Annual Report
2016-17

“helping Christian churches with their financial administration”

Registered Charity number 1072733
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The year in numbers

Number of Members

Membership Split

27 training courses
591 people trained

Sources of Income
Report of the Corporate Trustee for the year ended 31 March 2017

The trustee company presents its annual report herewith, together with the financial statements of the charity, for the year ended 31 March 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1072733

Principal address:
Administrative office
125 Coney Green Business Centre
Clay Cross
Chesterfield
S45 9JW

Telephone: 01246 767787   Email: admin@acat.uk.com

Trustee Company directors as at the date of this report and individual trustees to 15 Oct. 2016:

Cyril Wood  Chairman
John Chastney
Greyham Dawes  Treasurer
Ashley Ellis
Allan Hargreaves
Trevor James
Robert Meakin  Deputy Chairman
Roger Pinchbeck

Individual trustees to 15 October 2016 included:
Pauline Montague

Charity Trustee
The sole trustee of ACAT is the Association of Church Accountants and Treasurers Corporate Trustee Limited, a non-charitable company registered in England (No. 10228260) with limited liability under guarantees from its directors. The current directors, as listed above, are also the company members, who are nominated to serve in that capacity, and as the directors, for three-year terms, by resolution of the charity’s members in general meeting, under ACAT’s constitution, which was last amended on 15 October 2016.

Independent examiner
Rev. A.A. Clements, MA, ACIB, FCIE
15 Carleton Road
Great Knowley Chorley PR6 8TQ
Report of the Corporate Trustee for the year ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document
The Association is constituted by Trust Deed dated 11 February 1998 (last amended 15 October 2016) and is governed by a sole corporate trustee whose members and directors are determined by the Association’s members, in general meeting, under the constitution, which provides for:

- up to 12 members nominated by the charity to serve for three-year terms in office; including
- a Chairman and a Treasurer, elected for the ensuing year by the trustee company’s Board; and
- up to 4 members co-opted by the Board.

Co-option of directors of the trustee company
The Board co-opts additional directors from among ACAT members, and other Christians with relevant skills and experience, who can help promote the most effective and efficient performance of the work of church treasurers and others involved in their charity’s financial administration & public accountability.

OBJECTIVES AND ACTIVITIES

The Trustee has given due consideration to the Charity Commission’s public benefit guidance in planning and managing the Association’s activities, which comprise:

- the provision of a regularly updated Members' Handbook covering many aspects of financial administration, accounting and other legislation with which churches must comply,
- publishing a quarterly Newsletter to all members, either as hard copy or via the Association’s website, providing current news and information,
- publishing "Treasurer's Guidelines", at the beginning of each financial year, as a useful pocket resource on tax including relevant rates and thresholds,
- answering members’ questions on specific issues and advice-requests via a Helpline,
- arranging annual Conferences, with keynote speakers on relevant topics, open to members and non-members who can meet and discuss matters of common interest,
- holding regional foundation training courses and special interest workshops giving members and others opportunity to network with their peers and increase their knowledge of relevant issues,
- encouraging dioceses, denominations and other church groups to consider "block" membership for their treasurers at considerably reduced annual subscription rates,
- championing members’ interests as church treasurers by liaison with regulatory authorities and by responding to relevant public consultations as they arise.

Public benefit
For the public benefit, the Association aims to advance the Christian religion through the promotion of the efficiency and effectiveness of Christian churches and organisations by the provision, primarily to the Association’s members, of advice, training in the role of the treasurer and information on accounting, financial, legal and other related issues. Membership of the Association is by annual subscription, the modest level of which, the Trustee believes, should not exclude any church treasurer or official with financial responsibilities from access to benefit.

