



**LEADING TREASURY
PROFESSIONALS**

THE ASSOCIATION OF CORPORATE TREASURERS

Registered No. RC000859

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2018

CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST DECEMBER 2018**

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**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL
FOR THE YEAR ENDED 31ST DECEMBER 2018**

The Council of The Association of Corporate Treasurers has pleasure in presenting its report together with consolidated financial statements for the year ended 31st December 2018. The Council is pleased with the progress the Association has made during 2018 to meet our organisational objectives.

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.

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. 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
- having high-level real economy influence with policy makers and regulators.

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

We grow networks and provide continuing professional development through events, conferences and our regional treasury networks.

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

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.

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 in 2019 the ACT celebrates its 40th anniversary. The Association has gone from strength to strength, and has 6,000 - 7,000 members and students at any one time, across 90 countries. 84% of FTSE 100 companies are represented and our events are recognised for their thought-leadership quality, inclusion and seniority of attendees.

The ACT 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, as well as more recently in the development of 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.

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 for the Certificate in International Cash Management in Hong Kong and Singapore.

We have welcomed members from around the world to our regional events in Dubai, 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 promote the public interest.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Highlights of 2018

Influencing and informing: - technical guidance

Keeping our Policy & Technical team and their work at the heart of our organisation is part of our agreed strategy. In 2018 the team was expanded and provided a wide range of support for our members, on topics as diverse as Brexit preparedness to LIBOR/risk-free rate replacement. This support takes many forms: technical briefings, webinars, attendance at treasury network events, replying to technical queries, contributions in our publication *The Treasurer* (and on-line publications) and by working closely with programme managers to ensure relevant content in our world-renowned events for treasurers. In addition, we continue to work closely with regulators, key decision-makers and other bodies to ensure the voice of the 'real economy' is heard.

Annual conference

Our flagship event, the ACT Annual Conference, took place in May 2018 at the Liverpool Exhibition Centre and had over 1,000 attendees. The event continues to thrive and is unique globally in its scale and seniority of attendees. Feedback this year was that the content was more relevant than ever, and the 2-day format is established as working well. In fact such was its success, that we were announced as winners at the Association Excellence Awards (Best Association Conference over 500 attendees). The dinner at Liverpool Cathedral was, as ever, a highlight, and Sir Ivan Rogers a great keynote speaker for the event.

Advanced Diploma in Treasury Management

During 2018 work was carried out to re-launch our masters-level qualification for treasurers, the Advanced Diploma in Treasury Management, which went live early February 2019. This replaces what was formerly known as the 'MCT'.

Volunteers

Approximately 250 of our members now actively volunteer with us, across a whole range of roles, and a further 270 were guest speakers or panellists at our events during the last year. Our members' commitment really is what makes us special as an association.

Exemptions

During the year we mapped relevant qualifications against those of a number of major accountancy bodies, and the resulting exemptions have stimulated interest from the accountancy community with increased registrations onto our courses.

Partnerships

In 2018 we worked closely with a number of national treasury associations and overarching bodies such as the European Association of Corporate Treasurers (EACT) and International Group of Treasury Associations (IGTA), to ensure our qualifications, publications and events were accessible to all. Our Chief Executive became Deputy Chair of both the EACT and IGTA.

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 2018 dinner attracted over 1,500 attendees, and our fundraising target (for our charity of the year, Hand in Hand International) exceeded the target of £50k, coming in at an impressive £65k. Part of the proceeds go to support our Educational Trust which provides bursaries for students in developing countries.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Future view

Our key strategic objectives in 2019 continue to be:

- 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 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).

Particular items of focus for 2019 to support these strategic objectives will be:

- working towards introducing a new CRM by completing a project which was partly implemented a few years back
- launching a refreshed website in May
- continuing to build partnerships around the world, and focusing on delivering quality through digital innovation
- growing our qualifications business through digital marketing, refreshed offerings and international partnerships.

Results for 2018

The group's deficit for the year ended 31st December 2018 amounted to £203k (2017 deficit: £54k).

It is clear that 2018 represented a tough financial climate for our major stakeholders, both corporates and financial institutions. However, with continued focused effort by the leadership team, the ACT has responded to external challenges by continuing to review its business model to increase focus on profitable products whilst maintaining or reducing its cost base. The ACT is also continuing to leverage its significant investment in professional standards and learning to maximize return and grow student numbers.

