

*The
Honorary
Treasurers
Forum*



THE HONORARY TREASURERS

FORUM

ANNUAL REPORT AND

ACCOUNTS

2017

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED
31ST DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Name: **The Honorary Treasurers Forum**
 ("The Forum")

Charity Registration

Number: **1118802**

Trustees: **BRUCE GORDON, CHAIRMAN**

STEPHEN BROOKER, HONORARY TREASURER

PROFESSOR PAUL PALMER

HEATHER LAMONT

GRAHAM SPOONER

Bruce Gordon was reappointed for a fourth term of office as Trustee and Chairman on the 9th October 2017.

Chief Executive: **DENISE FELLOWS**

Principal Office and Administrative

Address: **c/o CENTRE FOR CHARITY EFFECTIVENESS**
 CASS BUSINESS SCHOOL
 106 BUNHILL ROW
 LONDON EC1Y 8TZ

Independent

Examiner: **Elizabeth A Walker ACA**

Bankers: **The Co-operative Bank**
 Unity Trust Bank

CHAIRMAN'S OVERVIEW

The Honorary Treasurers Forum is the source of professional development and camaraderie for Treasurers of nonprofit organisations and is the only organisation which focuses specifically on the needs of the Honorary Treasurer. The support provided by the Forum is vital in providing the confidence for Treasurers to be more proficient. Through the year we have provided updates on some of the challenges to which Honorary Treasurers might be faced and advice on how to avoid the pitfalls.

The Forum in its objective is primarily focused on supporting the Honorary Treasurers of larger charities and nearly 50% of our Members are from charities with income or assets over £1 million. We also understand the needs of those from smaller charities with no financial staff where the governance and volunteer management roles may be blurred and more operational support is needed.

We continue to consider how we can increase the benefits of the Forum to our members and potential members. During 2017, we held four meetings including a half-day Summer Symposium which picked up topical issues. We also held a seminar on the new SORP for smaller charities. We are grateful to all the eminent speakers who gave their time and energy to speak during the year. We send out regular newsletters to provide practical support to Treasurers in their important role. There are valuable resources on our website. In November we launched the Honorary Treasurers Handbook which was downloaded over 750 times in the first 2 months. We are grateful to Judith Miller and Kate Sayer who wrote the handbook and the Worshipful Company of Management Consultants who provided funding for its production. We continue to improve our outreach through other organisations, such as the ICAEW, Charity Finance Group and the Charity Commission.

We very much appreciated the support of our sponsors during the year: Bates Wells Braithwaite; Cass Business School, City, University of London; Ecclesiastical Insurance; Kingston Smith; and UBS and we are grateful to all our sponsors for their financial and physical support. A feature of the Forum is that experts from our sponsors attend meetings and provide advice both on the organisation of the Forum through sponsors meetings and to our members.

In the past we relied heavily on the support of our sponsors to sustain the charity. Last year we introduced a small annual membership fee of £25 to enable the Forum to do more to extend its reach and impact. This year we developed the strategy further to create a hybrid membership structure: introducing corporate members and providing events tailored specifically for very large charities.

I would like to thank my fellow Trustees for the support they have given to the Forum in the last year and to our Chief Executive, Denise Fellows, as she works with the Trustees to implement the strategy to deliver our vision - to provide real benefit for the sector through the cultivation of effective Honorary Treasurers and to encourage more volunteers to take up this vital role.

Bruce Gordon
Chairman

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Honorary Treasurers Forum is a charity governed by a Trust Deed dated 19th March 2007. Its object is:

“to advance education in financial management of those who are responsible for those looking after charities finances”.

Membership of the Forum is open to all Treasurers and those Trustees principally responsible for finance in the voluntary sector.

The organisational structure of the Forum is simple. The Trust Deed requires that there will be at least three trustees and not more than ten. At the end of 2017 we had five Trustees supported by a part-time Chief Executive. The Trustees meet as a Board several times a year when strategic decisions are taken, minutes approved and other routine business despatched.

