



**LEADING TREASURY  
PROFESSIONALS**

**THE ASSOCIATION OF CORPORATE TREASURERS**

**Registered No. RC000859**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2017**

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**THE ASSOCIATION OF CORPORATE TREASURERS  
REPORT OF COUNCIL MEMBERS  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

The Association of Corporate Treasurers (ACT) is the only professional treasury body with a Royal Charter. We set the global benchmark for treasury excellence and lead the profession through our internationally recognised qualifications, by defining standards and by championing continuing professional development. We are the authentic voice of the treasury profession representing the interests of the real economy and educating, supporting and leading the treasurers of today and tomorrow.

The Council Members of The Association of Corporate Treasurers have pleasure in presenting their report together with consolidated financial statements for the year ended 31st December 2017. The Officers are pleased with the progress the Association has made during 2017 to meet our organisational objectives.

During 2017, Council Members appointed a new Chief Executive, Caroline Stockmann, who has brought fresh enthusiasm and strategic focus to our work. Caroline has worked with our members, advisory boards and senior leadership team to renew our vision and mission:

**Vision**

Our vision is that treasury everywhere has the highest standards of professionalism, bringing success to organisations and creating strong economies through strategic balancing of financial risks and opportunities.

**Mission**

Our mission is to embed the highest standards of professionalism and integrity in the treasury world, and act as its leading advocate.

**The Group and its activities**

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 ACT group enables and supports treasury professionals throughout their careers by:

- providing clear treasury leadership and a trusted dynamic global network of experts;
- raising the profile of the profession, growing its influence and championing its success; and
- having high-level real economy influence with policy makers and regulators.

We educate through qualifications, training and in-company learning programmes and our competency framework.

We grow networks through events, conferences and regional groups.

We guide, inform and support through our policy and technical work, our webinars and publications (including The Treasurer magazine) and our membership services.

**THE ASSOCIATION OF CORPORATE TREASURERS  
REPORT OF COUNCIL MEMBERS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

### **History**

The origins of The Association of Corporate Treasurers lie in the volatile financial markets of the 1970s. In January 1979, a small group of practitioners, convinced that the growing significance of treasury management made the need for a professional association paramount, met in the Selfridge Hotel in London and the ACT was formed.

Although there had been previous attempts to establish a professional body for treasurers (notably The London Treasurers' Club and The Society for International Treasurers), the ACT got off to a flying start. By October 1979: 378 members had joined this fledgling body; committees had been established for membership, education and programmes; a yearbook had been planned and the Bank of England had asked the ACT to nominate a representative to join its new committee investigating the sterling deposit market.

These successes continued and today the ACT has over 6,800 members including 2,000 students in 82 countries, and in 88% of the FTSE 100 companies. It has represented the profession in many key areas, including the simplification of share buy-backs, accounting standards and the development of a code of conduct for participants in the credit ratings industry, and more recently in the Global FX code and UK Money Markets Code.

In 2013 the ACT was awarded a Royal Charter, making it the only professional treasury association to be recognised in this way. It continues to work in the public and profession's interest to raise awareness of and to support professional standards in treasury practice.

### **International focus**

As the world's leading provider of treasury qualifications, the ACT is committed to supporting the development of the treasury profession worldwide. Anyone who has successfully completed the ACT qualifications can become a member, wherever they are located. Members of overseas treasury associations who are resident in the UK for up to three years can also become international affiliates.

Students across the world can study for ACT qualifications online through the ACT Learning Academy and sit their assessments remotely too. In addition, tuition programmes are available in several overseas locations for the Certificate in International Cash Management (Cert ICM) including Hong Kong, Singapore and Dubai.

We have welcomed members from around the world to our regional events in Dubai, Germany, Hong Kong, Nairobi and the UK, and we have supported many more through our webinars and online resources.

### **Benefiting members and promoting best practice**

The objects of the Association, as set out in the Royal Charter, are to set the benchmark for treasury excellence, provide qualifications for those working professionally in the fields of treasury, risk and corporate finance, promote best practice, define and maintain standards and support the continuing professional development of its members and so to promote the public interest.

## **Highlights of 2017**

### Influencing and informing technical guidance

As the chartered body for treasury we have worked with regulators and legislators to address issues for treasury practitioners and help improve professional standards in the financial sector. The ACT contributed to the development of two important codes of conduct, the FX Global Code and UK Money Markets Code, that were launched in April/May 2017.

