

*The
Honorary
Treasurers
Forum*

ANNUAL REPORT AND ACCOUNTS

2019

TRUSTEES ANNUAL REPORT

For The Year Ended 31st December 2019

REFERENCE AND ADMINISTRATIVE DETAILS

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

Charity Registration Number:
1118802

Trustees:

BRUCE GORDON, CHAIRMAN

PROFESSOR PAUL PALMER

HEATHER LAMONT

GRAHAM SPOONER

GREG CRAIG WALLER (Resigned March 2019)

NICOLA SILVERLEAF, HONORARY TREASURER
(Appointed as Trustee 15 June 2019, appointed as
Treasurer 10 December 2019)

DAVID ROWE (Appointed 12 September 2019)

Chief Executive:

DENISE FELLOWS (retired 10 July 2020)

RICHARD WILLIAMS (appointed 13 July 2020)

Principal Office and Administrative Address:

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

Independent Examiner:

Simon Mollett, PhD, ACA (Appointed 24 August 2020)

Bankers:

The Co-operative Bank
Unity Trust Bank (closed March 2019)

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.

We continue to consider how we can increase the benefits of the Forum to our members and potential members. During 2019, within our events calendar, we held four formal Forum meetings including a half-day Summer Symposium which picked up topical issues. 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 including the Honorary Treasurers Handbook which continues to be a popular download from our site. We continue to improve our outreach through other organisations within the sector.

We very much appreciated the support of our sponsors during the year: Bates Wells; Moore Kingston Smith, and UBS and we are grateful to all our sponsors for their financial and thoughtful 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.

At the start of the year we began with a new back office structure dividing the administration functions across paid and volunteer resource. This has on the whole worked well, and the reduced cost has relieved some financial pressure on the charity. We have refined this further moving into 2020. It was the third year in which we charged a small annual fee to our members and we have been pleased to see the numbers increase, reaching almost 200 by the year end. Just under 50% of our Members are from charities with income or assets over £1 million. We also introduced a Corporate membership scheme which is beginning to gain traction. The number of people to whom we send out our newsletters has also increased. In total, we reached over 1,500 charities during the year.

I would like to thank my fellow Trustees for the support they have given to the Forum in the last year. I would especially like to thank Denise Fellows, who is retiring in July 2020 after over ten years at the helm. Denise has moved the Forum onto another level during her time, allowing the organisation to punch much above its weight in terms of impact. She leaves the organisation much improved and better able to provide real benefit for Treasurers within the sector. We welcome Richard Williams as he takes up the mantle. He has significant expertise within the sector and the enthusiasm to drive us even further forward.

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 2019 we had six 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 the charity’s 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 and engagement with the sector, 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. Members paid a small annual fee of £25. Attendance at the Forum meetings continued to be free for all attendees in 2019 but paid-up members received discounts on the Summer Symposium and other events. In 2020 we will limit free places at events to our paid up members. The Forum actively helps charities to maximise the use of their resources and make a greater impact for all their beneficiaries.

FINANCIAL REVIEW

The Forum has a simple operating model, with few outgoings, and does not undertake activities unless they are funded in advance.

Incoming resources for the year totalled £27,562. £15,000 represented annual donations from our major sponsors UBS, Bates Wells, and Moore Kingston Smith. Cass CCE, TV Capital and UBS donated £500, £6,000 and £1,500 respectively in kind by way of administrative support and provision of rooms for Forum meetings. Training income and membership fees amounted to £4,562. There were no donations eligible for Gift Aid this year.

Total resources expended were £29,124, including payments to Cass Business School for event catering, and payment to the Forum's Chief Executive and for some administration. This year the Chief Executive spent increased time on Forum matters, including spearheading the movement from major sponsorship to a corporate sponsorship model. This is a more sustainable approach than reliance on a small number of large corporate sponsors, but is initially more labour intensive.

The website continues to be a key marketing tool and resource to members; we have invested in professional help to keep it updated and broaden its appeal.

The Forum made a further loss of £1,562 during 2019 (2018: loss of £283), although plans to implement the new strategy continued steadily. Membership numbers are buoyant. The membership fee is being increased in 2020 to £35 for individual members and corporate members are being more actively sought.

The Forum's bankers were the Co-operative Bank and Unity Trust Bank, both of these institutions reflecting a high standard of corporate responsibility. The Unity Trust Bank account was closed in March 2019.

