

THE ASSOCIATION OF CORPORATE TREASURERS

Registered No. RC000859

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

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**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

The directors of The Association of Corporate Treasurers have pleasure in presenting their report together with consolidated financial statements for the year ended 31st December 2016.

Group and activities

The Association of Corporate Treasurers is a company incorporated by Royal Charter.

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, events and meetings for the members and others;
- the production, sale and distribution of the group's publications;
- the enrolment of and administration relating to members of The Association of Corporate Treasurers and students taking the ACT's examinations.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

Results (all amounts rounded to £000/£k)

The group's loss for the year ended 31st December 2016 amounted to £794k (2015 Loss: £154k). The result for the year includes charitable donations made during the year of £0k (2015: £0k).

The group ended the year with a total of 7,186 members and students, which represents a 0.5% increase on prior year. Member numbers dropped by 0.5%, and student numbers rose by 3.0%. It is clear that 2016 represented a tough financial climate for our major stakeholders, both corporates and financial institutions. This, combined with the change to our education offering, has made 2016 a very challenging year also for the ACT. As a response to the challenges, the ACT is seeking to leverage its significant recent investment in professional standards and learning to maximize return and grow student numbers. It has been examining its business model and made reductions to its cost base, whilst focusing on core activities, to ensure financial sustainability. Management believes this will have a positive impact on financial results for 2017 and beyond.

Fixed assets

Movements in fixed assets during the year are detailed in notes 7 to 9.

Current Asset Investments and Treasury Policy

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

Reserves Policy

It is the policy of The Association of Corporate Treasurers 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. The directors have set a minimum reserves level of £1,000k which needs to be readily accessible. At 31st December 2016 reserves were £1,134k (2015: £1,929k). The directors will continue to monitor reserves on an ongoing basis.

Going Concern

Council and management have reviewed current performance against budget, and longer term forecasts, and believe that the measures taken during 2016 to rationalise the ACT's cost base as well as a focused strategy going forwards will be effective in terms of ensuring the organisation's sustainability, for which maintaining a high quality offering for the membership is of paramount importance. The Directors are confident that the organisation is in a financial position which assures it operating as a going concern for the foreseeable future.

Disclosure of information to the auditor

So far as the directors are aware:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

Council members (directors) who served during the year, and/or at time of signing the financial statements, are listed below:

Charles Barlow (stepped down 30 April 2016)
Antony Barnes
David Blackwood (stepped down 31 December 2016)
David Brent
Ian Chisholm
Fiona Crisp
Agnes Favillier (appointed 1 May 2016)
Peter Goshawk
John Jackson
Joseph Peka (appointed 1 May 2016)
Paul Reynolds (appointed 1 May 2016)
Martyn Smith (stepped down 30 April 2016)
Alison Stevens (stepped down 30 April 2016)
Yann Umbricht
Neil Wadey (appointed 1 May 2016)
Peter Walker-Smith (appointed 1 May 2016)
Colin Tyler (resigned 31 December 2016)
Caroline Stockmann (appointed 1 February 2017)
Co-opted Council members (not directors):
Rob Alexander
Karen Anderson (stepped down)
Shubhi Rao (stepped down)
Tony Frost (stepped down)

Risk

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


No director had, during or at the end of the period, a material interest in any contract which was significant in relation to the group's business.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the directors


Fiona Crisp President


Caroline Stockmann Chief Executive

Dated : 16.3.17

Registered Office : 68 King William Street, London, EC4N 7DZ

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS'
REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ASSOCIATION OF CORPORATE TREASURERS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

We have audited the financial statements of The Association of Corporate Treasurers for the year ended 31st December 2016 set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ASSOCIATION OF CORPORATE TREASURERS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns;
or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



**Ian Pennington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
London
E14 5GL

Dated:

3rd April 2017

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

The Royal Charter is not prescriptive as to the statutory provisions under which the financial statements are to be prepared, although the Auditors are required to report on the financial statements under the appropriate Companies Act. These Group and parent company financial statements were prepared in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) as issued in August 2014. In the transition to FRS 102 from old UK GAAP, the Group did not have to make any measurement or recognition adjustments. The principal accounting policies are set out below. All accounting policies remain unchanged from the previous year.

