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The year in numbers

The cost of individual membership

£15

18,357 total members
16,935 treasurers covered by block membership
1,422 individual members
603 new members

3.4% increase in membership

Around 150 hours spent training delegates

17 courses offered... and delivered

We held 2 conferences, in Manchester & in London

Over 550 delegates attended our training courses and conferences
Report of the Corporate Trustee for the year ended 31 March 2019

The trustee company presents its annual report herewith, together with the financial statements of the charity, for the year ended 31 March 2019.

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

Executive Officer of ACAT and Company Secretary of its trustee company (the Association of Church Accountants & Treasurers Corporate Trustee Limited):
Ashley Ellis

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 elected for up to two consecutive three-year terms; and
- up to 4 other members co-opted by the Board until the next AGM.

Co-option of directors and election of officers 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 and public accountability. The Board also elects a Treasurer, and may appoint a Company Secretary or Deputy.

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 regular newsletter to all members;
- answering members’ questions on specific issues and advice-requests via a helpline;
- arranging annual conference(s), with keynote speakers on relevant topics, open to members and non-members who can meet
and discuss matters of common interest;

- holding regional training courses giving members and others the opportunity to network with their peers and increase their knowledge of relevant issues;

- encouraging denominations and other church groups to consider “block” membership for their treasurers at 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
ACAT is at a defining moment in its evolution. Based on the past year’s performance, it’s entirely feasible that the Association could soon have more than 20,000 members for the first time.

With treasurers performing a truly essential role in supporting the ministry of the church, ACAT intends to look to the future with even greater ambition to ensure we are meeting their needs.

Over the past year, ACAT’s membership has grown by 3.4% - 603 new members. On 31 March 2019, the Association had 18,357 members (2018: 17,754). ACAT consistently responds to requests for guidance and information resulting from phone calls, emails, post as well as via the website helpline in the most timely and appropriate manner. Our newsletters have provided members with updates on information relevant for their needs. The Members’ Handbook, formatted as an A5 paperback for members still using hard copy, was last published in 2017 and is due to be updated in 2020, once the online version on our website has been fully updated for recent regulatory changes affecting a significant number of church charities.

Over the past year, ACAT has continued to run a range of relevant courses nationally. The “Being a Treasurer – The Basics” seminar is particularly appreciated by those who are relatively new to the role of church treasurer. All courses consistently receive very high satisfaction ratings from delegates.

Our work would not be possible without the hard work of our team of volunteer trainers. The training courses we run each year are only possible because of their commitment, diligence and cooperation. ACAT is actively seeking new volunteer trainers to enhance our current range of courses while simultaneously spreading the workload as the Association grows.

Last year’s national conferences in London and Manchester - entitled “Good Governance: Foundation for Church Growth” - proved an ideal opportunity for members to discover more about the key issues affecting church treasurers. Speakers were present from The Charity Commission, Stone King, the Association of Charity Independent Examiners (ACIE), CCLA and Kingston Smith. At both events, delegates were also able to benefit from a selection of exhibitors where they could pick up information on church software, utility providers, and independent examination.

This year’s conference – entitled “Faith, Finance and the Future” - will take place in London on 19 October 2019, at the Methodist Central Hall, in Westminster, with leading external speakers from the Charity Commission, Christian Aid, the Ecumenical Council for Corporate Responsibility (ECCR) and law firm Anthony Collins.

Over the past year, ACAT has continued to achieve its primary purpose not only through its advice and guidance services but also through its extensive training courses – which are open to non-members as well as existing members. The courses ACAT has held in 2018-19 are briefly described below.
ACAT Courses: Being a Treasurer - The Basics

Being a Treasurer - The Basics remains one of the most popular courses offered by ACAT.

It covers almost everything church treasurers need to get started, including an introduction to subjects as diverse as VAT, employment issues, record-keeping and annual accounting. In addition, it examines the best way to communicate with trustees, clergy, the congregation and the wider public.

The courses, which recognise that the role of a voluntary treasurer is frequently a very lonely and unsupported one, have been consistently well attended. Their geographical spread was wide, covering venues from Cullompton, in Devon, to Norwich, in Norfolk, and Seaford, on the East Sussex coast, to Carlisle, in Cumbria. All courses were facilitated by one of our dedicated team of experienced volunteers.

