

THE ASSOCIATION OF CORPORATE TREASURERS

Registered No. 1445322

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2007

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THE ASSOCIATION OF CORPORATE TREASURERS REPORT OF COUNCIL

The Council of The Association of Corporate Treasurers has pleasure in presenting its report together with group financial statements for the year ended 30th April 2007.

Group and activities

The group comprises The Association of Corporate Treasurers and ACT (Administration) Ltd (wholly-owned subsidiary of the Association).

The group is principally engaged in:

- the encouragement and promotion of the study and practice of corporate treasury management and related subjects, including the education and training of those engaged therein;
- the arranging of conferences, seminars and meetings for the members and others;
- the production, sale and distribution of *The Treasurer* and other publications;
- the enrolment of and administration relating to members of the Association and students taking the Association's examinations.

Results

The ACT's deficit for the year ending 30 April 2007 amounted to £652,661 (2006 surplus: £74,193). This year on year deterioration in the results arose from a significant increase in education related expenditure, additional personnel costs and the one-off costs of the relocation of the Association's offices.

Fixed assets

Movements in fixed assets during the year are detailed in notes 7 and 8.

Current Asset Investments and Treasury Policy

Investments represent short-term deposits. The Association's treasury policy is reviewed and approved by Council annually. Further details of the policy and funds invested are contained in note 11.

Reserves Policy

It is the policy of the Association to hold reserves at a level such that its core activities can be maintained during periods of less favourable financial or economic conditions and that it can fulfil its obligations to its members and those completing examinations. At present the Association's reserves are considered adequate to enable it to both fulfil its obligations and incur manageable deficits. Council will continue to monitor these levels on an ongoing basis.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL (CONTINUED)**

After making enquiries, the Council Members have a reasonable expectation that the Association and group have adequate resources to continue operations for the foreseeable future. For this reason the financial statements continue to be prepared on the going concern basis.

Council Members' responsibilities for the financial statements

Council Members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law in the United Kingdom requires Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and the group as at the end of the financial year and of the surplus or deficit of the group for that period. In preparing those financial statements Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and the group to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Association and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council Members are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Council Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council Members are responsible for the maintenance and integrity of the financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL (CONTINUED)**

Council members who served during the year

Gerry Bacon
Graham Bond (appointed 1 May 2007)
Malcolm Cooper
Stephen Crompton (retired 30 April 2007)
Greg Croydon
Alan Dick
James Douglas
Stephen East
Lucy Fuller
Matthew Hurn
Andy Longden
Emma Lubbock (retired 30 April 2007)
Tim Owen
Stephen Pugh (appointed 1 May 2007)
Richard Raeburn
David Swann

Corporate Governance

The Association is committed to good practice in corporate governance. Whilst there is no statutory requirement for the Association to comply with the various public pronouncements on corporate governance and internal controls it endeavours to comply with their spirit whilst having regard to the Association's size.

Risk

The Association's management team regularly review operational and financial risk through a process of formal and informal meetings. When major risks are identified these are reported to Council, with an assessment of the implications for the Association and a recommendation as to the response that is required. The Appointments, Remuneration and Audit Committee receives an annual presentation on the Association's risk management processes.

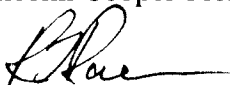
Auditors

Grant Thornton UK LLP offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of Council



Malcolm Cooper President



Richard Raeburn Chief Executive
18 September 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF CORPORATE TREASURERS

We have audited the financial statements of The Association of Corporate Treasurers for the year ended 30th April 2007 which comprise the principal accounting policies, the group income and expenditure account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council (who are directors for the purpose of company law) and Auditors

The Council's responsibilities for preparing the report of Council and financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the report of Council.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the report of Council is consistent with the financial statements.

In addition we report to you if, in our opinion, the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding council members' and directors' remuneration and other transactions is not disclosed.

We read the report of Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ASSOCIATION OF CORPORATE TREASURERS (CONTINUED)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and company's affairs as at 30th April 2007 and of the group's and company's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of Council is consistent with the financial statements.

Grant Thornton UK LLP

Grant Thornton UK LLP

Registered Auditors

Chartered Accountants

London

20 September 2007

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30TH APRIL 2007**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of the investment in ACT (Administration) Limited and in accordance with applicable accounting standards. The principal accounting policies are set out below. All accounting policies remain unchanged from the previous year.