1. Basis of consolidation

The Group comprises the Association of Corporate Treasurers and its wholly-owned subsidiary ACT (Administration) Limited. In addition, ACT 2013 Limited (although dormant) is being consolidated as a subsidiary as the Association is deemed to have the power to exercise dominant influence. The parent company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The exemptions available, under Companies Act 2006, section 408, for the parent company not to include a separate Cash Flow Statement with related notes or from producing a separate Profit and Loss Account, have been applied. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2. Recognition of income and expenditure

a) Entry fees and subscriptions

New individual voting members are eligible upon successful completion of the appropriate examinations, with individual and Corporate non-voting membership (including Student membership) granted based on meeting agreed criteria. Entry fees where applicable are payable and recognised on election, and annual subscriptions are recognised over the period to which they relate.

b) Publications

All income arising from the group's publications is accounted for in the year in which the sales are made. All related expenditure arising from the printing and publication of the group's publications is accounted for at time of publication. No value is placed on copies of the group's publications remaining unsold at the end of the accounting year.

c) Conferences

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

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

d) Educational activities

Income arising from educational activities consists of course fees, examination fees, seminars 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.

Income from course fees is recognised over the average length of time taken by students from despatch of study materials, or logging onto the online course, to sitting the examination. This is:

- For the MCT Advanced Diploma over a period of 15 months
- For AMCT Diploma Certificates over a period of six months or, if enrolled after start of the course, over the period from invoice date to end of course
- As our new qualifications (Cert TF, Cert T and Dip TM) have a modular structure with students expected to take around 3-4 months to work through the study materials, course income is recognised in the month following the student first accessing the relevant module. Once accessed no refunds are made.

Operational costs of the courses i.e. costs for online course delivery, production and distribution of course content, and the cost of the assessment setting and marking of papers, are recognised as they arise.

e) Intangible assets

Study material development costs of the Association's professional qualifications are classified as an intangible asset. These costs 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 each 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 each syllabus is recognised in the year in which they are incurred.

A major revision of the Association's professional qualifications, excluding MCT, to better align them with the needs of the profession and employers, has been undertaken over the past 2 years and students are already enrolled on Cert TF and Cert T, Dip TM and Cert ICM. The AMCT Certificates have been phased out with final examinations taking place in April 2016.

All costs incurred for the registration of international trademarks are expensed as incurred.

f) Interest

Deposit and investment income interest are accounted for on an accruals basis.

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

3. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

4. Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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)
Fixtures and fittings	20%
Computer equipment and software	33%
Database system	25%
Website development costs	50%

5. Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

6. Leased assets

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

7. Contributions to pension funds

The company's wholly owned subsidiary, ACT (Administration) Limited, operates a defined contribution scheme. Contributions are charged in the income and expenditure account as they become payable in accordance with the rules of the scheme, amounting to £253k in 2016 (£244k in 2015). At 31st December 2016 contributions of £22k were outstanding (31st December 2015 £50k).

8. Investment Policy

The Association's treasury policy is reviewed and approved by the directors annually. Approved instruments are limited to treasury deposits, money market funds and UK Government securities.

Investments in money market funds are limited to £1.25m with any one fund, may only be made with IMMFA (Institutional Money Market Funds Association) funds, in that they agree to abide by the IMMFA Code, are rated AAAm from Standard & Poor's or Aaa-mf / MR1+ from Moody's, or AAAmmf / V1+ from Fitch, are sterling funds and run by a reputable firm. The Association's investment in a money market fund should never represent more than 5% of the total fund.

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 £0.5m with any one institution and a maximum of 12 months maturity.

**THE ASSOCIATION OF CORPORATE TREASURERS
STATEMENT OF ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

Investments in sovereign debt issued by the UK Government must be denominated in sterling and with remaining maturities less than 24 months. For such investments there is no upper limit on the amount, nor any credit rating threshold.

9. Taxation

The Association of Corporate Treasurers is liable to United Kingdom corporation tax on its income and expenditure 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.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income and expenditure account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

10. Interest receivable and Interest payable

Interest payable and similar charges includes interest payable and net foreign exchange losses are recognised in the income and expenditure account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest receivable and interest payable are recognised in the income and expenditure account as they accrue, using the effective interest method.

11. Accounting estimates and judgements

The Association's policy is to provide for debts which are over 90 days old as at the Balance Sheet date, adjusted for any payments received up until the accounts are completed. At the end of 2016 this provision is £30k (2016: £38k).