ACHIEVEMENTS AND PERFORMANCE

At 31 March 2017 there were 17,553 (2016: 16,940) members, including 1,540 (1,554) individual and 16,013 (15,386) block memberships. This was a 4% (56%) increase for block memberships. The Association continues to respond to requests for guidance and information via post, telephone and e-mail as well as via the website helpline. It is our aim over the next year to grow the organization still further as we focus on the important part treasurers play in supporting the ministry of the Church.
Report of the Corporate Trustee for the year ended 31 March 2017

The quarterly Newsletters and annual "Guidelines" have continued to provide members with up-to-date information. The Members’ Handbook was comprehensively updated during the year for distribution in a new format as an A5 paperback in May, replacing the old loose-leaf version for members still using hard copy, and fully updating the online version in the members’ area of the website.

As well as the online facility to make payments for annual subscriptions, members can also make online or postal bookings for ACAT’s training seminars and annual conference.

ACAT’s extensive programme of foundation training seminars, with occasional workshops on special topics for church treasurers, is regionally based, to make these all-day events readily accessible to members. These seminars and workshops continue to show a very high satisfaction rate. The foundation events, especially, are appreciated by those who are relatively new to the task of church treasurer.

Last year’s national Conference in London was attended by over 130 and was very well-received.

This year’s will be regional, on Saturday 14th October in London and Wednesday 15th November in Leeds, once again with external speakers. Throughout the year the Association has sought to achieve its primary purpose through these training courses, which are open to non-members as well as existing members and are briefly described below.

**Foundation courses**

The Foundation course remains a firm favourite and has been so for the past eight years. Covering almost everything that a church treasurer might meet, this course touches on subjects as diverse as VAT, employment issues, record-keeping and annual accounting, and communicating with the trustees, clergy, congregation and the public at large. The course recognises that the role of a voluntary treasurer is frequently a very lonely and unsupported one: this has been combatted by some denominations by providing Treasurer Days, at which ACAT provided a trainer. The total number trained in the financial year was 515. ACAT provided speakers at the ACIE (Association of Charity Independent Examiners) Conferences in London and Perth, for the 3rd year running. During the year, foundation courses were held at twenty-two venues. Their geographic spread was wide, covering venues from Newcastle and Carlisle to Weymouth and many stops in between! This means that even though our tutors are dedicated volunteers the courses have to be subsidised where necessary from general reserves, to maintain affordability across the membership.
**Report of the Corporate Trustee for the year ended 31 March 2017**

**Workshops**
These take subjects from the foundation course to the next level. This year, we concentrated on getting ready for Independent Examination, and how to carry out an IE. This latter subject should provide a pool of people who understand how a church works, and consequently a better quality of IE should arise out of that skill. In addition, the strategy should provide a resource for churches that find it hard to appoint an affordable IE. Feedback shows the same level of success as for the foundation courses. Tutors are recruited from the trustee company and from ACAT’s membership, and include other specialists as we break new ground. Five workshops on special topics were held during the year. The hallmark of the workshop approach is that delegates work through set scenarios: delegates are allocated to smaller groups to encourage discussion, and this approach means that everyone is able to contribute.

**Training performance**
Over the year, 22 courses were held, reaching 591 delegates. Feedback forms show appreciation at 88% as the lowest, up to 99% as the highest. In addition, courses were mounted for the Methodist Church, dealing with the new FRS102/SORP requirements, and bespoke courses for the Diocese of Winchester, and the Church of God of Prophecy.

**Future Training Plans**
We continue to look to those parts of the country where treasurer isolation is a real issue: New topics continue to be explored, and our plans include developing a range of topics suitable for web-based training, following on from the experimental pilot series of “understanding finance” seminars specifically for clergy. From recent discussions with block member representatives we also hope to offer bespoke events in support of their internal treasurer and clergy training initiatives.

Our pilot Online Training video-clips posted on the ACAT website (members’ area) have been viewed 28 times a week on average and are seen as a worthwhile initiative, hence our task is to develop this medium this coming year. The pool of volunteer tutors, however, does need expanding to spread the work more evenly as membership services increase, and meanwhile ACAT continues to maintain quality by mounting a Tutor Presentation Skills course as and when needed.