ACAT Courses: GDPR, Independent Examination (IE) and Gift Aid

ACAT’s additional range of courses take subjects from the Being a Treasurer training to the next level.

Over the past year, three different courses were run covering: the General Data Protection Regulation (GDPR); Independent Examination (IE); and Gift Aid. Every course was consistently well attended.

Among the most popular of these courses was the IE course, which aims to help treasurers ensure that their church’s statutory annual report and accounts are correctly presented to the satisfaction of the independent examiner and thus according to the requirements of the Charities Act 2011 and the charity regulator. Central to the course is a discussion of what the examiner is looking for and must report on.

GDPR officially became law on 25 May 2018. Prior to the legislation becoming statute, we devised a course with the invaluable support of law firm Stone King to explain its impact on church treasurers. Following GDPR’s implementation, it was deemed appropriate to run further courses to reach those who might not previously have had the opportunity to attend, while also addressing any residual concerns. One of the training sessions presented by lawyers from Stone King was recorded and subsequently made available on our website in the members’ section.

The Gift Aid and Gift Aid Small Donations Scheme (GAS/ GASDS) course examines all the requirements imposed on church treasurers while also identifying ways in which churches can maximise their use of it. The course looks in detail at the new rules for small donations, which provide an additional source of funding.

Tutors are recruited from the trustee company and from the ACAT membership and include other specialists as we break new ground.

Future Training Plans

As a direct result of feedback from past delegates, ACAT took the decision to launch an additional range of courses in 2019-20. These include:

- **Generating Income and Grant Applications:** A practical day-long course for those planning a church project, such as a new meeting space, specific building repairs or an innovative project working with children.

- **Trustee Responsibilities - Risks, Reserves and Investment:** This course aims to deepen trustees’ understanding of their duty to manage their church’s resources responsibly. It is non-technical and suitable for all trustees, not just the treasurer.

- **Trustee Responsibilities - Risk: Health and Safety:** This course is designed to provide a grounding in health and safety management in churches for anyone responsible for exercising the church’s duty of care to its staff, volunteers, congregation and the wider public.

- **Budgeting and Planning:** This practical course helps church treasurers look at this essential aspect of their role. This half-day course explains the importance of budgeting, understanding the principles and process, and preparing the annual budget.

ACAT continues actively to look to grow its presence in the North of England where we are currently experiencing a shortage of trainers. Indeed, our pool of volunteer trainers continues to need expanding nationally to spread the work more evenly as membership increases. In time, we are also looking to develop our range of online training resources.
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 our strategy for increasing the effectiveness of this work, we organise an “away day” for board members, and also for trainers, as early as possible in each calendar year to identify emerging issues and review our planning for the coming years.

The trustee continues to have discussions with the Charity Commission and HMRC/Treasury on matters of interest to churches. We also liaise with the Charity Finance Group (of which we are a member), the Charity Tax Group, the Churches Legislation Advisory Service, the Institute of Chartered Accountants in England and Wales (ICAEW) and the Association of Charity Independent Examiners (ACIE). In March 2019, we also responded to a public consultation on proposed changes to the regulatory regime for charities in Scotland, in view of the close collaboration now maintained by the charity regulators in each jurisdiction.

Advice Line
An invaluable resource for our members, hundreds of queries are submitted and answered every year.

The advice line is supported by the staff in the Clay Cross office, and where necessary answers are provided by members of the training team supported by specialists.

Trustees, Trainers and Partners in Ministry
The Trustee’s Board appointed a new Chairman – John Chastney – at the start of 2019.

A chartered accountant, specialist in the not-for-profit sector and a Methodist, John has been a trustee of ACAT since 2015 and latterly a director of ACAT’s trustee company. He also chairs the Methodist Church in Great Britain’s Accountancy Support Group. The Board would like to extend its sincere gratitude to its previous Chairman, Cyril Wood, for his excellent work while in the role.

At the heart of ACAT’s work lie our dedicated team of volunteer trainers, as mentioned earlier in this report. The trustee would like to take this opportunity to acknowledge – most gratefully - the essential contribution they make to this work.