Trustees are recruited and appointed by the Board and reflect the range of skills, knowledge and experience required to effectively run the Forum. All the Forum's Trustees are either Treasurers in their own right or work closely with the Treasurers and Directors of Finance in charities. The normal term of office for Trustees is three years but Trustees can be re-appointed and serve up to a further five terms.

Induction is given to all new trustees including briefing meetings with the CEO and Chair on roles and responsibilities and an overview of the Trust deed, the committee and decision-making processes, the strategy implementation plan, policies and recent financial performance of the Forum.

PUBLIC BENEFIT

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit, “Charities and Public Benefit”.

The Trustees ensure its purpose is carried out for the public benefit by delivering services that are valued by our members and promote strong financial management and control in charities. Services include members meetings and training sessions, the website with online resources, research into aspects of finance in charities and general networking.

The Forum is open to all Trustees, those who currently, in the recent past, or expect in the near future to take the important role of a Treasurer in a charity or to have responsibility for financial matters. In 2016, we introduced a small annual membership fee. Attendance at the Forum meetings continues to be free but paid-up members received discounts on the Summer Symposium and other events. We believe the Forum actively helps charities to maximise the use of their resources and make a greater impact for all their beneficiaries.

FINANCIAL REVIEW

Income for the year totalled £36,357. £18,750 was made up of annual donations from our sponsors, Bates Wells Braithwaite, Ecclesiastical Insurance, Kingston Smith, and UBS. We were sorry to lose Ecclesiastical Insurance as sponsors at the end of the third quarter. Cass Business School donated £6,600 in kind by way of reduced fees for administrative support and provision of rooms for Forum meetings. Training income and membership fees amounted to £3,897. Gift Aid of £1,250 was claimed. We also received a significant grant of £5,860 from the Worshipful Company of Management Consultants.

Expenditure totalled £39,468. Payments during the year included payments to Cass Business School for administrative support and catering for events, and payment to the Forum's Chief Executive. Additional monies were spent on promotion, developing the website and in producing the Honorary Treasurers Handbook.

The Forum had planned a breakeven budget and was disappointed not to achieve this, primarily due to the loss of another sponsor. The Trustees have therefore agreed a new financial strategy which will rely less on sponsorship monies in the future. It is expected that the Forum will return to profitability in 2018.

The Forum's bankers are the Co-operative Bank and Unity Trust Bank. Both these institutions reflect a high standard of corporate responsibility.

RISK

The Trustees have considered the risks to which the Forum is exposed and are satisfied that systems are in place to minimise them. Risks considered include loss of income or key personnel and injury to members.

RESERVES POLICY

The Trustees of the Honorary Treasurers Forum agreed that the reserves of the Forum should be between three and six months' expenditure to enable all Forum meetings for the year to be fulfilled. At the end of 2017 the reserves are slightly below this range. Reserves at the end of the year were £6,633.

ACTIVITIES AND ACHIEVEMENTS DURING 2017

The Forum held four meetings during the year including the Summer Symposium plus an update session on the new SORP for small charities. Attendance at meetings continues to grow and most meetings had over 60 attendees.

- 16th February - focused on Serious Incident reports and cases from the Charity Commission with Richard Black from the Charity Commission and Mindy Jhittay from Bates Wells Braithwaite.

- 27th March – a master class on the new SORP for small charities, was extremely successful. The session was led by Luke Holt, a partner specialising in the nonprofit sector and held at Kingston Smith.
- 8th June – Summer Symposium. The Symposium explored how to handle some of the challenges which Honorary Treasurers might face with expert panels and speakers in the areas of financial management, social investment, reporting on impact and charity trading.



Quotes from attendees from the recent Summer Symposium:

"I look forward to all HTF events as the content is invariably interesting and well presented."

"I liked the timings and find that a half day filled with information can be very beneficial."