RISK

The Trustees have considered the risks to which the Forum is exposed and are satisfied that systems, including appropriate internal controls, are in place to minimise them. A risk register is maintained. Risks considered include loss of income or key personnel and injury to members. Although income reduced in 2019, overheads are low, and activities can be postponed until funding or sponsors are found.

The impact of Covid-19 was not anticipated and precipitated the loss of a key sponsor. Steps are being taken to mitigate this loss by encouraging increased individual and corporate membership.

RESERVES POLICY

During 2019 the Trustees of the Honorary Treasurers Forum reviewed its reserves policy and at that stage agreed that reserves should continue to be maintained at between three and six months' expenditure; this would allow all planned Forum meetings for the year to be fulfilled. At the end of 2019 reserves stood at slightly below the proposed range, at £4,788. The Covid-19 related events of 2020 mean a radical change to the proposed calendar and to how members should be supported, but the Forum is still able to operate within its current means.

ACTIVITIES AND ACHIEVEMENTS DURING 2019

The Forum held four meetings during the year (including the Summer Symposium), plus a seminar. Attendance at meetings continues to grow. Most meetings had over 60 attendees with nearly 90 registered for the summer symposium:

The meetings and seminar were as follows:

- 12 February – Trading and Reputational Risk. The panel: Megan Read from Bates Wells, Bruce Gordon, Chair of the Forum and Graham Spooner Trustee of the Forum were, chaired by Prof Paul Palmer, trustee of the Forum. Megan provided a comprehensive overview of how charities may lawfully trade and how to manage risk. Bruce and Graham gave practical advice based on case studies from the real-life experiences.
- 27 March - Finance update seminar led by Luke Holt, NonProfit Partner of Moore Kingston Smith who detailed recent changes in SORP, Charity Commission updates and outlined areas of concern with charity fraud and in particular cyber-crime. James Newell, MD of Fundraising and Management at Moore Kingston Smith highlighted the challenges in impact reporting.
- 13 June - Summer Symposium -
The half day symposium comprised three sessions:

Managing Remuneration and Reputational Risk

Chaired by Bruce Gordon who gave background to the NCVO report of the Inquiry into Charity Senior Executive Pay.



On the panel and providing perspectives from the viewpoint of Executive recruitment and the CEO were respectively, Ian Joseph, Trustees Unlimited/ Russam GMS and Vicky Browning CEO, ACEVO.

Do Charity Boards need an Honorary Treasurer

Chaired by Gareth Jones, Editor Charity Finance,

The debate featured Hilary Seaward who presented from the perspective against having a Treasurer on a charity board. The response was given by Damien Regent who presented the case for Treasurer. The session attracted media attention.



The future of Charity Accounts

Chaired by Gillian McKay

Joe Saxton, Driver of Ideas at nfpSynergy and Caron Bradshaw, CEO of CFG debated whether the current SORP and charity accounting regulations are fit for purpose.

- 24 September – Reserves and defining ‘Going concern’ led by Kate Sayer who defined the Goldilocks principle, balancing between reserves and risk, how to develop a reserves policy, and defining ‘Going Concern’.
- 21 November – the Annual Investment Update from UBS. Dean Turner from UBS again gave an overview of the financial markets well angled towards the interests of our members. This was followed by an explanation of Charity Authorised Investment Funds (CAIFs) from Julian Smith of Farrer & Co.

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

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 almost two hundred members paying the small annual subscription of £25 and the decision was made to increase the fee to £35. 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 twelve years since it was formally founded and the move from a free membership model to introducing a paid membership has settled well.

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, for 2018 and beyond, a hybrid membership structure. This structure has 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, which is still being actively implemented, 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

The Covid-19 pandemic was not anticipated, but the Forum have responded, from mid-year 2020, by shifting to holding bi-weekly zoom seminars for members only.

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:

Helen Goodchild

Honorary Treasurers Forum

at the Administrative address

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:

Date: 8 October 2020

and signed on their behalf by:

BRUCE GORDON

Bruce Gordon (Chairman)

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

CHARITY REGISTRATION NUMBER: 1118802

I report to the trustees on my examination of the accounts of the Honorary Treasurers Forum for the year ended 31st December 2019 which are set out on pages 10 to 15.