### Annual conference

The ACT Annual Conference is our flagship event for treasury and finance professionals. The event took place in May 2017 at Manchester Central and had over 1,000 attendees. With over 400 exhibitors, this was the first time we trialled the new compact two-day format, which delivered the same amount of content.

### New ACT offices

The ACT moved into a new leasehold office in October 2017. Staying within the city of London, the purpose built office space provides an excellent working environment for our staff with engaging meeting rooms. More importantly, the move reduced costs considerably from our previous serviced offices, allowing us to focus more funds on member benefits.

### Introduction of a diversity and inclusion calendar

During the year we introduced a Diversity & Inclusion calendar focusing on supporting our members on issues that affect their professional and personal lives. We kicked off this series with an event focused on Bridging the Gender Gap. These events will run into 2018 and beyond.

### Annual Dinner

The ACT Annual Dinner, held in November is the largest gathering of treasurers in the UK and the premier networking event in the treasury and corporate finance calendar. The 2017 dinner attracted over 1,500 attendees.

## **Future view 2018**

Our key strategic objectives in 2018 are:

- Ensure that Policy & Technical is the 'heart' of the organisation, demonstrating thought leadership, and representing the first port of call for regulators and government. We will do this by creating an intellectual agenda, whilst offering practical guidance and advice;
- Engage our members (especially professionals in practice) and supporters more to ensure we stay relevant;
- Ensure the relevance and quality of all qualifications, as well as CPD/training products, in turn maintaining high professional standards in treasury;
- Build key senior relationships with sponsors and other stakeholders and leverage those to grow and innovate;
- Focus on increasing sales in our target markets;
- Build appropriate and high quality management information for the organisation (financial, marketing, students, etc).

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

The group's deficit for the year ended 31st December 2017 amounted to £54k (2016 restated deficit: £585k).

In 2017, the ACT updated its income recognition policy to better reflect the nature of our income generating activities. Historically, the ACT had high levels of deferred income that did not reflect cash-flow or sales activity. The policy revision is described in more detail below within the income recognition notes. The overall impact of adjusting the income recognition policy in 2017 is estimated to be an additional £42k in current year revenue and £210k in prior year reserves. To assist the readers of the accounts we have restated the 2016 comparatives to illustrate the impact of this policy change.

The group ended the year with a total of over 6,800 members including 2,000 students, which represents a 5% decrease on prior year. It is clear that 2017 represented a tough financial climate for our major stakeholders, both corporates and financial institutions. However, with new leadership and focused effort by the whole senior leadership team, the ACT has responded to external challenges by reviewing its business model to increase focus on profitable products whilst maintaining or reducing its cost base. The ACT is also leveraging its significant investment in professional standards and learning to maximize return and grow student numbers. This has allowed us to deliver core activities and ensure financial sustainability. Management believes this will have a positive impact on financial results for 2018 and beyond.

**Fixed assets**

Movements in fixed assets during the year are detailed in notes 8 to 10.

**Current Asset Investments and Treasury Policy**

Investments represent short-term deposits. The ACT's treasury policy is reviewed and approved by Council Members annually. Further details of the policy and funds invested are contained in note 13.

**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. Council Members have set a minimum reserves level of £1,000k which needs to be readily accessible. At 31st December 2017 reserves were £1,290k (2016 restated: £1,344k). Council Members 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 2017 to implement a focused strategy 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. Council Members are confident that the organisation is in a financial position which assures it operating as a going concern for the foreseeable future.

**Disclosure of status and information to the auditor**

The Association was incorporated by Royal Charter on 1 January 2013 and is governed by its by-laws and rules. Although it is not required to have an annual audit, Council have opted to have financial statements prepared under the requirements of the Companies Act 2006, audited and presented to its members. These are not, however, filed with Companies House.

So far as the Council Members are aware:

- there is no relevant audit information of which the Group's auditor is 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 auditor is aware of that information.

**THE ASSOCIATION OF CORPORATE TREASURERS  
REPORT OF COUNCIL MEMBERS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

**Council Members who served during the year, and/or at time of signing the financial statements, are listed below:**

Kerry Attwell Thomas (Appointed 1st May 2017)  
Antony Barnes (Retired 30th April 2017)  
David Brent  
Ian Chisholm  
Fiona Crisp  
Agnes Favillier  
Peter Goshawk  
John Jackson (Retired 30th April 2017)  
Charlotte Morgan (Appointed 1st May 2017)  
Constantinos (Dino) Nicolaides (Appointed 1st May 2017)  
Joseph Peka  
Paul Reynolds  
Caroline Stockmann (Appointed 1st February 2017)  
Neil Wadey  
Peter Walker-Smith  
Paul Wilde (Appointed 1st May 2017)  
Yann Umbricht (Retired 30th April 2017)

**Co-opted Council Members:**

Rob Alexander

**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 Council, 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 (ARAC) receives an annual presentation on the group's risk management processes.