Within the Balance Sheet is an Intangible asset of around £500k, arising from the development of syllabi, course materials, and delivery infrastructure relating mainly to our new qualifications. In line with the Association's normal policy this will be amortised over a 3 year period and we fully expect significant future revenues to flow from these.

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Note	2016 £'000	2015 £'000
Income	1	7,366	8,375
Direct costs	2	<u>(3,311)</u>	<u>(3,504)</u>
Gross surplus	1	4,055	4,871
Administrative expenses		<u>(4,864)</u>	<u>(5,043)</u>
Operating (loss)/surplus	3	(809)	(172)
Interest receivable		<u>14</u>	<u>18</u>
(Loss)/Surplus on ordinary activities before taxation		(795)	(154)
Taxation	5	<u>0</u>	<u>0</u>
Group retained (loss)/surplus for the financial year	6 & 14	(795)	(154)
<hr/>			
Surplus/(deficit) retained:			
By The Association of Corporate Treasurers		465	503
By ACT (Administration) Limited		(1,260)	(657)
By ACT 2013 Limited		<u>0</u>	<u>0</u>
Group retained (loss)/surplus for the financial year		<u>(795)</u>	<u>(154)</u>

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

The accounting policies and notes on pages 8 to 10 and 15 to 24 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2016**

	Notes	2016 £'000	2015 £'000	2015 £'000	£'000
Fixed assets					
Intangible assets	7		486		489
Tangible assets	8		61		93
			547		582
Current assets					
Debtors	10	851		1,096	
Investments	11	2,181		3,221	
Cash at bank & in hand	12	378		506	
			3,410	4,823	
Creditors: amounts falling due within one year	13	(2,823)		(3,476)	
Net current assets			587	1,347	
Total assets less current liabilities			1,134	1,929	
Reserves	14		1,134	1,929	

The financial statements were approved by the directors on 16th March 2017.



Fiona Crisp President



Caroline Stockmann Chief Executive

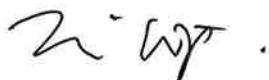
Company Registration Number RC000859

The accounting policies and notes on pages 8 to 10 and 15 to 24 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
COMPANY BALANCE SHEET AS AT 31ST DECEMBER 2016**

	Notes	2016 £'000	2015 £'000	2015 £'000	£'000
Fixed assets					
Tangible assets	8		-		-
Investment in subsidiary	9		459		719
			<hr/>		<hr/>
			459		719
Current assets					
Debtors	10	23		139	
Investments	11	1,363		1,360	
Cash at bank & in hand	12	196		164	
			<hr/>		<hr/>
		1,582		1,663	
Creditors: amounts falling due within one year	13	(907)		(453)	
			<hr/>		<hr/>
Net current assets			675		1,210
Total assets less current liabilities			<hr/>		<hr/>
			1,134		1,929
Reserves	14		<hr/>		<hr/>
			1,134		1,929

The financial statements were approved by the directors on 16th March 2017.



Fiona Crisp President



Caroline Stockmann Chief Executive

Company Registration Number RC000859

The accounting policies and notes on pages 8 to 10 and 15 to 24 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	Note	2016 £'000	2015 £'000	2015 £'000	£'000
Net cash (outflow)/inflow from operating activities	16		(979)		(708)
Cash from Investing Activities					
Interest received			14		19
Purchase of:					
Intangible fixed assets	7	(174)		(375)	
Tangible fixed assets	8	(29)		(87)	
			(203)		(462)
Money Market Funds - withdrawal/(deposit)			1,040		987
(Decrease)/increase in cash in the year	15		(128)		(164)
Cash at start of period			506		670
Cash at end of period			378		506

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

All amounts rounded to £'000/£k.

1. Income and gross surplus

Income comprises subscriptions from members, income from educational activities including training courses and seminars, as well as income from conferences and sales of the group's publications.

Group	2016		2015	
	Income £'000	Gross surplus £'000	Income £'000	Gross surplus £'000
Membership and educational activities	4,096	2,401	4,855	3,084
Conferences, publications and other activities	3,270	1,653	3,520	1,787
	7,366	4,054	8,375	4,871

2. Direct costs

Direct costs comprise the costs of the delivery of education, running of conferences and training courses and the printing and distribution of the group's publications.