1. Basis of consolidation

The consolidated financial statements comprise those of The Association of Corporate Treasurers and its subsidiary undertaking, ACT (Administration) Limited, and have been prepared for the year ended 30th April 2007.

2. Recognition of income and expenditure

a) Entry fees and subscriptions

New members are elected by the Member Services Committee under delegated powers from the Council. Entry fees are payable and recognised on election, and annual subscriptions are recognised over the period to which they relate.

b) Publications

All income and related expenditure arising from the printing and publication of *The Treasurer* and all other publications are accounted for in the year in which the sales are made.

The cost of production of books, other than *The Treasurer's Handbook*, is spread over a period of 12 months from the date of publication. No value is placed on copies of *The Treasurer* or *The Treasurer's Handbook* remaining unsold at the end of the accounting period.

c) Conferences

Income and expenditure arising from conferences, seminars and similar events are recognised wholly within the accounting period in which they commence. Any fees received relating to conferences taking place post year end is included within deferred income.

d) Association papers

The Association receives sums from prominent organisations to finance the preparation and presentation of professional papers and symposia. The receipts, together with the cost of presentation of the papers and symposia, are accounted for on the date of the presentation.

e) Educational activities

Income arising from educational activities consists of examination fees, sale of course manuals, enrolment fees, annual subscriptions and residential course fees. Expenditure relates to the cost of setting and holding examinations, preparation of course material and holding student meetings, seminars and residential courses.

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

e) Educational activities (continued)

Income from correspondence course fees is spread over a period of 15 months for the Membership level course, and over a period of ten months for the Associate level course; this is the average length of time taken by students from despatch of study materials to sitting the examination. The deferral period is reviewed annually and takes into account any exemptions available to students and the number of examination sittings deferred. Costs of the courses i.e. production and distribution of manuals, link test marking and the cost of the examination sitting and marking of papers, are recognised as they arise.

f) Intangible asset

Development costs of the Membership and Associate level examination syllabus are classified as an intangible asset, and are amortised over three years commencing on the date that enrolments are first made. At least every five years, but no more than every three years, a major review of the syllabus is carried out and the further development costs arising from this review are also classified as an intangible asset and amortised over three years commencing from the date that revised course material is issued to students. The cost of annual technical revisions to the syllabus is recognised in the year in which they are incurred.

g) Interest

Deposit interest is accounted for on an accruals basis.

3. Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets by equal annual instalments over their expected useful economic lives.

The rates used are:

Leasehold improvements	20% (or over the life of the lease, if shorter)
Computer equipment and software	33%
Membership system	25%
Fixtures and fittings	20%
Website development costs	50%

4. Leased assets

All leases currently in operation are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

5. Contributions to pension funds

The pension costs (note 4) charged against income represent the amount of the contributions payable to defined contribution schemes in respect of the accounting period.

**THE ASSOCIATION OF CORPORATE TREASURERS
GROUP INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2007**

	Notes	2007 £	2006 £
Income	1	5,074,685	5,126,773
Direct costs	2	(2,885,460)	(2,732,716)
Gross surplus	1	2,189,225	2,394,057
Administrative expenses		(2,990,661)	(2,483,806)
Operating deficit	3	(801,436)	(89,749)
Interest receivable			
Association and subsidiary		148,775	163,942
Surplus on ordinary activities before taxation		(652,661)	74,193
Tax on surplus on ordinary activities	5	-	-
Group retained (deficit)/surplus for the financial year	6 & 14	(652,661)	74,193
Surplus/(deficit) retained:			
By the Association		260,326	345,647
By the subsidiary		(912,987)	(271,454)
		(652,661)	74,193

All the activities of the group are derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007 £	2006 £
(Deficit)/surplus for the financial year:		
Association & subsidiary	(652,661)	74,193
Total (losses)/gains recognised since last financial statements	(652,661)	74,193

The accounting policies and notes on pages 6 and 7 and 12 to 20 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
GROUP BALANCE SHEET AS AT 30TH APRIL 2007**

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Intangible assets	7		379,610		288,795
Tangible assets	8		303,129		74,740
			682,739		363,535
Current assets					
Debtors	10	892,401		690,589	
Investments	11	2,358,706		3,235,421	
Cash at bank & in hand		6,553		63	
			3,257,660		3,926,073
Creditors: amounts falling due within one year	12	(2,294,677)		(1,961,225)	
Net current assets			962,983		1,964,848
Total assets less current liabilities			1,645,722		2,328,383
Creditors: amounts falling due after more than one year	13		-		(30,000)
			1,645,722		2,298,383
Reserves					
Retained surplus	14		1,645,722		2,298,383
			1,645,722		2,298,383

The financial statements were approved by Council on 18 September 2007.