"Also glad to have had the opportunity to exchange ideas with those in a similar position - as important as the formal sessions." "All excellent speakers"

- 25th September - focused on Audit and Risk including highlights of decision making, risk and control in the recently updated Charity Governance Code; an overview of the findings of a survey from the Institute of Risk Management on the top risks perceived by charities; and, update from the Charity Commission on CC32 - Independent examination of charity accounts.
- 17th November – the Annual Investment Update from UBS Dean Turner from UBS again gave an enlightening overview of the financial markets well angled towards the interests of our members. This was followed by David Stringer-Lamarre, the Chair of the IoD, on the implications of Brexit for charities.

Write-ups of all the Forum meetings can be found on the website (www.honorarytreasurers.org.uk).

In November the long awaited Honorary Treasurers Handbook was published. We are very grateful to the authors Judith Miller and Kate Sayer from Sayer Vincent. There was a short print run and the Handbook is primarily available as a download through our website. At the end of the year over 750 copies had been downloaded.

The Chief Executive and Trustees appeared in the media and at conferences to promote the Forum and the important role of the Honorary Treasurer.

We were delighted that at the end of the year we had over one hundred and forty members paying the small annual subscription, including a number who joined through a block subscription scheme with Age UK. Our mailing list has also increased substantially primarily due to the interest in the Handbook. The number of Treasurers who contact us has continued to grow as more become aware of the existence of the Forum through better signposting.

FUTURE PLANS

The Forum has developed successfully in the ten years since it was formally founded and in the last two years has moved from a free membership model to introduce a paid membership.

The blend of Treasurers within the Forum has moved from those primarily within the top 1000 charities to slightly more than half working within smaller charities. To acknowledge this shift, to provide better support for treasurers of both larger and smaller charities, and to allow better opportunities for those who wish to provide services to these communities, the Trustees agreed a new strategy for the Forum to introduce, during 2018, a hybrid membership structure. This structure will have different tiers of benefits for: treasurers of very large (by income/assets) charities; treasurers of medium to small charities; treasurers of federated charities; and, for profit organisations which wish to sponsor or become corporate members.

The strategy will deliver the mission by developing a hybrid membership structure which supports all Treasurers within the sector.

Strengthening Treasurers

Aim 1: Developing a hybrid membership structure

Aim 2: Improving education and support services

Strengthening the sector

Aim 3: Encouraging more volunteers as Honorary Treasurers into the sector

Aim 4: Collaborating to campaign and influence policy on issues which challenge Honorary Treasurers

Underpinning both of which is:

Aim 5: Ensuring financial stability and accountability of the Forum

MEMBERSHIP OF THE FORUM

The Forum is open to those who currently, in the recent past, or expect in the near future to take the important role of a Treasurer in a charity. Anybody wishing to join the Forum should contact:

Barbara Robertson

Honorary Treasurers Forum

at the Administrative address

Tel: 020 7040 8781

Email info@honorarytreasurers.org.uk/

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and 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 requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. 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 applicable Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on: 5th June 2018

**and signed on their behalf by:
Bruce Gordon (Chairman)**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE HONORARY TEASURERS FORUM

I report on the accounts of the Honorary Treasurers Forum for the year ended 31st December 2017 which are set out on pages 11 to 15.

Respective responsibilities of trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider 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:
- To 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 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 prepare 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.

Signature:

Name: Elizabeth A Walker ACA
Address: 6 Woolpack Corner, Biddenden, Kent TN27 8BU
Date: 19th July 2018

THE HONORARY TREASURERS FORUM
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31ST DECEMBER 2017

	Note	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total 2017 £	Total 2016 £
Incoming resources					
Donations		-	26,600	26,600	31,250
Trading income		-	3,897	3,897	2,814
Grant income		5,860		5,860	
Bank Interest		-	-	-	2
Total incoming resources		<u>5,860</u>	<u>30,497</u>	<u>36,357</u>	<u>34,066</u>
Resources expended					
Cost of Generating Funds		-	1,250	1,250	1,250
Charitable Activities					
Research	4	5,860	145	6,005	1,250
Education	4	-	32,213	32,213	32,928
Total resources expended		<u>5,860</u>	<u>33,608</u>	<u>39,468</u>	<u>35,428</u>
NET INCOMING RESOURCES					
		-	(3,111)	(3,111)	(1,362)
Total funds brought forward		-	9,744	9,744	11,106
TOTAL FUNDS CARRIED FORWARD					
		<u>-</u>	<u>6,633</u>	<u>6,633</u>	<u>9,744</u>