Responsibilities and basis of report

As the charity trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: SIMON MOLLETT
Date: 8th October 2020

Name: Simon Mollett

Relevant professional Qualifications: ACA

Address: 2 Branstone Road,
Richmond,
Surrey,
TW9 3LB

THE HONORARY TREASURERS FORUM

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED
31ST DECEMBER 2019

	Note	Unrestricted Funds 2019 £	Total 2019 £	Total 2018 £
Incoming resources				
Donations		23,000	23,000	24,350
Trading income		4,562	4,562	4,077
Total incoming resources		<u>27,562</u>	<u>27,562</u>	<u>28,427</u>
Resources expended				
Cost of Generating Funds		2,500	2,500	1,000
Charitable Activities				
Research	4	-	-	-
Education	4	26,624	26,624	27,710
Total resources expended		<u>29,124</u>	<u>29,124</u>	<u>28,710</u>
NET INCOMING RESOURCES		(1,562)	(1,562)	(283)
Total funds brought forward		6,350	6,350	6,633
TOTAL FUNDS CARRIED FORWARD		<u>£4,788</u>	<u>£4,788</u>	<u>£6,350</u>

THE HONORARY TREASURERS FORUM
BALANCE SHEET AS AT 31ST DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors	7	-	1,750
Cash at bank and in hand		9,090	6,775
Current liabilities			
Creditors falling due within one year	8	(4,302)	(2,175)
TOTAL NET ASSETS		<u>£4,788</u>	<u>£6,350</u>
The funds of the charity			
Unrestricted funds		4,788	6,350
TOTAL CHARITY FUNDS		<u>£4,788</u>	<u>£6,350</u>

Approved by the trustees on:

Date: 8 October 2020

BRUCE GORDON

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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.
- 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 is included in full in the Statement of Financial Activities when receivable.
- Annual subscriptions received in advance are accounted for as deferred income
- 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

The Forum is not registered for VAT. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(f) Allocation of support costs

Other than the allocation of the CEO's time to fundraising, support costs relate to the main charitable activity of education.

(g) Cost of generating 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 2019	Total 2018
	£	£	£	£
Website	4,820	-	4,820	1,020
Marketing and PR	-	-	-	978
CEO time	-	1,500	1,500	1,500
Insurance for trustees	-	265	265	265
Bank charges	18	-	18	72
Total	4,838	1,765	6,603	3,835

The Independent Examination fee was £nil (2018: £nil).

4. Analysis of charitable expenditure

	Research	Education	Total 2019	Total 2018
	£	£	£	£
CEO time	-	8,000	8,000	5,500
Administrative support	-	3,500	3,500	9,600
TV Capital Ltd - donated administrative support	-	6,000	6,000	-
Cass Business School – donated services and facilities	-	500	500	6,600
Catering	-	521	521	675
UBS - donated services and facilities	-	1,500	1,500	1,500
Support and governance (note 3)	-	6,603	6,603	3,835
Total	-	26,624	26,624	27,710

No research activities were undertaken during 2019.

The disparity in spending this year is mainly due to work done on implementing the changes in the back-office structure and continuing development and support of the website.

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

Having no employees, the Forum receives support from its Trustees, supporters and organisations associated with them. The Forum pays Coach House Consulting Ltd (CHCL) for the services of its CEO. In 2019 CHCL invoiced the Forum £12,000 for these services (2018: £8,000) of which £3,500 was outstanding as at 31 December 2019 (2018: £nil). The Forum paid CHCL a further £3,500 for administrative support supplied by G McKay.

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. Cass CCE invoiced the Forum £521 for these services (2018: £9,680) of which £ nil was outstanding as at 31 December 2019 (2018: £2,040).

At the beginning of 2019 the Forum changed its administrative arrangements. Support and administrative services previously supplied by Cass Business School are now provided pro bono by Thames Valley Capital Ltd, a company in which the Chairman, Bruce Gordon holds a controlling interest. The value of these services is estimated at £6,000 for 2019 (2018: nil). Cass CCE continued to provide meeting rooms during 2019 at an estimated value of £500, for which they received an Honorary Corporate membership of equal value.

7. Debtors

	2019	2018
	£	£
Prepayments and accrued income	-	1,750

8. Creditors under 1 year

	2019	2018
	£	£
Accruals and deferred income	4,302	2,175