M.C. Cooper

Malcolm Cooper President

R. Raeburn

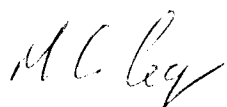
Richard Raeburn Chief Executive

The accounting policies and notes on pages 6 and 7 and 12 to 20 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
ASSOCIATION BALANCE SHEET AS AT 30TH APRIL 2007**

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	8		44,589		-
Investment	9		-		-
Current assets					
Debtors	10	1,619,834		2,312,275	
Investments	11	-		48,984	
Cash at bank & in hand		8,753		-	
		1,628,587		2,361,259	
Creditors: amounts falling due within one year	12	(27,454)		(62,876)	
Net current assets			1,601,133		2,298,383
Total assets less current liabilities			1,645,722		2,298,383
Reserves					
Retained surplus	14		1,645,722		2,298,383

The financial statements were approved by Council on 18 September 2007.



Malcolm Cooper President



Richard Raeburn Chief Executive

The accounting policies and notes on pages 6 and 7 and 12 to 20 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2007**

	Notes	2007		2006	
		£	£	£	£
Net cash outflow from operating activities	15		(469,713)		(36,552)
Returns on investments and servicing of finance					
Interest received			148,775		163,942
Capital expenditure and financial investment					
Purchase of tangible fixed assets	8	(309,789)		(53,823)	
Development costs	7	(239,498)	(549,287)	(213,684)	(267,507)
Management of liquid resources					
Decrease in short-term deposits	15		876,715		140,006
Increase/(decrease) in cash	15		6,490		(111)

The accounting policies and notes on pages 6 and 7 and 12 to 20 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2007**

1. Income and gross surplus

Income comprises subscriptions from members, income from conferences, seminars and educational activities, and sales of *The Treasurer* and other publications.

	2007		2006	
	Income	Gross Surplus	Income	Gross surplus
	£	£	£	£
Subscriptions and educational activities	2,792,578	1,140,092	2,894,683	1,308,412
Conferences, publications and other activities	2,282,107	1,049,133	2,232,090	1,085,645
	5,074,685	2,189,225	5,126,773	2,394,057

2. Direct costs

Direct costs comprise the costs of printing and distribution of *The Treasurer* and other publications, the expenses of conferences, seminars and the costs of administering the educational activities.

3. Operating deficit

Operating deficit is stated after charging:

	2007	2006
	£	£
Legal and professional charges	24,194	14,588
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	19,400	19,950
Fees payable to the company's auditor for other services	6,650	4,327
Depreciation	81,400	59,640
Operating lease rentals		
Land and buildings	214,200	215,050

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

4. Council members and employees

	2007	2006
	£	£
Staff costs during the year:		
Wages and salaries	1,693,573	1,402,990
Social security costs	154,634	123,638
Other pension costs	146,658	124,805
	1,994,865	1,651,433

The average number of employees in the group during the year was 35 (2006: 32). This average is calculated by including part-time employees as a proportion of full-time employees, based on the number of actual days worked per week. One Council member acting as Chief Executive received emoluments during the year and these totalled £168,188 (2006: £156,354):

	2007	2006
	£	£
Chief Executive emoluments:		
Wages and salaries	116,250	113,300
Bonuses	30,000	22,660
Other pension costs	21,938	20,394
	168,188	156,354

5. Tax on surplus on ordinary activities

The Association is liable to United Kingdom corporation tax at the small companies rate on its income to the extent that it is not derived from membership subscriptions. Its subsidiary, ACT (Administration) Limited, is liable to corporation tax as a normal trading company at the marginal rate. There is no tax charge for the year as a result of trading losses in the period.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

Tax on surplus on ordinary activities (continued)

Analysis of charge in the period:

	2007 £	2006 £
UK corporation tax on profits of the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	Nil	Nil
Tax on profit on ordinary activities	Nil	Nil

Unrelieved tax losses of £2,351,197 remain available to offset against future taxable trading profits.