The key issues for 2018 included a number of challenges in delivery of our qualifications' assessment (including a change of supplier), and a knock-on impact on student progression onto the next steps in their qualification journey. These issues have now been addressed.

Fixed assets

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

Current Asset Investments and Treasury 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), are rated AAAM by Standard & Poor's or another recognised rating agency, 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.

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.

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 2018 reserves were £1,087k (2017: £1,290k). 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 currently being taken 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.

**THE ASSOCIATION OF CORPORATE TREASURERS
REPORT OF COUNCIL (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Risk

The group's executive team regularly reviews operational and financial risk through a process of formal and informal meetings. Major risks are reported to Council on a regular basis, with an assessment of the implications for the group and planned responses. The Appointments, Remuneration and Audit Committee (ARAC) receives an annual presentation on the group's risk management processes and outcomes.

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 has 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 Council is aware there is no relevant audit information of which the group's auditor is unaware and Council has 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.

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

Kerry Attwell Thomas
David Brent (retired 30th April 2018)
Ian Chisholm
Fiona Crisp (retired 30th April 2018)
Agnes Favillier
Peter Goshawk
Charlotte Morgan
Constantinos (Dino) Nicolaides
Joseph Peka
Paul Reynolds
Caroline Stockmann
Neil Wadey
Peter Walker-Smith
Paul Wilde

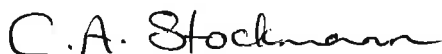
Co-opted Council members:

Rob Alexander
David Brent (appointed 1 May 2018)

On behalf of Council



Ian Chisholm
President



Caroline Stockmann
Chief Executive

Dated: 19th March 2019

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

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE REPORT OF COUNCIL AND THE FINANCIAL STATEMENTS

The Council is responsible for preparing the Report of Council 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, Council will not approve the financial statements unless it is 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 is 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
- 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 is 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 is 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.

Opinion

We have audited the financial statements of the Association of Corporate Treasurers for the year ended 31 December 2018 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Consolidated Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2018 and of its deficit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Council

As explained more fully in the statement of Council responsibilities set out on page 9, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Association'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 the Association either intend to cease operations, or have no realistic alternative but to do so.

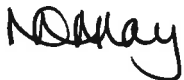
Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the members of the Association as a body, in accordance with the bye-laws of the Association, in accordance with our agreed terms of engagement. 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 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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May

Senior Statutory Auditor, for and on behalf of Crowe UK LLP

St Bride's House
10 Salisbury Square
London, EC4Y 8EH

Dated: **27 March 2019**

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	2018 £'000	2017 £'000
Income	2	6,038	6,767
Direct costs	3	<u>(2,591)</u>	<u>(2,884)</u>
Gross surplus	2	3,447	3,883
Administrative expenses		<u>(3,656)</u>	<u>(3,941)</u>
Operating deficit	4	(209)	(58)
Interest receivable		<u>6</u>	<u>4</u>
(Deficit)/surplus on ordinary activities before tax		(203)	(54)
Tax	6	<u>-</u>	<u>-</u>
Group deficit for the year	7 & 18	(203)	(54)
Retained earnings at start of year		<u>1290</u>	<u>1344</u>
Retained earnings at end of year		<u><u>1087</u></u>	<u><u>1290</u></u>
 Group surplus / (deficit) for the year is recorded by:			
- The Association of Corporate Treasurers		480	425
- ACT (Administration) Limited		(683)	(479)
	7 & 18	<u><u>(203)</u></u>	<u><u>(54)</u></u>

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

The accounting policies and notes on pages 16 to 24 form part of these financial statements.

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 2018**

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		89		260
Tangible assets	9		215		186
			304		446
Debtors: amounts falling due after one year *	11		172		142
Current assets					
Debtors: amounts falling due within one year *	12	825		983	
Investments	13	1,069		1,115	
Cash at bank & in hand	14	345		458	
			2,239	2,556	
Creditors: amounts falling due within one year	15	(1,497)		(1,836)	
Net current assets			742	720	
Total assets less current liabilities			1,218		1,308
Creditors: amounts falling due after one year	16		(81)		(18)
Provision for liabilities	17		(50)		-
Total Assets less Liabilities			1,087	1,290	
Reserves	18		1,087	1,290	

The financial statements were approved by Council on 19th March 2019.