**Representing ACAT’s members**
The Association continues to work closely with government agencies and other national bodies and is recognised as an organisation able to represent a large number of small religious charities.

As part of its strategy for increasing the effectiveness of this work, the Trustee holds an Away Day early in each calendar year to identify emerging issues and review its planning.
Report of the Corporate Trustee for the year ended 31 March 2017

The Trustee continues to have discussions with the Charity Commission and HMRC/Treasury on matters of interest to churches, including revisions to the Gift Aid Declaration. We also liaise with the Charity Finance Group (where we are a member), the Charity Tax Group, the Churches Legislation Advisory Service, the ICAEW (Institute of Chartered Accountants in England & Wales) and the ACIE. During the year, ACAT supported its members by the submission of replies to Consultation Papers: these now have a page on the ACAT website specifically devoted to consultations submitted, and we have also begun to add Occasional Papers dealing with popular “One-Off” subjects of interest to members (suggestions for further topics are invited, of course).

Advice Line: On average, some 30 queries are submitted and answered each month. The advice line is staffed by a director, and answers are provided by members of the Training Team supported by specialist directors where necessary.

Supporters

The training carried out during the year was only possible because of the diligence and dedication shown by our volunteer trainers. The Trustee gratefully acknowledges the vital contribution they make to this work.

The Association benefited from a general-purpose grant from All Churches Trust Limited over a three year period to 2014-15. This grant enabled us to enhance and extend our training programme and funded a variety of new activities that have helped to achieve membership growth. We are extremely grateful to All Churches Trust for their support, and also for their follow-on grant-funding in 2016-17 for further initiatives to enhance our services for existing and new members - especially for those new to the work of church treasurer. The planned spending of this new grant is intended for the current financial year.

It is the policy of ACAT to reach as many of our members as is possible within our resources. For both foundation courses and workshops an underlying strength is the work that Ron Norey continues to carry out in collaboration with specialist directors to maintain the Members’ Handbook, our other ‘Jewel in the Crown’. We continue to be grateful for the diligence he shows in helping us to maintain this vital resource.

FINANCIAL REVIEW

Reserves policy

The Trustee considers that the Association’s undesignated year-end reserves of £72,000 are broadly in line with the policy level of 6 to 12 months of planned expenditure for the current financial year. A designated fund of £10,000 is also retained as working capital for Training Branch activities. For 2017-18 the planned spending on activities is £133,000, apart from the one-off £30,000 grant held in a designated fund for a special project to support the next generation of church treasurers, for raising ACAT’s profile in the marketplace and for the upgrading of ACAT’s IT facilities for online membership services generally.

Finances (Unrestricted)

Total income for the year was £168,150, 40% up on the previous year’s £119,866 – due mostly to a doubling of revenues from training events, a 5% increase in membership subscriptions and the above £30,000 grant. Total expenditure at £157,349 (including £24,500 for a new edition of the Members’ Handbook, last updated two years ago) was 36% up on 2015-16. This resulted in an operating surplus of £10,802 (2016: £4,545), against which the market value of the investment in Charifund Units rose by £2,984 (2016 Loss: £2,042). The net income for the year was a £13,786 (2016: £2,503), increasing ACAT’s total unrestricted reserves from £99,592 to £113,378.
Report of the Corporate Trustee for the year ended 31 March 2017

STATEMENT OF TRUSTEE’S RESPONSIBILITIES

The trustee company is responsible 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). The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the ACAT trust deed require the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources of the charity for that year.