On behalf of Council Members



**Peter Goshawk** President



**Caroline Stockmann** Chief Executive

Dated: 13th March 2018

Registered Office: 69 Leadenhall Street, London, EC3A 2BG

## STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE COUNCIL MEMBERS AND THE FINANCIAL STATEMENTS

The Council are responsible for preparing the Report of the Council Members and the financial statements in accordance with applicable law and regulations.

The Association was incorporated by Royal Charter on 1 January 2013 and is governed by its by-laws and rules. Under those laws 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 the elections they have made, the Council Members will not approve the financial statements unless they are satisfied that the financial statements 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, 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Council Members 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Council Members 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 2017**

**Opinion**

We have audited the financial statements of The Association of Corporate Treasurers ("the company") for the year ended 31 December 2017 which comprise the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, and related notes, including the accounting policies in Statement of Accounting Policies.

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 31 December 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Report of the Council Members**

The Council are responsible for the Report of the Council Members (which constitutes the directors' report). Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Report of the Council Members and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in Report of the Council Members;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; 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 2017**

**Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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 Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Council Members' responsibilities**

As explained more fully in their statement set out on page 8, the Council are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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 to them 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.



**Ian Pennington (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

Dated: 20th March 2018

**THE ASSOCIATION OF CORPORATE TREASURERS  
STATEMENT OF ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

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. The principal accounting policies are set out below.

The ACT updated its income recognition policy during the year to better reflect the nature of our income generating activities. Historically, the ACT had high levels of deferred income that did not reflect cash-flow or sales activity. The overall impact of adjusting the income recognition policy in 2017 is estimated to be an additional £42k in current year revenue and £210k in prior year reserves. To assist the readers of the accounts we have restated the 2016 comparatives to illustrate the impact of this policy change.

### **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 publication 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 2017**

**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 the Cert TF, Cert T, Dip TM, and Award CMF qualifications is recognised when invoiced. An element of income is deferred recognising the Group's obligations to make study materials available for a reasonable period. Income from the MCT Advanced Diploma is recognised over a period of 15 months. Income from the Cert ICM qualification is recognised in the month of the relevant residential school. Income from examinations is recognised in the month of the examination.

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.

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 2017**

**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 £216k in 2017 (2016: £253k). At 31st December 2017 contributions of £19k were outstanding (31st December 2016: £22k).

**8. Investment Policy**

The Association's treasury policy is reviewed and approved by Council Members annually. Approved instruments are currently 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 / F1+ 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 2017**

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 surplus or deficit 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 deficit 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. 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 2017 this provision is £113k (2016: £164k).

An estimation has been made as to the amount of revenue to be deferred relating to the ongoing provision of access to the online learning system based upon the costs involved of £7k (2016: £nil).

Within the Balance Sheet is an Intangible asset of around £260k net book value (2016: £486k), arising from the development of syllabi, course materials, and delivery infrastructure relating mainly to our 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 2017**

	Note	2017 £'000	2016 (restated) £'000
Income	2	6,767	7,576
Direct costs	3	<u>(2,884)</u>	<u>(3,311)</u>
Gross surplus		3,883	4,265
Administrative expenses		<u>(3,941)</u>	<u>(4,864)</u>
Operating (deficit)/surplus	4	(58)	(599)
Interest receivable		<u>4</u>	<u>14</u>
(Deficit)/surplus on ordinary activities before taxation		(54)	(585)
Taxation	6	<u>-</u>	<u>-</u>
Group retained (deficit)/surplus for the financial year	7 & 17	(54)	(585)
<hr/> <hr/>			
Surplus/(deficit) retained:			
By The Association of Corporate Treasurers		425	465
By ACT (Administration) Limited		(479)	(1,050)
By ACT 2013 Limited		<u>-</u>	<u>-</u>
Group retained (deficit)/surplus for the financial year		<u>(54)</u>	<u>(585)</u>

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

The accounting policies and notes on pages 11 to 14 and 19 to 27 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2017**

	Notes	2017		2016 (restated)	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		260		486
Tangible assets	9		186		61
			446		547
Debtors: amounts falling due after one year *	11		142		-
Current assets					
Debtors: amounts falling due within one year *	12	983		851	
Investments	13	1,115		2,181	
Cash at bank & in hand	14	458		378	
			2,556	3,410	
Creditors: amounts falling due within one year	15	(1,836)		(2,613)	
Net current assets			720	797	
Creditors: amounts falling due after one year	16		(18)		-
Total assets less liabilities			1,290	1,344	
Reserves	17		1,290	1,344	

The financial statements were approved by the Council Members on 13th March 2018.