Ian Chisholm President



Caroline Stockmann Chief Executive

Company Registration Number RC000859

The accounting policies and notes on pages 16 to 24 form part of these financial statements.

* Total debtors (current and non-current) are £997k (2017: £1,125k).

**THE ASSOCIATION OF CORPORATE TREASURERS
COMPANY BALANCE SHEET AS AT 31ST DECEMBER 2018**

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Investment in subsidiary	10		507		1,190
			<hr/>		<hr/>
			507		1,190
Debtors: amounts falling due after one year *	11		17		28
Current assets					
Debtors: amounts due within one year *	12	321		24	
Investments	13	613		660	
Cash at bank & in hand	14	55		112	
			<hr/>		
		989		796	
Creditors: amounts falling due within one year	15	(418)		(720)	
			<hr/>		
Net current assets			571		76
			<hr/>		
Creditors: amounts falling due after one year	16		(8)		(4)
Total assets less liabilities			<hr/>		
			1,087		1,290
			<hr/>		
Reserves	18		1,087		1,290
			<hr/>		

The financial statements were approved by Council on 19th March 2019.



Ian Chisholm President



Caroline Stockmann Chief Executive

Company Registration Number RC000859

The accounting policies and notes on pages 16 to 24 form part of these financial statements.

* Total debtors (current and non-current) are £338k (2017: £52k).

**THE ASSOCIATION OF CORPORATE TREASURERS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	2018		2017	
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	19		(68)		(813)
Cash from investing activities					
Interest received			6		4
Purchase of:					
- intangible fixed assets	8	(39)		-	
- tangible fixed assets	9	(57)		(177)	
			(96)		(177)
Money Market Funds - withdrawal/(deposit)	13		45		1,066
(Decrease)/increase in cash in the year	14		(113)		80
Cash at start of period			458		378
Cash at end of period			345		458

1. Accounting Policies

Basis of consolidation

These group and parent company financial statements were prepared in accordance with the Financial Reporting Standard applicable to the UK (FRS 102) as issued in August 2014. The group comprises the Association of Corporate Treasurers and its wholly-owned subsidiary ACT (Administration) Limited. In addition, ACT 2013 Limited (a dormant company) is considered to be a subsidiary as the Association is deemed to have the power to exercise dominant influence, however this subsidiary is not consolidated on the grounds of immateriality. The parent company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12 and has elected for the exemptions for the parent company not to include a separate Cash Flow Statement with related notes nor to produce a separate Profit and Loss Account.

Recognition of income and expenditure

a) Member subscriptions

Annual membership 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 in the period 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.

d) Educational activities

Income arising from educational activities consists of course fees, assessment 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 learning programmes are recognised either when invoiced, over a period of study or in the month of a relevant residential school depending on which best reflects the period or activity generating the right to the related earned income. Income from Assessments are recognised in the month of the assessment.

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.

Intangible assets

The cost of developing new study material for the Association's professional qualifications are classified as an intangible asset. These costs are amortised over three years commencing on the date that the new material is used within the learning programme. At least every five years, but no more than every three years, a full 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.

Interest

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

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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%
Website development costs	50%
Development of Qualifications	33%

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.

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 £215k in 2018 (2017: £216k). At 31st December 2018 contributions of £19k were outstanding (31st December 2017: £19k).

Investment Policy

Current asset investments are held at fair value.

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 reserves, in which case it is recognised directly in reserves. 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.

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.

Foreign currencies

Transactions in foreign currencies are initially recorded in sterling by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

Financial instruments

The Association has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments held as part of an investment portfolio are held at fair value at the balance sheet date, with gains and losses being recognised with income and expenditure.

Investment in subsidiary undertakings are held at cost less impairment.

At the balance sheet date the group held financial assets at amortised cost of £1,046k (2017: £1,284k) and Financial assets at fair value of £1,069k (2017; £1,115k) and Financial liabilities at amortised cost of £241k (2017: £266k).

Accounting estimates and judgements

The Association's policy is to provide for debts which are over 180 days old as at the Balance Sheet date, adjusted for any payments received up until the accounts are completed. The prior year provision was estimated using debts over 90 days old. This change in estimate was considered to give a more realist provision value. At the end of 2018 this provision is £45k (2017: £53k).