In preparing those financial statements, the trustee is required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP(FRS102) as adopted;
- make judgements 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 trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable the trustee to ensure that the financial statements comply with the Charities Act 2011 and the regulations thereunder and the provisions of the trust deed. The trustee is also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 5 September 2017 and signed on its behalf, as authorised, by:

Cyril Wood
Chairman
ASSOCIATION OF CHURCH ACCOUNTANTS & TREASURERS

Year to 31st March 2017
Statement of Financial Activities

<table>
<thead>
<tr>
<th></th>
<th>This Year</th>
<th>Last Year</th>
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<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership fees</td>
<td>93,798</td>
<td>89,289</td>
</tr>
<tr>
<td>Conference &amp; seminar receipts</td>
<td>39,771</td>
<td>23,504</td>
</tr>
<tr>
<td>Gift Aid tax recoverable</td>
<td>2,702</td>
<td>2,695</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,629</td>
<td>1,516</td>
</tr>
<tr>
<td>Grant (note 7) &amp; Donations</td>
<td>30,050</td>
<td>30</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>201</td>
<td>2,832</td>
</tr>
<tr>
<td></td>
<td><strong>168,151</strong></td>
<td><strong>119,866</strong></td>
</tr>
<tr>
<td><strong>Expenditure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference &amp; seminar costs</td>
<td>41,853</td>
<td>27,914</td>
</tr>
<tr>
<td>Handbook costs (printing &amp; postage)</td>
<td>25,404</td>
<td>4,439</td>
</tr>
<tr>
<td>Other printing, stationery &amp; postage</td>
<td>10,396</td>
<td>13,932</td>
</tr>
<tr>
<td>Administration (note 4)</td>
<td>59,195</td>
<td>45,442</td>
</tr>
<tr>
<td>Marketing/Liaison costs</td>
<td>3,451</td>
<td>2,722</td>
</tr>
<tr>
<td>Website &amp; IT costs</td>
<td>11,026</td>
<td>10,167</td>
</tr>
<tr>
<td>Trustee-meetings expenses</td>
<td>3,993</td>
<td>8,907</td>
</tr>
<tr>
<td>Insurances</td>
<td>1,233</td>
<td>1,011</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>798</td>
<td>787</td>
</tr>
<tr>
<td></td>
<td><strong>157,349</strong></td>
<td><strong>115,321</strong></td>
</tr>
<tr>
<td><strong>Net Operating Surplus/(Deficit) for year</strong></td>
<td>10,802</td>
<td>4,545</td>
</tr>
<tr>
<td>Investment gain/(loss)</td>
<td>2,984</td>
<td>(2,042)</td>
</tr>
<tr>
<td><strong>Net Movement in Funds</strong></td>
<td><strong>13,786</strong></td>
<td><strong>2,503</strong></td>
</tr>
<tr>
<td>Balance of funds brought forward</td>
<td>99,592</td>
<td>97,089</td>
</tr>
<tr>
<td>Balance of funds carried forward</td>
<td><strong>113,378</strong></td>
<td><strong>99,592</strong></td>
</tr>
</tbody>
</table>

Balance Sheet

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Office F&amp;F at Clay Cross (net book value on cost)</td>
<td>1,564</td>
<td>0</td>
</tr>
<tr>
<td><strong>Fixed Asset Investment: Charifund Units</strong></td>
<td>32,299</td>
<td>29,315</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td><strong>33,863</strong></td>
<td><strong>29,315</strong></td>
</tr>
<tr>
<td><strong>Current Assets &amp; Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Bank current account</td>
<td>120,405</td>
<td>85,221</td>
</tr>
<tr>
<td>Deposit accounts</td>
<td>21,192</td>
<td>21,039</td>
</tr>
<tr>
<td>Debtors &amp; prepayments</td>
<td>5,789</td>
<td>6,970</td>
</tr>
<tr>
<td>Stock of handbooks at cost</td>
<td>0</td>
<td>904</td>
</tr>
<tr>
<td><strong>Current Assets total</strong></td>
<td><strong>147,386</strong></td>
<td><strong>114,134</strong></td>
</tr>
<tr>
<td>Liability as Deferred Income (note 7)</td>
<td>(35,165)</td>
<td>(30,116)</td>
</tr>
<tr>
<td>Creditors due within one year</td>
<td>(32,706)</td>
<td>(13,741)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td><strong>79,515</strong></td>
<td><strong>70,277</strong></td>
</tr>
<tr>
<td><strong>Net Assets in total</strong></td>
<td><strong>113,378</strong></td>
<td><strong>99,592</strong></td>
</tr>
<tr>
<td><strong>Unrestricted Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Reserves</td>
<td>73,378</td>
<td>89,592</td>
</tr>
<tr>
<td>ACT Grant designated fund</td>
<td>30,000</td>
<td>0</td>
</tr>
<tr>
<td>Training Branch designated fund</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>113,378</strong></td>
<td><strong>99,592</strong></td>
</tr>
</tbody>
</table>

