the next three years.

Investment policy

CFG receives income on an annual basis through membership subscriptions, sponsorship 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 CFG that are not expendable within 12 months of receipt are reserves and any grants or contracts for activities over a longer period.

TRUSTEES' RESPONSIBILITIES

Consequently the Board of Trustees does not consider it prudent to invest income for the longer term. Its policy is therefore to retain funds as cash and place them on bank deposit with Royal London Cash Management (against an agreed mandate) at the best rate obtainable, commensurate with our risk appetite.

The reserves policy, risk management and investment policy are currently undergoing a full review.

Public benefit statement

The Trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

CFG'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 enable all with financial responsibility in the charity sector to develop and adopt best practice, thereby promoting a transparent and efficiently managed charity sector that engenders public confidence and trust.

Our activities span our three strategic aims of advising, informing and developing those with responsibility for financial management and the sector more widely; connecting and supporting individuals and organisations; and understanding and representing the needs of the sector in matters which impact upon transparent, efficient and effective financial management.

All our services are accessible to anyone with responsibility for charity finance; they are not limited to members. Some of our services (member meetings, monthly newsletter, helplines, etc) are free to our members, as part of their membership, while others, such as conferences, training, publications, policy consultations and briefings, are available to all finance professionals.

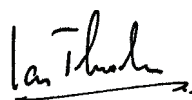
The structure of the Trustees' Annual Report allows us to report on each of our strategic aims and explain CFG's activities and achievements during the year and our plans for 2012/13 within each of these areas.

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.

The accounts were approved and authorised for issue by the Board of Trustees on 12 June 2012.



Ian Theodoreson
Chair



Independent auditor's report

Independent auditor's report to the members of the Charity Finance Directors' Group

We have audited the group and parent charity financial statements ("the financial statements") of The Charity Finance Directors' Group for the year ended 31 March 2012, which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material

inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept in respect of the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements do not accord with the accounting records and returns; or
- certain disclosures of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PKF (UK) LLP

Karen Thompson

(Senior statutory auditor)

for and on behalf of PKF (UK) LLP, Statutory auditor
London, 21 June 2012

Consolidated statements of financial activities

For the year ended 31 March 2012

(incorporating the income and expenditure account)

	Notes 1a	Unrestricted funds	
		2012	2011 restated
		£	£
Incoming resources			
<i>Incoming resources from generated funds</i>			
Activities for generating funds:			
Annual fundraising dinner		126,245	102,100
Investment income:			
Bank interest		3,964	3,885
<i>Incoming resources from charitable activities</i>			
Membership subscriptions		663,737	633,356
Advising, informing and developing		205,852	164,104
Connecting and supporting		426,234	324,177
Understanding and representing		78,852	64,782
Other activity		17,420	11,500
<i>Other incoming resources</i>		30,901	1,953
Total incoming resources		1,553,205	1,305,857
Resources expended			
Cost of generating funds		71,380	67,378
<i>Charitable activities</i>			
Advising, informing and developing		485,388	422,336
Connecting and supporting		613,282	544,983
Understanding and representing		209,147	188,569
Other activity		92,330	76,092
<i>Governance costs</i>		50,975	42,400
Total resources expended	3	1,522,502	1,341,758
Net incoming/(outgoing) resources / Net (expenditure)/income	4	30,703	(35,901)
Net movement in funds		30,703	(35,901)
Total funds brought forward at 1 April		296,566	332,467
Total funds carried forward at 31 March		327,269	296,566

There are no recognised gains or 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 £1,355,003 (£1,184,917 in 2010/11) and total expenditure is £1,324,300 (£1,220,818 in 2010/11), which is total incoming resources and total resources expended as shown above, both net of gifts in kind of £179,602 (£120,940 in 2010/11). All the above amounts relate to continuing activities.

Within the Group Statement of Financial Activity the Charity Finance Directors' Group incoming resources is £1,036,206 (£1,067,839 in 2010/11) and its resources expended is £1,484,712 (£1,311,307 in 2010/11).

Balance sheet

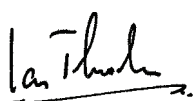
For the year ended 31 March 2012

Company no. 3182826

	Notes	2012		2011	
		Group	Charity	Group	Charity
		£		£	
Fixed assets					
Tangible assets	6	5,932	5,932	4,311	4,311
Investments	7	-	10,000	-	10,000
		5,932	15,932	4,311	14,311
Current assets					
Debtors	8	274,875	233,081	244,308	168,590
Short term deposits		303,894	303,894	300,630	300,630
Cash at bank and in hand		259,901	147,838	237,220	170,570
		838,670	684,813	782,158	639,790
Liabilities					
Creditors: amounts falling due within one year	9	(517,333)	(373,476)	(489,903)	(357,535)
Net current assets		321,337	311,337	292,255	282,255
Total assets less current liabilities		327,269	327,269	296,566	296,566
Funds					
Unrestricted funds					
General reserves		327,269	327,269	296,566	296,566
		327,269	327,269	296,566	296,566

The notes on pages 24 to 30 form part of these accounts.