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	2018		2017	
	Income £'000	Gross surplus £'000	Income £'000	Gross surplus £'000
Membership and educational activities	3,163	1,859	3,755	2,298
Conferences, publications and other activities	2,875	1,588	3,012	1,585
	<u>6,038</u>	<u>3,447</u>	<u>6,767</u>	<u>3,883</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

Operating deficit is stated after charging:

	2018 £'000	2017 £'000
Legal and professional charges	59	66
Fees payable to the group's auditor for the audit of the group's annual accounts	17	24
Fees payable to the group's auditor for other services	3	7
Depreciation	71	52
Amortisation of intangible assets	210	226
Operating lease	162	46

THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

5. Directors and employees

	2018	2017
	£'000	£'000
Staff costs during the year:		
Wages and salaries	1,989	1,960
Social security costs	227	221
Other pension costs	215	216
	2,431	2,397

	2018	2017
	Number	Number
The average full-time-equivalent number of employees during the year was:		
Membership and education	14	19
Conferences and publications	12	8
Finance and administration	17	12
	43	39

This average full-time-equivalent is calculated by including part-time employees as a proportion of full-time employees, based on the number of actual days worked per week.

The average headcount for the year was 45 (2017: 42).

Only one Council member (in the role of Chief Executive) earned emoluments during the year and these totalled £178k (2017: one Council member totalling £187k):

	2018	2017
	£'000	£'000
Chief Executive emoluments:		
Wages and salaries	155	138
Bonuses	0	28
Other pension costs	23	21
	178	187

Key management of the group consists of the CEO supported by 7 directors of departments. The aggregate remuneration figure (including employers national insurance and pension contributions) totalled £885,646 for the year.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

6. Tax

Total tax expense recognised in the income and expenditure account

	2018 £'000	2017 £'000
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax expense(income) relating to changes in	-	-
Total tax	<u>-</u>	<u>-</u>

Analysis of current tax recognised in income and expenditure

	2018 £'000	2017 £'000
UK corporation tax	-	-
Double taxation relief	-	-
Foreign tax	-	-
Total current tax recognised in income and expenditure	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	2018 £'000	2017 £'000
Deficit for the year	(203)	(54)
Total tax expense	-	-
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	(38)	(11)
Fixed Asset permanent differences	6	-
Reduction in tax rate on deferred tax balances	13	5
Non-deductible expenses	150	160
Tax exempt revenues	(241)	(234)
Current year deficits for which no deferred tax asset was recognised	110	39
Under/(over) provided in prior years	0	41
Total tax expense included in surplus or deficit	<u>-</u>	<u>-</u>

THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

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' surplus for the year was £480k (2017: surplus £425k).

8. Intangible fixed assets

Group

	Advanced Dip TM	International Cash Mgmt. Certificate	Qualification Certificates / Diploma	Total
	£'000	£'000	£'000	£'000
Cost				
At 1st January 2018	0	91	588	679
Additions	39	0	0	39
Disposals/write-offs	0	0	0	0
At 31st December 2018	<u>39</u>	<u>91</u>	<u>588</u>	<u>718</u>
Amortisation				
At 1st January 2018	0	38	381	419
Provided in the year	0	30	180	210
Disposals / write-offs	0	0	0	0
At 31st December 2018	<u>0</u>	<u>68</u>	<u>561</u>	<u>629</u>
Net Book Amount				
At 31st December 2018	<u>39</u>	<u>23</u>	<u>27</u>	<u>89</u>
At 31st December 2017	<u>0</u>	<u>53</u>	<u>207</u>	<u>260</u>

The intangible asset value in the Balance Sheet reflects spend on developing and updating qualifications including software costs and the preparation of new syllabi and associated study materials.

**THE ASSOCIATION OF CORPORATE TREASURERS
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 31ST DECEMBER 2018**

9. Tangible fixed assets

Group

	Leasehold Improvement	Fixtures & fittings	Computer equipment & software	Database system	Website Development	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1st January 2018	149	23	94	212	65	543
Additions	50	14	33		10	107
Disposals/write-offs		(7)	(24)		(51)	(82)
At 31st December 2018	<u>199</u>	<u>30</u>	<u>103</u>	<u>212</u>	<u>24</u>	<u>568</u>
Depreciation						
At 1st January 2018	5	17	69	211	55	357
Provided in the year	40	4	19	1	7	71
Disposals/write-offs		(7)	(19)		(49)	(75)
At 31st December 2018	<u>45</u>	<u>14</u>	<u>69</u>	<u>212</u>	<u>13</u>	<u>353</u>
Net Book Amount						
At 31st December 2018	<u>154</u>	<u>16</u>	<u>34</u>	<u>0</u>	<u>11</u>	<u>215</u>
At 31st December 2017	<u>144</u>	<u>6</u>	<u>25</u>	<u>1</u>	<u>10</u>	<u>186</u>

10. Fixed asset investment in subsidiary

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 had net assets of £507k at 31st December 2018 (2017: £1,190k). Its net assets reduced by £683k as a result of the deficit for the year.