In addition, the trustee gratefully acknowledges the contribution made by our other Partners in Ministry including: CCLA; law firm Stone King; ExpensePlus - Accounting for Churches & Charities; the Association of Charity Independent Examiners (ACIE); GoSimpleTax; Edwards Insurance Brokers; Data Developments; the UK Church Administrators’ Network; Kingdom Bank; Ecclesiastical Insurance Group (EIG).

The trustee would also like to thank ACAT’s team of dedicated staff including Susan Bye, Joy Spencer and Jayne Jones, the last of whom left ACAT in May 2019.

Finally, the trustee would like to thank Ashley Ellis for his invaluable and ongoing work as ACAT’s Executive Officer as the Association targets ambitious future growth.

Future Plans
ACAT remains resolutely committed to maintaining further growth to ensure that we can support an ever-increasing number of church treasurers in their roles.

In Autumn 2019, a new and more user-friendly website is being launched. The new online resource will ensure we can remain in active contact with most of our existing members, quickly and easily engage with new ones and simultaneously assist the everyday lives of those who choose to become a church treasurer. The new website - which will continue to be available at www.acat.uk.com - will be fully accessible from all mobile devices for the first time, as well as on conventional desktop and laptop computers. A social media campaign will be launched simultaneously to enhance our communications.

In July 2019, ACAT also welcomed two new team members. Cath Fox joined ACAT with responsibility for training, the helpline and the annual conference. Ben Rooth is now working to raise ACAT’s profile through the new website as well as an ongoing social media and communications strategy.

Partnerships remain key in developing the work of ACAT and executive officer Ashley Ellis continues to work with various organisations – across insurance, investment, software and banking, etc. – to enhance the support that treasurers receive.
Financial Review

Reserves policy

The trustee considers that the Association’s undesignated year-end reserves of £91,528 are in line with the policy level of 6 to 12 months of planned expenditure for the current financial year. In addition, there was a further £16,040 designated fund, held for planned spending on website development work during the current financial year, which means that there was a total of £107,568 in unrestricted funds. For 2019-20, the planned spending on activities is £170,000.

Finances (Unrestricted)

Total income for the year was £135,467, down from £148,903 in 2017-2018 before non-recurring items. This was mostly due to a decrease in the revenues from training linked to GDPR. Total expenditure was £159,625 against £130,238 for 2017-18. The increase was due to the ongoing rebuilding and restructuring of ACAT and additional staffing costs following the appointment of the new executive officer. This resulted in an operating deficit of £24,158 (2017-18 surplus: £18,665). After including a holding gain on the investment in Charifund Units £345 (2017-18 loss: £662) the net deficit for the year was £23,813 (2017-18 surplus: £18,003) decreasing ACAT’s total unrestricted reserves from £131,381 to £107,568.

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 (unless the receipts and payments option is chosen) must 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 accruals-based 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 27th September 2019 and signed on its behalf, as authorised, by:

John Chastney

Chairman
Statutory Accounts: Year to 31st March 2019

Statement of Financial activities

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<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Fees</td>
<td>96,635</td>
<td>95,025</td>
</tr>
<tr>
<td>Conference and Training Receipts</td>
<td>33,994</td>
<td>48,700</td>
</tr>
<tr>
<td>Gift Aid Tax Recoverable</td>
<td>2,486</td>
<td>2,691</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,657</td>
<td>1,609</td>
</tr>
<tr>
<td>Other Income</td>
<td>695</td>
<td>878</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>135,467</strong></td>
<td><strong>148,903</strong></td>
</tr>
</tbody>
</table>

| Expenditure              |                 |                 |
| Conference and Training Costs | 31,517          | 45,004          |
| Printing, Stationery and Postage | 8,996           | 4,984           |
| Newsletter Costs         | 5,294           | 6,801           |
| Administration (Note 3)  | 83,994          | 34,844          |
| Marketing/Liaison Costs  | 2,154           | 18,300          |
| Website and IT Costs     | 20,623          | 14,544          |
| Trustees/Meeting Expenses| 4,509           | 3,596           |
| Legal, Professional, Insurance, Subscriptions, Gifts and Donations | 1,375 | 1,356 |
| Total Expenditure        | **159,625**     | **130,238**     |