The accounts were approved and authorised for issue by the Board of Trustees on 12 June 2012 and signed on their behalf by:



Ian Theodoreson
Chair



Phil Brown
Treasurer

Notes to the financial statements

For the year ended 31 March 2012

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 2006. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, 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 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The 2011 comparative numbers have been restated to be consistent with the 2012 areas of activity for the Charity. This had no impact on reserves.

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.

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, events and 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 contribute to a pension scheme with Aegon Scottish Equitable.

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.

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 5 February 2009 to raise funds via commercial activities and sponsorship for CFDG. CFDG Trading Ltd donates its taxable profits to CFDG under Gift Aid subject to its working capital requirements being maintained.

CFDG Trading	2012	2011
	£	£
Turnover	516,835	237,895
Cost of sales	(129,150)	(65,381)
Gross profit	387,685	172,514
Administrative and governance costs	(8,641)	(2,851)
Operating surplus	379,044	169,663
Interest receivable	164	123
Profit before tax and Gift Aid donation	379,208	169,786
Fund balance b/f	-	-
Charitable donation to shareholder	(379,208)	(169,786)
Retained in subsidiary	-	-
Balance sheet		
Current assets	250,022	199,130
Current liabilities	(240,022)	(189,130)
Net assets	10,000	10,000
Share capital	10,000	10,000
Reserves	-	-
	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS

3. Resources expended

a) Analysis of total resources expended

	Staff costs	Support costs	Other direct costs	Total 2012	Total restated 2011
	£	£	£	£	£
Cost of generating funds	17,387	5,719	48,274	71,380	67,378
Charitable activities					
Advising, informing and developing	210,411	69,210	205,767	485,388	422,336
Connecting and supporting	281,415	92,566	239,301	613,282	544,983
Understanding and representing	95,825	31,520	81,802	209,147	188,569
Other activity	65,152	21,431	5,747	92,330	76,092
Governance	24,450	8,042	18,483	50,975	42,400
Total resources expended	694,640	228,488	599,374	1,522,502	1,341,758
<i>Total resources expended 2011</i>	<i>593,661</i>	<i>215,243</i>	<i>532,854</i>		

Within all charitable activities the 'Other direct costs' column includes costs of £179,602 (£120,940 in 2010/11) 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. Summary	Total charitable activity	Generating funds	Governance	2012	2011
	£	£	£	£	£
Employee-related costs	35,543	948	1,330	37,821	29,113
Premises	77,101	2,053	2,888	82,042	81,872
Communications & IT	27,550	734	1,032	29,316	28,524
Postage & printing	11,620	309	435	12,364	15,538
Financial costs	60,575	1,613	2,269	64,457	57,708
Depreciation	2,338	62	88	2,488	2,488
Total	214,727	5,719	8,042	228,488	215,243

3b) Analysis of support costs (continued)

2. Charitable activity	Advising, informing & developing	Connecting & supporting	Understanding & representing	Other activity	2012	2011
	£	£	£	£	£	£
Employee-related costs	11,456	15,323	5,217	3,547	35,543	27,147
Premises	24,851	33,237	11,318	7,695	77,101	76,344
Communications & IT	8,880	11,876	4,044	2,750	27,550	26,598
Postage & printing	3,745	5,009	1,706	1,160	11,620	14,489
Financial costs	19,524	26,113	8,892	6,046	60,575	53,811
Depreciation	754	1,008	343	233	2,338	2,321
Total	69,210	92,566	31,520	21,431	214,727	200,710

All support costs are allocated on the basis of staff time. Staffing support costs have not been analysed as the majority of CFGD staff work directly on activities and the amount allocatable to support is therefore not material.

c) Analysis of governance costs

	2012	2011
	£	£
Legal and professional fees	403	780
Audit fees	5,865	5,750
Non-audit services	1,350	1,200
Costs of AGM, Trustee travel, recruitment & training	7,808	5,409
Apportionment of staff and support costs	35,549	29,261
Total governance costs	50,975	42,400

4. Net (outgoing)/incoming resources

a) These are stated after charging:

	2012	2011
	£	£
Auditor's remuneration		
Audit – current year	5,865	5,750
Non-audit services	1,350	1,200
Depreciation	2,488	2,488

CFGD has a three-month licence commitment for its offices at CAN Mezzanine.