**Peter Goshawk** President



**Caroline Stockmann** Chief Executive

Company Registration Number RC000859

The accounting policies and notes on pages 11 to 14 and 19 to 27 form part of these financial statements.

\* Total debtors (current and non-current) are £1,125k (2016: £851k).

**THE ASSOCIATION OF CORPORATE TREASURERS  
COMPANY BALANCE SHEET AS AT 31ST DECEMBER 2017**

	Notes	2017		2016 (restated)	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9		-		-
Investment in subsidiary	10		1,190		669
			1,190		669
Debtors: amounts falling due after one year *	11		28		-
Current assets					
Debtors: amounts due within one year *	12	24		22	
Investments	13	660		1,364	
Cash at bank & in hand	14	112		196	
			796		1,582
Creditors: amounts falling due within one year	15	(720)		(907)	
Net current assets			76		675
Creditors: amounts falling due after one year	16		(4)		-
Total assets less liabilities			1,290		1,344
Reserves	17		1,290		1,344

The financial statements were approved by the Council Members on 13th March 2018.



**Peter Goshawk** President



**Caroline Stockmann** Chief Executive

Company Registration Number RC000859

The accounting policies and notes on pages 11 to 14 and 19 to 27 form part of these financial statements.

\* Total debtors (current and non-current) are £52k (2016: £23k).

THE ASSOCIATION OF CORPORATE TREASURERS  
 CONSOLIDATED CASH FLOW STATEMENT  
 FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017		2016 (restated)	
		£'000	£'000	£'000	£'000
<b>Net cash (outflow)/inflow from operating activities</b>	18		(813)		(979)
<b>Cash from Investing Activities</b>					
Interest received			4		14
Purchase of:					
Intangible fixed assets	8	-		(174)	
Tangible fixed assets	9	(177)		(29)	
			(177)		(203)
Money Market Funds - withdrawal/(deposit)	13		1,066		1,040
<b>(Decrease)/increase in cash in the year</b>	18		80		(128)
Cash at start of period			378		506
Cash at end of period			458		378

**THE ASSOCIATION OF CORPORATE TREASURERS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

### 1. Prior period adjustment

The ACT updated its income recognition policy during the year to better reflect the nature of our income generating activities. Historically, the ACT had high levels of deferred income that did not reflect cash-flow or sales activity. The overall impact of adjusting the income recognition policy in 2017 is an additional £42k in current year revenue and £210k in prior year reserves. To assist the readers of the accounts we have restated the 2016 comparatives to illustrate the impact of this policy change.

	Original £'000	Change £'000	Restated £'000
2016 Income	7,366	210	7,576
2016 Group deficit	(795)	210	(585)
2016 Creditors	2,823	(210)	2,613
2016 Reserves	1,134	210	1,344
The impact during the year is also highlighted below:			
2017 Income	6,725	42	6,767
2017 Group deficit	(96)	42	(54)
2017 Creditors	1,878	(42)	1,836
2017 Reserves	1,248	42	1,290

### 2. 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	2017		2016 (restated)	
	Income £'000	Gross surplus £'000	Income £'000	Gross surplus £'000
Membership and educational activities	3,755	2,298	4,306	2,612
Conferences, publications and other activities	3,012	1,585	3,270	1,653
	<u>6,767</u>	<u>3,883</u>	<u>7,576</u>	<u>4,265</u>

### 3. Direct costs

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

### 4. Operating (deficit)/surplus

(Deficit)/surplus is stated after charging:

	2017 £'000	2016 £'000
Legal and professional charges	66	61
Fees payable to the group's auditor for the audit of the group's annual accounts	24	27
Fees payable to the group's auditor for other services	7	4
Depreciation	52	62
Amortisation of intangible assets	226	176
Operating lease	46	-

**THE ASSOCIATION OF CORPORATE TREASURERS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

**5. Directors and employees**

	2017 £'000	2016 £'000
Staff costs during the year:		
Wages and salaries	1,960	2,504
Social security costs	221	276
Other pension costs	216	253
	<u>2,397</u>	<u>3,033</u>