3. Operating (loss)/surplus

(Loss)/Surplus is stated after charging:

	2016 £'000	2015 £'000
Legal and professional charges	61	52
Auditor's remuneration		
Fees payable to the group's auditor for the audit of the group's annual accounts	27	27
Fees payable to the group's auditor for other services	4	5
Depreciation	62	182
Amortisation of Intangible Assets	176	16
Operating lease rentals		
Land and buildings	0	134

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

4. Directors and employees

	2016 £'000	2015 £'000
Staff costs during the year:		
Wages and salaries	2,504	2,642
Social security costs	276	279
Other pension costs	253	244
	<u>3,033</u>	<u>3,165</u>

	2016 Number	2015 Number
The average number of employees during the year was:		
Membership and education	20	18
Conferences and publications	9	11
Finance and administration	19	23
	<u>48</u>	<u>52</u>

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.

Only one director (acting as Chief Executive) earned emoluments during the year and these totalled £178k (2015: one director totalling £173k):

	2016 £'000	2015 £'000
Chief Executive emoluments:		
Wages and salaries	165	165
Bonuses	13	8
Other pension costs	0	0
	<u>178</u>	<u>173</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

5. Taxation

Total tax expense recognised in the income and expenditure account

	2016	2015
	£'000	£'000
Current tax		
Current tax on income for the period	0	0
Adjustments in respect of prior periods	0	0
Total current tax	<u>0</u>	<u>0</u>
Deferred tax		
Origination and reversal of timing differences	0	0
Change in tax rate	0	0
Total deferred tax	<u>0</u>	<u>0</u>
Tax expense(income) relating to changes in	0	0
Total tax	<u>0</u>	<u>0</u>

Analysis of current tax recognised in profit and loss

	2016	2015
	£'000	£'000
UK corporation tax	0	0
Double taxation relief	0	0
Foreign tax	0	0
Total current tax recognised in income and expenditure	<u>0</u>	<u>0</u>

Reconciliation of effective tax rate

	2016	2015
	£'000	£'000
(Loss)/Surplus for the year	(795)	(154)
Total tax expense	0	0
Loss excluding taxation	<u>(795)</u>	<u>(154)</u>
Tax using the UK corporation tax rate of 20% (2015: 20%)	(159)	(31)
Reduction in tax rate on deferred tax balances	96	120
Non-deductible expenses	165	163
Tax exempt revenues	(256)	(262)
Current year losses for which no deferred tax asset was recognised	145	5
Under / (over) provided in prior years	9	5
Total tax expense included in profit or loss	<u>0</u>	<u>0</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

6. Loss after taxation

The Association of Corporate Treasurers has not presented its own income and expenditure account as permitted by the Companies Act 2006. The Association of Corporate Treasurers' loss for the year was £795k (2015: Loss £154k).

7. Intangible fixed assets

The Group

	AMCT Certificates £'000	International Cash Mgmt Certificate £'000	MCT Advanced Diploma £'000	New Qualification Certificates/ Diploma £'000	Total £'000
Cost					
At 1st January 2016	342	7	15	498	862
Additions		84	0	90	174
At 31st December 2016	342	91	15	588	1,036
Amortisation					
At 1st January 2016	342	0	15	17	374
Provided in the year		8	0	168	176
At 31st December 2016	342	8	15	185	550
Net Book Amount					
At 31st December 2016	0	83	0	403	486
At 31st December 2015	0	7	0	481	488

The Intangible Asset value in the Balance Sheet reflects spend on the new qualifications (including software costs and the preparation of new syllabi and associated study materials). These costs will be amortised over three years from the date that the qualifications are launched - amortisation for Cert TF and Cert T began in November 2015, Dip TM began in April 2016 and Cert ICM November 2016.

External development costs for training courses are classified as an intangible asset, and are amortised over a period not exceeding three years commencing on the date the course is first run.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

8. Tangible fixed assets

The Group

	Leasehold Improvement	Fixtures & fittings	Computer equipment & software	Database system	Website Development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st January 2016	230	165	317	204	281	1,197
Additions	0	0	15	8	6	29
At 31st December 2016	230	165	332	212	287	1,226
Depreciation						
At 1st January 2016	230	158	268	204	244	1104
Provided in the year		3	28	3	27	61
At 31st December 2016	230	161	296	207	271	1165
Net Book Amount						
At 31st December 2016	0	4	36	5	16	61
At 31st December 2015	0	7	49	0	37	93