NOTES TO THE FINANCIAL STATEMENTS

4. Net (outgoing)/incoming resources (continued)

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.

	2012	2011 Restated
	£	£
Connecting & supporting	56,068	71,140
Advising, informing & developing	76,565	34,200
Understanding & representing	16,068	15,600
Support	30,000	-
Governance	901	-
Total	179,602	120,940

5. Trustee and employee information

a) Trustee information

No remuneration was paid to, or waived by, any Trustee during the year (£Nil in 2010/11). Expenses of £1,526 for travel were reimbursed to four trustees during the year (£972 in 2010/11).

b) Employee information

	2012	2011
The average number of staff employed during the year was:	15	15
Employee costs during the year were:	£	£
Salaries (includes contractors, temporary staff and other staff costs)	599,720	517,469
Social security	62,581	49,074
Pension	32,339	27,118
	694,640	593,661

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

	2012	2011
£60,000 to £69,999	-	1
£80,000 to £89,999	1	-

The 2011 figure only relates to a part year.

6. Tangible fixed assets – Group and Charity

	Computers £	Total £
Cost		
At 1 April 2011	9,954	9,954
Additions	4,109	4,109
Disposals	-	-
At 31 March 2012	14,063	14,063
Depreciation		
At 1 April 2011	5,643	5,643
Charge for the year	2,488	2,488
Disposals	-	-
	8,131	8,131
Net book value		
At 31 March 2012	5,932	5,932
At 31 March 2011	4,311	4,311

The above fixed assets are used to support all of CFDG's activities.
At 31 March 2012 CFDG Trading Ltd had no fixed assets.

7. Investments

	Group	Shares in subsidiary undertaking	Charity
<i>Market value</i>			
At 1 April 2011	-	10,000	10,000
Additions	-	-	-
At 31 March 2012	-	10,000	10,000
Historical value at 31 March 2012	-	10,000	10,000

Principal Subsidiary Undertakings	Registered in	Percentage of Capital held	No. of £1 ordinary shares held
CFDG Trading Ltd	England & Wales	100%	10,000

8. Debtors

	2012		2011	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	161,851	42,234	160,832	28,352
Other debtors	18,019	18,277	13,700	13,700
Prepayments and accrued income	95,005	76,405	69,776	69,776
Amounts owed by subsidiary	-	96,165	-	56,762
	274,875	233,081	244,308	168,590

9. Creditors

Amounts falling due within one year	2012		2011	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	90,735	86,988	63,954	63,923
Deferred subscriptions income	181,285	181,285	198,376	192,239
Deferred events income	153,403	38,493	152,541	46,941
Pension contributions outstanding	4,634	4,634	3,385	3,385
Tax & Social Security creditors	36,956	36,956	35,210	35,210
Other creditors and accruals	50,320	25,120	36,437	15,837
	517,333	373,476	489,903	357,535

10. Capital

At 31 March 2012 there were no capital commitments.

11. Related party transactions

There were no related party transactions during the year (none in 2010/11).

The charity has taken advantage of the exemption from disclosing transactions between the Parent and the Subsidiary, under the terms of FRS 8.

Trustees, officers and advisors

Registered Charity No:1054914

Company No: 3182826

VAT No: 945 6038 09

Board of Trustees

Charles Nall (Chair, until June 2011)

Roger Chester (Chair, from June 2011, until September 2011)

Ian Theodoreson (Chair, from September 2011)

Gill Gibb (Deputy Chair)

Phil Brown (Treasurer)

Rohan Hewavisenti

Mark Hilton

Sally O'Neill

Kim Catcheside (until December 2011)

Fiona Young (until September 2011)

Rosie Chapman (from September 2011)

Diane Bassett (from September 2011)

Kevin Barnes (from September 2011)

Finance & Audit Committee

Phil Brown (Chair)

Kim Catcheside (until September 2011)

Rosie Chapman (from December 2011)

Lisa Burger (until December 2011)

Ray Salmons (until March 2012)

Nominations Committee

Charles Nall (Chair, until June 2011)

Phil Brown

Sally O'Neill

Roger Chester (until September 2011)

Fiona Young (until September 2011)

Rodney Buse

Julia Oliver

Remuneration Committee

Charles Nall (Chair, until September 2011)

Ian Theodoreson (Chair)

Roger Chester (until September 2011)