THE HONORARY TREASURERS FORUM
BALANCE SHEET AS AT 31ST DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors	7	-	2,500
Cash at bank and in hand		11,034	10,307
Current liabilities			
Creditors falling due within 1 year	8	4,401	3,063
TOTAL NET ASSETS		<u>6,633</u>	<u>9,744</u>
The funds of the charity			
Unrestricted funds		6,633	9,744
TOTAL CHARITY FUNDS		<u>6,633</u>	<u>9,744</u>

Approved by the trustees on: 5th June 2018

and signed on their behalf by:
Stephen Brooker (Honorary Treasurer)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2017

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Forum constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Forum's ability to continue as a going concern.

(b) Funds structure

- Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.
- Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes. There are no designated funds.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal. There are no restricted funds.

(c) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The following specific policies are applied to particular categories of income:

- Income received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable.
- Gift aid reclaimable on donations to the charity is included with the amount received.
- Donated services and facilities are included at the value to the charity where this can be quantified and the amount is material.
- The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Allocation of support costs

Support costs all relate to the main charitable activity of education.

(g) Cost of raising funds

The cost of raising funds consists of the CEO's time in meeting existing and potential donors and making grant applications.

(h) Charitable activities

Costs of charitable activities include CEO time, governance costs and support costs.

2. Taxation

The charity is exempt from taxation on its income and gains where they are applied for charitable purposes. No tax charges have arisen.

3. Analysis of support and governance costs

	General support £	Governance £	Total 2017 £	Total 2016 £
Website	570	-	570	1,548
Marketing and PR	1,845	-	1,845	2,280
CEO time	-	1,500	1,500	1,500
Insurance for trustees	-	879	879	821
Bank charges	72	-	72	36
Total	<u>2,487</u>	<u>2,379</u>	<u>4,866</u>	<u>6,185</u>

The Independent examination fee was £nil (2016: £nil).

4. Analysis of charitable expenditure

	Research	Education	Total 2017	Total 2016
	£	£	£	£
CEO time	2,000	9,250	11,250	11,500
Cass Business School - administrative support	-	10,080	10,080	10,080
Cass Business School – donated services and facilities	-	6,600	6,600	5,000
Catering	-	1,417	1,417	1,663
Support and governance (note 3)	-	4,866	4,866	6,185
Publication	4,005	-	4,005	-
Total	<u>6,005</u>	<u>32,213</u>	<u>38,218</u>	<u>34,178</u>

Research included the production of the Honorary Treasurers Handbook to support which the Forum received a grant of £5,860 from the Worshipful Company of Management Consultants.

5. Remuneration and expenses.

No remuneration or expenses were paid to any of the Trustees during the year. The Forum has no employees.

6. Related party transactions

The Forum pays Coach House Consulting Ltd for the services of its Chief Executive. In 2017 Coach House Consulting Ltd invoiced the Forum £14,000 for these services (2016: £14,000) of which £nil was outstanding as at 31 December 2017 (2016: £nil).

Professor Paul Palmer, a trustee, is also an employee of Cass Business School City, University of London and is head of Cass CCE which provided administrative and catering services and also helped with the printing the handbook. Cass CCE invoiced the Forum £12,742 for these services (2016: £11,742) of which £4,266 was outstanding as at 31 December 2017 (2016: £2,520).

7. Debtors

	2017	2016
	£	£
Prepayments and accrued income	<u>-</u>	<u>2,500</u>

8. Creditors under 1 year

	2017	2016
	£	£
Accruals	<u>4,401</u>	<u>3,063</u>