Approved by the Board of the Corporate Trustee of the Association of Church Accountants and Treasurers on 5 September 2017 and signed on the Board’s behalf by Greyham Dawes (Treasurer).
Notes to the Financial Statements

1. **These Financial Statements** are on the historical cost basis under Section 1A of FRS102, and the Charities Act 2011, in accordance with the Charities SORP(FRS102), effective 1 January 2016, but with investment securities carried at fair value as required by the SORP. In the absence of new regulations relating to SORP(FRS102), the "true and fair override" provision within the 2008 regulations under the 2011 Act is invoked for the adoption of SORP(FRS102) as the relevant current replacement for SORP 2005. [As a registered charity, ACAT is clearly a "public benefit entity" within the meaning of FRS102.]

2. **Office Equipment** costing at least £1,000 per item/set is capitalised and depreciated at an average annual rate of 25% on cost, depending on its estimated useful life.

3. **Incoming and outgoing resources:** GiftAid tax claims are accrued as 'probable' when the entitlement arises; other income and all expenditure when receivable or incurred, respectively.

4. **Membership Administration** represents salary costs of ACAT's three part time staff (FTE: 2) comprising Salaries and NIC costs £35,920 (2016: £38,875), includes any holiday pay accruals - plus severance pay, for one employee, of £11,000 (2016: nil) - and also the independent examiner's fee of £600 (2016: £400).

5. **Related Party transactions:** £10,922 was reimbursed to 9 trustees for travel and subsistence costs to meetings, training events and conferences, (2016: £13,818 to 10 trustees).

6. No trustees were remunerated. There were no other related party transactions in the year.

7. **VAT:** The Association is not VAT-registered and its activities are considered outside the scope of Value Added Tax. Irrecoverable input tax is included in the relevant expenditure.

8. **Deferred Income:** Membership, once renewed, is deemed to accrue month by month, counting future months’ fees as “deferred income”, together with any Grants only for use in future financial years.

9. **Lease of office premises:** The Association has a three year lease on its office premises at Clay Cross, Derbyshire, at an annual rental of £3,850, the minimum rental commitment being for three months.

10. **Basic financial instruments** are accounted for at their settlement value. The Association has no other financial instruments under FRS102. No accounts figures had to be restated on transitioning to FRS102.
Charities Act 2011.

Independent Examiner’s Report.

Independent Examiner’s Report to the Trustee of the Association of Church Accountants and Treasurers.

I report on the accounts of the charity for the year ended 31st March 2017, which are set out on pages 10 to 11.

Respective responsibilities of the trustee and examiner.

The charity’s trustee is responsible for the preparation of the accounts. The charity’s trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of the independent examiner’s report.

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a ‘true and fair view’ and the report is limited to those matters set out in the statement below.

Independent examiner’s statement.

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements
   - to keep accounting records in accordance with section 130 of the 2011 Act; and
   - to prepared accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
   have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Date 5 September 2017

Fellow of the Association of Charity Independent Examiners.

Rev’d. A. A. Clements MA, ACIB, FCIE.
15 Carleton Road,
Great Knowley,
Chorley PR6 8TQ