Phil Brown

Gill Gibb

Rohan Hewavisenti

Chief Executive

Caron Bradshaw

Deputy Chief Executive and Company Secretary

David Membrey

Special Advisor

Pesh Framjee

IT Advisor

John Tate

Head office and registered office

CAN Mezzanine

49-51 East Road

London N1 6AH

Website: www.cfg.org.uk

Telephone: 0845 345 3192

Fax: 0845 345 3193

Auditors

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London EC1M 3AP

Solicitors

Russell-Cooke Solicitors LLP

2 Putney Hill

Putney

London SW15 6AB

Bankers

Unity Trust Bank PLC

Nine Brindleyplace

4 Oozells Square

Birmingham B1 2HB

Royal London Cash Management Ltd

55 Gracechurch Street

London EC3V 0UF

What CFG offers members

CFG is the charity that champions best practice in finance management in the voluntary sector.

Our training and development programmes enable finance managers to give the essential leadership on finance strategy and management that their charities need. With more than 1,800 members, managing over £21 billion, we are uniquely placed to challenge regulation, which threatens the effective use of charity funds. Our services include:

Finance Focus – The monthly members' newsletter, provided in both paper and electronic formats, keeping members up to date with CFG and the issues that affect them as charity finance professionals.

Members' Meetings – Free for all members to attend, covering topics and issues of relevance to the charity finance professional. Expert speakers provide advice and guidance, plus case studies and best-practice examples from charity sector peers. These meetings are an essential part of peer-to-peer networking.

Conferences, seminars and training – Discounted delegate fees for members provide affordable access to a full annual programme of events. These concentrate on covering the issues and subjects most important for finance professionals: charity accounting, tax, IT, human resources, charity law and investment management.

Helplines – Access to six sources of free initial advice and guidance provided by CFG corporate supporters: accounting and tax, insolvency, investment, IT, legal and property.

Members are also supported through a range of best practice guides and reports. Those published during 2011/12 include the *Charity Finance Yearbook 2012*, *National Ethical Investment Week Action Guide*, *Anti-Bribery Principles and Guidance for NGOs*, *Writing your charity's investment policy*, *Principles into Practice: How charities communicate impact and the Principles of Good Impact Reporting*.

Special interest groups and forums – A growing number of groupings allowing members to meet and share information based on particular interests or issues: Overseas Special Interest Group, Large Charities Group, Banking Forum and Technical Accounting Forum.

Website – Members can update their own details, plus those of their charity; access a document library that shares examples of policies and procedures as well as guidance and information from sector experts; search facility enabling members to find peers based on a range of profiling criteria; event booking history.

Recruitment service – Since 2011, CFG has partnered with industry leader CharityJOB to provide an online recruitment service specialising in roles related to charity finance. CFG member charities can advertise their vacancies at discounted rates, plus any charity can advertise a trustee vacancy, or similar unpaid role, for free. A weekly email bulletin provides

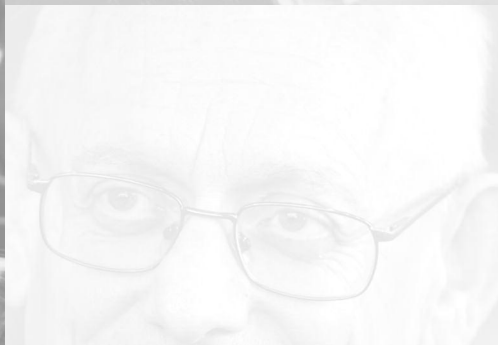
members with details of the most recently posted jobs.

Affinity deals and products – CFG can negotiate discounts on a range of relevant products and services to save members money, for example, free copies of sector specific magazines, discounted charity insurance and access to an expert human resource service.

For more information go to www.cfg.org.uk.

“It helps me keep my CPD up to date, tells me all the important facts and it is a very good networking facility to be able to meet friends and find out answers and learn lessons from what everyone else has had to do”

Brian Abbott, Chief Accountant, The Mission to Seafarers





INSPIRING
FINANCIAL
LEADERSHIP

CFG is the charity that champions best practice in finance management in the charity and voluntary sector.

Our vision is a transparent and efficiently managed sector that engenders public confidence and trust. With this aim in sight, CFG delivers services to its charity members and the sector at large which enable those with financial responsibility to develop and adopt best practice.

With more than 1,800 members, managing over £21 billion (which represents around half of the sector's income), we are uniquely placed to challenge regulation which threatens the effective use of charity funds, drive efficiency and help charities to make the most out of their money.

For more information, please see www.cfg.org.uk