Factors affecting the tax charge for the period:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2006: 30%). The differences are explained as follows:

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	(652,661)	74,193
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(195,798)	22,258
Effect of:		
Income not taxable in ACT	-	(103,685)
Expenses not deductible for tax purposes	20,004	3,516
Depreciation in excess of capital allowances for the period	3,616	(21,128)
Other short term timing differences	602	-
Increase of trading losses	171,576	99,039
Current tax charge for period	Nil	Nil

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

6. Surplus after taxation

The Association has not included its own income and expenditure account as permitted by Section 230(2) of the Companies Act 1985. The Association's deficit for the year was £652,661 (2006 surplus: £74,193) which is dealt with in the accounts of the Association.

The deficit dealt with in the accounts of the Association reflects the increase in the provision by £912,987 to reflect the value of the subsidiary's net liabilities.

7. Intangible fixed assets

	AMCT Associate Level £	MCT Advanced Diploma £	Certificate in Int. Cash Mgmt. £	Total £
Cost				
At 1st May 2006	323,895	62,365	10,500	396,760
Additions	3,300	183,100	53,098	239,498
At 30th April 2007	<u>327,195</u>	<u>245,465</u>	<u>63,598</u>	<u>636,258</u>
Amortisation				
At 1st May 2006	107,965	-	-	107,965
Provided in the year	79,615	34,093	4,975	118,683
Amortisation of ACT Educational Trust loan	30,000	-	-	30,000
At 30th April 2007	<u>217,580</u>	<u>34,093</u>	<u>4,975</u>	<u>256,648</u>
Net Book Amount				
At 30th April 2007	<u>109,615</u>	<u>211,372</u>	<u>58,623</u>	<u>379,610</u>
At 30th April 2006	<u>215,930</u>	<u>62,365</u>	<u>10,500</u>	<u>288,795</u>

The intangible fixed asset relates to the development costs to provide training and examination facilities for the Associate level, the Membership (Advanced Diploma) level and the Certificate in International Cash Management examinations. The amortisation period is three years from the date that revised course material is issued to students.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

8. Tangible fixed assets

The Group

	Leasehold improvement £	Fixtures & fittings £	Computer equipment £	Membership system £	Website £	Total £
Cost						
At 1st May 2006	57,430	69,356	106,642	215,010	154,188	602,626
Additions	174,420	68,795	41,645	18,005	6,924	309,789
At 30th April 2007	231,850	138,151	148,287	233,015	161,112	912,415
Depreciation						
At 1st May 2006	54,425	63,293	65,543	196,562	148,063	527,886
Provided in the year	19,252	10,196	33,977	9,923	8,052	81,400
At 30th April 2007	73,677	73,489	99,520	206,485	156,115	609,286
Net Book Amount						
At 30th April 2007	158,173	64,662	48,767	26,530	4,997	303,129
At 30th April 2006	3,005	6,063	41,099	18,448	6,125	74,740

At 30 April 2007 The Association had fixed assets with a total net book value of £44,589 (2006: Nil).

9. Fixed asset investment

The Association

The Association owns 100% of the issued share capital of ACT (Administration) Limited which is registered in England and Wales. The total investment of £1,500,000 has been written down to Nil and a provision of £1,925,794 (2006: £1,012,807) has been made to reflect the net liabilities of the subsidiary, and is reflected in the reduction of the inter-company debtor balance.

	£
At cost	
At 1st May 2006 and 30th April 2007	<u>1,500,000</u>
Net written down value	
At 1st May 2006 and 30th April 2007	<u>Nil</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

10. Debtors

	2007		2006	
	Group £	Ass'n £	Group £	Ass'n £
Trade debtors	169,137	-	216,701	-
Amount owed by subsidiary	-	1,619,766	-	2,312,275
Other debtors	63,489	68	66,903	-
Prepayments and accrued income	659,775	-	406,985	-
	<u>892,401</u>	<u>1,619,834</u>	<u>690,589</u>	<u>2,312,275</u>

All amounts fall due within one year.

During the year surplus funds arising in the Association have been loaned interest-free to its subsidiary, ACT (Administration) Limited.

A provision of £1,925,794 for the non-recoverability of the ACT (Administration) Limited debtor balance has been made.