	2017 Number	2016 Number
The average number of employees during the year was:		
Membership and education	19	20
Conferences and publications	8	9
Finance and administration	12	19
	<u>39</u>	<u>48</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 Council Member (acting as Chief Executive) earned emoluments during the year and these totalled £187k (2016: one Council Member totalling £178k):

	2017 £'000	2016 £'000
Chief Executive emoluments:		
Wages and salaries	138	165
Bonuses	28	13
Other pension costs	21	-
	<u>187</u>	<u>178</u>

In early 2017 before the new Chief Executive took office, the interim Chief Executive was paid an extra £8k salary, plus £1.2k employer national insurance and £1.3k in employer pension contributions.

**THE ASSOCIATION OF CORPORATE TREASURERS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**6. Taxation**

Total tax expense recognised in the income and expenditure account

	2017	2016
	£'000	£'000
<b>Current tax</b>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
	<u>-</u>	<u>-</u>
Tax expense(income) relating to changes in	-	-
<b>Total tax</b>	<u>-</u>	<u>-</u>

**Analysis of current tax recognised in income and expenditure**

	2017	2016
	£'000	£'000
UK corporation tax	-	-
Double taxation relief	-	-
Foreign tax	-	-
	<u>-</u>	<u>-</u>
<b>Total current tax recognised in income and expenditure</b>	<u>-</u>	<u>-</u>

**Reconciliation of effective tax rate**

	2017	2016
	£'000	£'000
(Deficit)/surplus for the year	(54)	(795)
Total tax expense	-	-
Tax using the UK corporation tax rate of 19.25% (2015: 20%)	(11)	(159)
Reduction in tax rate on deferred tax balances	5	96
Non-deductible expenses	160	165
Tax exempt revenues	(234)	(256)
Current year deficits for which no deferred tax asset was recognised	39	145
Under / (over) provided in prior years	<u>41</u>	<u>9</u>
<b>Total tax expense included in surplus or deficit</b>	<u>-</u>	<u>-</u>

As the prior year adjustment is due to a change from one appropriate accounting policy to another, the tax impact of the 2016 change is recognised in the current year computations.

**THE ASSOCIATION OF CORPORATE TREASURERS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**7. Deficit 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' deficit for the year was £54k (2016 restated: deficit £585k).

**8. Intangible fixed assets**

**The Group**

	AMCT Certificates	International Cash Mgmt Certificate	MCT Advanced Diploma	Qualification Certificates / Diploma	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1st January 2017	342	91	15	588	1,036
Additions	-	-	-	-	-
Disposals / write-offs	(342)	-	(15)	-	(357)
At 31st December 2017	<u>-</u>	<u>91</u>	<u>-</u>	<u>588</u>	<u>679</u>
<b>Amortisation</b>					
At 1st January 2017	342	8	15	185	550
Provided in the year	-	30	-	196	226
Disposals / write-offs	(342)	-	(15)	-	(357)
At 31st December 2017	<u>-</u>	<u>38</u>	<u>-</u>	<u>381</u>	<u>419</u>
<b>Net Book Amount</b>					
At 31st December 2017	<u>-</u>	<u>53</u>	<u>-</u>	<u>207</u>	<u>260</u>
At 31st December 2016	<u>-</u>	<u>83</u>	<u>-</u>	<u>403</u>	<u>486</u>

The intangible asset value in the Balance Sheet reflects spend on 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 2017**

**9. Tangible fixed assets**

**The Group**

	Leasehold Improvement	Fixtures fittings	& Computer equipment & software	Database system	Website Development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1st January 2017	230	165	332	212	287	1,226
Additions	149	6	12	-	10	177
Disposals / write-offs	(230)	(148)	(250)	-	(232)	(860)
At 31st December 2017	149	23	94	212	65	543
<b>Depreciation</b>						
At 1st January 2017	230	161	296	207	271	1,165
Provided in the year	5	2	25	4	15	51
Disposals / write-offs	(230)	(146)	(252)	-	(231)	(859)
At 31st December 2017	5	17	69	211	55	357
<b>Net Book Amount</b>						
At 31st December 2017	144	6	25	1	10	186
At 31st December 2016	-	4	36	5	16	61