<table>
<thead>
<tr>
<th>Net Operating (deficit)/Surplus</th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment gain/(loss)</td>
<td>345</td>
<td>(662)</td>
</tr>
<tr>
<td>Net (deficit)/Surplus for the year</td>
<td>(23,813)</td>
<td>18,003</td>
</tr>
<tr>
<td><strong>Balance of Funds Brought Forward</strong></td>
<td>131,381</td>
<td>113,378</td>
</tr>
<tr>
<td><strong>Balance of Funds Carried Forward</strong></td>
<td>107,568</td>
<td>131,381</td>
</tr>
</tbody>
</table>

Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Fixtures and Fittings</td>
<td>1,554</td>
<td>1,042</td>
</tr>
<tr>
<td>Investments</td>
<td>31,881</td>
<td>31,637</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td><strong>33,435</strong></td>
<td><strong>32,679</strong></td>
</tr>
</tbody>
</table>

Current Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Bank Current Accounts</td>
<td>79,162</td>
<td>116,199</td>
</tr>
<tr>
<td>Bank Deposit Accounts</td>
<td>21,344</td>
<td>21,243</td>
</tr>
<tr>
<td>Debtors and Prepayments</td>
<td>13,482</td>
<td>6,960</td>
</tr>
<tr>
<td>Stock - Handbooks</td>
<td>-</td>
<td>3,747</td>
</tr>
<tr>
<td><strong>Current Assets Total</strong></td>
<td><strong>113,988</strong></td>
<td><strong>148,149</strong></td>
</tr>
<tr>
<td>Deferred Income</td>
<td>(37,907)</td>
<td>(39,102)</td>
</tr>
<tr>
<td>Creditors Due within One Year</td>
<td>(1,948)</td>
<td>(10,345)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td><strong>74,133</strong></td>
<td><strong>98,702</strong></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>107,568</strong></td>
<td><strong>131,381</strong></td>
</tr>
</tbody>
</table>

Funds

<table>
<thead>
<tr>
<th></th>
<th>31st March 2019</th>
<th>31st March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted General Funds</td>
<td>91,528</td>
<td>99,581</td>
</tr>
<tr>
<td>Designated Funds</td>
<td>16,040</td>
<td>31,800</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>107,568</strong></td>
<td><strong>131,381</strong></td>
</tr>
</tbody>
</table>

Approved by the Board on 27th September 2019 and signed on its behalf

Greyham Dawes (Treasurer)
Notes to Financial Statements: Year to 31st December 2019

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 charity, ACAT is a public benefit entity within the meaning of FRS102. The deemed future element of Membership Renewals is accounted for as Deferred Income. Interest on Term Deposits is accrued daily. The Association has only basic financial instruments under FRS102, which (apart from investment securities) are all accounted for at their settlement value.

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

2. Incoming and outgoing resources: GiftAid tax claims are accrued as ‘probable’ when the entitlement arises; other income and all expenditure when receivable or incurred.

3. Membership Administration includes salary costs of ACAT’s four part-time staff (FTE:3) comprising Salaries, NIC & Pension costs £70,584 (2018: £29,382), including any holiday pay accruals.

4. Related Party transactions: £2,504 was reimbursed to 9 directors of the trustee company for travel, subsistence and other costs to do with meetings, training events and conferences (2018: £11,640 to 10 of them). There was no trustee-remuneration. There were no other related party transactions in the year.

5. 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.

6. 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.

7. 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.

8. Basic financial instruments are accounted for at their settlement value. The Association has no other financial instruments as defined by FRS102.
Independent Examiner’s Report

Independent Examiner’s Report to the Trustees of the Association of Church Accountants and Treasurers.
I report on the accounts of the charity for the year ended 31st. March 2019, which are set out on page 9 and 10 in this Report.

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.

Alan A. Clements Rev’d

Date: 30th September 2019

Fellow of the Association of Charity Independent Examiners

Rev’d A. A. Clements MA, ACIB, FCIE.

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Great Knowley,
Chorley PR6 8TQ
Association of Church Accountants and Treasurers

Helping Christian churches with their financial administration

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Email: admin@acat.uk.com