11. Current asset investments

Investments represent short-term deposits. The Association's treasury policy is reviewed and approved by Council annually. Approved instruments are limited to treasury deposits and money market funds. Investments in treasury deposits may only be made with institutions carrying a minimum rating for short term funds of A-1+ or a minimum long term rating of AA-, and deposits are limited to £1m with any institution at any time with a maximum of 12 months maturity. Investments in the money market funds may only be made with funds carrying a money market fund rating of AAAM and deposits are limited to £2m with any one fund. At the year end, funds of £2.05m were invested with two institutions, with the longest dated deposit maturing on 20th June 2007.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

12. Creditors: amounts falling due within one year

	2007		2006	
	Group £	Ass'n £	Group £	Ass'n £
Trade creditors	403,346	4,602	288,024	7,769
Other creditors	113,665	-	56,588	-
Taxation and social security	68,269	-	56,766	-
Accruals and deferred income	1,709,397	22,852	1,559,847	55,107
	<u>2,294,677</u>	<u>27,454</u>	<u>1,961,225</u>	<u>62,876</u>

13. Creditors: amounts falling due after more than one year

	2007		2006	
	Group £	Ass'n £	Group £	Ass'n £
Deferred income	-	-	30,000	-
	<u>Nil</u>	<u>Nil</u>	<u>30,000</u>	<u>Nil</u>

The deferred income amount relates to funds received from The ACT Educational Trust, a registered charity, towards the redevelopment costs of the Associate level course (AMCT). This income is held as deferred and amortised over the same period as the redevelopment costs (see note 7 above).

14. Reserves

Group and Association

	Total reserves £	Retained deficit £
At 1st May 2006	2,298,383	2,298,383
Deduct: Retained deficit for the year	<u>652,661</u>	<u>652,661</u>
At 30th April 2007	<u>1,645,722</u>	<u>1,645,722</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

15. Cash Flow Statement

	2007	2006
	£	£
Reconciliation of operating deficit to net cash outflow from operating activities		
Operating deficit	(801,436)	(89,749)
Depreciation	81,400	59,636
Amortisation of development costs	118,683	77,965
Contribution from ACT Educational Trust	30,000	30,000
Increase in debtors	(201,812)	(196,635)
Increase in creditors	303,452	82,231
Net cash outflow from operating activities	<u>(469,713)</u>	<u>(36,552)</u>

Reconciliation of net cash flow to movement in net funds

	2007	2006
	£	£
Increase/(decrease) in cash in the period	6,490	(111)
Cash used from a decrease in liquid resources	(876,715)	(140,006)
Changes in net funds	<u>(870,225)</u>	<u>(140,117)</u>
Net funds at 1st May 2006	<u>3,235,484</u>	<u>3,375,601</u>
Net funds at 30th April 2007	<u>2,365,259</u>	<u>3,235,484</u>

Analysis of changes in net funds

	At 1st May 2006	Cash flows	Non-cash Items	At 30th April 2007
	£	£	£	£
Cash at bank and in hand	63	6,490	-	6,553
Current asset investments	3,235,421	(876,715)	-	2,358,706
Total	<u>3,235,484</u>	<u>(870,225)</u>	Nil	<u>2,365,259</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH APRIL 2007**

16. Contingent liabilities

There were no contingent liabilities for the Group or the Association at 30th April 2007 or 30th April 2006.

17. Capital commitments

There were capital commitments totalling £23,500 for the Group (Association: £Nil) at 30th April 2007 (2006: £139,900). At 30th April 2007, £16,000 relates to the redevelopment of the Membership level (Advanced Diploma) course (MCT), and £7,500 relates to the development of the new Certificate in International Treasury Management (Cert ITM).

18. Operating lease commitments

Operating lease payments amounting to £146,705 (2006: £219,692) are due within one year. The leases, which give rise to the annual commitments to make payments included in this sum, expire as follows:

The group

	Land & Buildings		Other		Total	
	2007	2006	2007	2006	2007	2006
	£	£	£	£	£	£
Within one year	-	215,050	4,642	-	4,642	215,050
Between two and five years	142,063	-	-	4,642	142,063	4,642
	142,063	215,050	4,642	4,642	146,705	219,692

The Association had no operating lease commitments at 30th April 2007 or 30th April 2006.

19. Transactions with Council members and other related parties

During the year, no fees were paid to members of Council or any other related party (2006: Nil).

20. Controlling related parties

The Council consider themselves to be the ultimate controlling related party of the Association by virtue of their membership of the Association. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by The Association of Corporate Treasurers.