**9. Tangible fixed assets (continued)**

<b>The Company</b>	Fixtures & fittings
	£'000
<b>Cost</b>	
At 1st January 2017	15
Additions	-
Disposals / write-offs	(15)
At 31st December 2017	<u>-</u>
<b>Depreciation</b>	
At 1st January 2017	15
Provided in the year	-
Disposals	(15)
At 31st December 2017	<u>-</u>
<b>Net Book Amount</b>	
At 31st December 2017	<u>-</u>
At 31st December 2016	<u>-</u>

**10. 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 69 Leadenhall Street, London EC3A 2BG.

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 2017**

**10. Fixed asset investment in Subsidiary (continued)**

ACT (Administration) Limited had net assets of £1,190k at 31st December 2017 (2016 restated: £669k). Its net assets reduced by £479k as a result of the deficit 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 £1,190k, resulting in an impairment charge of £479k (2016 restated: £1,050k) being recognised in its Income and Expenditure account.

	2017 £'000	2016 (restated) £'000
Opening investment at 1st January	669	719
Additional investment through issue of shares	<u>1,000</u>	<u>1,000</u>
Closing investment	1,669	1,719
Impairment in current year	(479)	(1,050)
Closing investment at 31st December	<u><u>1,190</u></u>	<u><u>669</u></u>

**11. Debtors: amounts falling due after one year**

Amounts falling due after one year amount to £142k for the Group (2016: £nil), and £28k for the Company (2016: £nil). This relates to the rent deposit for 69 Leadenhall Street, held under a lease.

**12. Debtors: amounts falling due within one year**

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	547	10	419	-
Other debtors	137	-	14	-
Prepayments and accrued income	299	14	418	22
	<u><u>983</u></u>	<u><u>24</u></u>	<u><u>851</u></u>	<u><u>22</u></u>

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 2017**

**13. Current asset investments**

At 31st December 2017, funds of £1,115k (2016: £2,181k) were invested by the Group in money market funds.

At 31st December 2017, funds of £660k (2016: £1,364k) 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.

**14. Cash and Cash Equivalents**

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at Bank and in hand	458	112	378	196
	<u>458</u>	<u>112</u>	<u>378</u>	<u>196</u>

**15. Creditors: amounts falling due within one year**

	2017		2016 (restated)	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	227	7	260	1
Amount owed to subsidiary	-	296	-	461
Other creditors	39	14	113	26
Taxation and social security	77	-	188	-
Accruals and deferred income	1,493	403	2,052	419
	<u>1,836</u>	<u>720</u>	<u>2,613</u>	<u>907</u>

**16. Creditors: amounts falling due after one year**

Amounts falling due after one year amount to £18k for the Group (2016: £nil), and £4k for the Company (2016: £nil). This relates to the rent accrual for the operating lease for 69 Leadenhall Street.

**17. Reserves**

	Group	Group	Company	Company
	2017 £'000	2016 restated £'000	2017 £'000	2016 restated £'000
At 1st January	1,344	1,929	1,344	1,929
Retained (deficit)/surplus for the year	(54)	(585)	(54)	(585)
At 31st December	<u>1,290</u>	<u>1,344</u>	<u>1,290</u>	<u>1,344</u>

**THE ASSOCIATION OF CORPORATE TREASURERS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 2017**

**18. Group Cash Flow Statement**

	2017	2016 restated
Reconciliation of operating surplus to net cash inflow from operating activities	£'000	£'000
Operating (deficit)/surplus	(58)	(599)
Depreciation	52	62
Amortisation of development costs	226	176
(Increase)/decrease in debtors	(274)	245
(Decrease)/increase in creditors	(759)	(863)
Net cash (outflow) / inflow from operating activities	<u>(813)</u>	<u>(979)</u>

**19. Contingent liabilities**

There were no contingent liabilities for the Group or the Company at 31st December 2017 or 31st December 2017.

**20. Capital commitments**

There were no capital commitments for the Group or the Company at 31st December 2017 or 31st December 2017.

**21. Operating lease commitments**

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	158	32	-	-
Between two and five years	586	117	-	-
	<u>744</u>	<u>149</u>	<u>-</u>	<u>-</u>

**22. Related parties**

On 1st May 2017, Kerry Attwell Thomas was elected to the ACT Council. He was paid £49,385.29 (including VAT and expenses) as a supplier to the ACT for services in 2017 and £258.60 for expenses to attend Council meetings (2016: £nil.) No other Council members received any remuneration from the ACT during the year.

The Chief Executive was paid for her role (see note 5), but received no remuneration for her activities on Council (2016: £nil).