The Association of Corporate Treasurers investment in ACT (Administration) Limited has been written down to its net asset value of £507k, resulting in an impairment charge of £683k (2017: £479k) being recognised in its Income and Expenditure account.

	2018 £'000	2017 £'000
Opening investment at 1st January	1,190	669
Additional investment through issue of shares	<u>0</u>	<u>1,000</u>
	1,190	1,669
Closing investment	(683)	(479)
Impairment in current year	<u> </u>	<u> </u>
Closing investment at 31st December	<u>507</u>	<u>1,190</u>

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

11. Debtors: amounts falling due after one year

Amounts falling due after one year are £172k for the group (2017: £142k), and £17k for the Company (2017: £28k), relating to the rent deposit for 69 Leadenhall Street, held under a lease.

12. Debtors: amounts falling due within one year

	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade debtors	503	45	547	10
Amounts owed by subsidiary		260		
Other debtors	27		137	-
Prepayments and accrued income	296	16	299	14
	<u>825</u>	<u>321</u>	<u>983</u>	<u>24</u>

13. Current asset investments

At 31st December 2018, funds of £1,069k (2017: £1,115k) were invested by the group in money market funds.

At 31st December 2018, funds of £613k (2017: £660k) were invested by the company in money market funds.

14. Cash and cash equivalents

	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash at bank and in hand	345	55	458	112
	<u>345</u>	<u>55</u>	<u>458</u>	<u>112</u>

15. Creditors: amounts falling due within one year

	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	181	4	227	7
Owed to group company	0	0	-	296
Other creditors	60	18	39	14
Taxation and social security	94	0	77	-
Accruals and deferred income	1,162	396	1,493	403
	<u>1,497</u>	<u>418</u>	<u>1,836</u>	<u>720</u>

16. Creditors: amounts falling due after one year

Amounts falling due after one year amount to £81k for the Group (2017: £18k), and £8k for the Company (2017: £4k). This relates to the rent accrual for the operating lease for 69 Leadenhall Street.

17. Provision for liabilities

There is a provision for dilapidation costs on the leasehold offices of £50k (2017: nil) with nil (2017: nil) provision for the company. These dilapidation costs relate to the provisions within the lease which have a break clause in 2022.

**THE ASSOCIATION OF CORPORATE TREASURERS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

18. Reserves

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
At 1st January	1,290	1,344	1,290	1,344
Surplus / (deficit) for the year	(203)	(54)	480	425
Impairment of Subsidiary			(683)	(479)
At 31st December	<u>1,087</u>	<u>1,290</u>	<u>1,087</u>	<u>1,290</u>

19. Group cash flow statement

	2018 £'000	2017 £'000
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating (deficit)/surplus	(209)	(58)
Depreciation	71	52
Write-off of fixed assets	8	
Amortisation of development costs	210	226
Decrease/(increase) in debtors	129	(274)
(Decrease)/increase in creditors	(277)	(759)
Net cash outflow from operating activities	<u>(68)</u>	<u>(813)</u>

20. Contingent liabilities

There were no contingent liabilities for the group or the company at 31st December 2018 or 31st December 2017.

21. Capital commitments

There were no capital commitments for the group or the company at 31st December 2018 or 31st December 2017.

22. Operating lease commitments

	2018		2017	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	156	15	158	32
Between two and five years	522	52	586	117
	<u>678</u>	<u>67</u>	<u>744</u>	<u>149</u>

23. Related parties

Kerry Attwell Thomas, an elected Council member, was paid £41,843.46 including VAT and expenses for training services in 2018 (2017: £49,385.29) and £228.50 for expenses to attend Council meetings (2017: £258.60). At 31 December 2018 a payment of £4000 including VAT was outstanding. No other Council members received any remuneration from the ACT during the year except the Chief Executive who was paid for her executive role (see note 5), but received no remuneration for her activities on Council (2017: £nil).