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

8. Tangible fixed assets (continued)

The Company	Fixtures & fittings
	£'000
Cost	
At 1st January 2016	15
Additions	0
	<hr/>
At 31st December 2016	<u>15</u>
Depreciation	
At 1st January 2016	15
Provided in the year	0
	<hr/>
At 31st December 2016	<u>15</u>
Net Book Amount	
At 31st December 2016	<u>0</u>
At 31st December 2015	<u>0</u>

9. Fixed asset investment in Subsidiary

The Association of Corporate Treasurers

The Association of Corporate Treasurers owns 100% of the issued share capital of ACT (Administration) Limited which is registered in England and Wales at 68 King William Street, London EC4N 7DZ.

ACT (Administration) Limited is principally engaged in the arranging of conferences, events and meetings for members of The Association of Corporate Treasurers and others; the production, sale and distribution of the group's publications; the provision of tuition and study materials for students taking the ACT's examinations; and the running of treasury related training courses.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

9. Fixed asset investment in Subsidiary (continued)

ACT (Administration) Limited had net assets of £459k at 31st December 2016 (2015: £719k). Its net assets reduced by £1,260k as a result of losses for the year but increased by £1,000k as a result of additional share capital invested by the parent company.

The Association of Corporate Treasurers investment in ACT (Administration) Limited has been written down to its net asset value of £459k, resulting in an impairment charge of £1,260k (2015: £657k) being recognised in its Income and Expenditure account.

	2016 £'000	2015 £'000
Opening investment at 1st January	719	376
Additional investment through issue of shares	<u>1,000</u>	<u>1,000</u>
Closing investment	1,719	1,376
Impairment in current year	(1,260)	(657)
	<u>459</u>	<u>719</u>
Closing investment at 31st December		

10. Debtors

	2016		2015	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	419	0	655	12
Amount owed by subsidiary	0	0	0	127
Other debtors	14	0	17	0
Prepayments and accrued income	<u>418</u>	<u>23</u>	<u>424</u>	<u>0</u>
	<u>851</u>	<u>23</u>	<u>1,096</u>	<u>139</u>

All amounts fall due within one year (2015 £78k within Prepayments for prepaid rent which falls due at the end of 2017).

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

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

11. Current asset investments

At 31st December 2016, funds of £2,181k (2015: £3,221k) were invested by the Group in money market funds.

At 31st December 2016, funds of £1,363k (2015: £1,360k) were invested by the Company in money market funds.

The Association's treasury policy is reviewed and approved by the directors annually. Approved instruments are limited to treasury deposits, money market funds and UK Government securities.

12. Cash and Cash Equivalents

	2016		2015	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at Bank and in hand	378	196	506	164
Bank Overdrafts	0	0	0	0
	<u>378</u>	<u>196</u>	<u>506</u>	<u>164</u>

13. Creditors: amounts falling due within one year

	2016		2015	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	260	1	363	0
Amount owed to subsidiary		461		
Other creditors	113	26	135	9
Taxation and social security	188	0	127	0
Accruals and deferred income	2,262	419	2,851	444
	<u>2,823</u>	<u>907</u>	<u>3,476</u>	<u>453</u>

14. Reserves

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
At 1st January	1,929	2,083	1,929	2,083
Retained (loss)/surplus for the year	<u>(795)</u>	<u>(154)</u>	<u>(795)</u>	<u>(154)</u>
At 31st December	<u>1,134</u>	<u>1,929</u>	<u>1,134</u>	<u>1,929</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2016**

15. Group Cash Flow Statement

	2016	2015
	£'000	£'000
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating (loss)/surplus	(809)	(172)
Depreciation	62	182
Amortisation of development costs	176	16
Decrease in debtors	245	348
(Decrease)/Increase in creditors	(653)	(1,082)
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(979)	(708)
	<hr/>	<hr/>

16. Contingent liabilities

There were no contingent liabilities for the Group or the Company at 31st December 2016 or 31st December 2015.

17. Capital commitments

There were no capital commitments for the Group or the Company at 31st December 2016 or 31st December 2015.

18. Operating lease commitments

No operating lease payments (31st December 2015: Nil) are due within one year.

19. Related parties

Apart from the Chief Executive (see note 4) no fees were paid to any directors or any other related party during the year (year ended 31st December 2015: Nil).