



Supporting charity and non-profit chairs

Company number: 08287034

Charity number: 1154293

Association of Chairs

Report and financial statements

For the year ended 31 March 2019

Association of Chairs

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For the year ended 31 March 2019

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Association of Chairs
Reference and administrative details
For the year ended 31 March 2019

Company number 08287034

Charity number 1154293

Registered office 10 Queen Street Place
London
EC4R 1BE

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ruth Lesirge	Chair
John Williams	Vice Chair
Danny Curtin	
Helen Baker	
Chris Cornforth	
Kate Sayer	
Nalini Varma	

Principal staff Rosalind Oakley Chief Executive

Bankers CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
ME19 4TA

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

**Independent
examiner** John Thacker FCA DChA
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

The trustees present their report and the independently examined financial statements for the year ended 31 March 2019.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015).

The formalities: our structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 8 November 2012 and registered as a charity on 21 October 2013. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. The charity trustees are also directors of the charitable company and are referred to as trustees throughout this report.

New trustees are selected and appointed by the Board for a period of four years, renewable for a second four years. In selecting trustees, the Board pays due regard to the balance of skills required on the Board, the need for capacity to develop the Association, the need for continuity, and the Association's constituency – i.e. Chairs of non-profits. We seek interest from potential new trustees by advertising in our own newsletters, social media, Reach Volunteering and other listings. We are just in the process of appointing four new trustees to the board. We had a very high calibre of applicants and look forward to the additional skills and perspectives our new trustees will bring.

Ruth Lesirge, our Chair and co-founder of the charity plans to step down in September 2019 as a trustee, though she will remain an active adviser and volunteer. The Association of Chairs was Ruth's idea and she has been central to building the organisation. In recognition of her role, the board has invited her to become Honorary President from September 2019 (but with no formal governance role). We are delighted she has accepted. We see this important transition as a sign of AoC's growing maturity, showing the depth and breadth of people supporting our development and growth. We no longer meet at Ruth's kitchen table, and we now have a wider team of people to share the work, but we are in the lucky position that we can still draw on her very considerable expertise, enthusiasm and energy, without being dependent on it for our continued success. We are also pleased to report that the board has chosen Danny Curtin, an existing trustee, to succeed Ruth. Danny joined the board four years ago and has been a very active trustee, volunteer and mentor. He first became a trustee in his twenties, and he has founded and chaired a youth charity and has been CEO of a second youth charity and a social enterprise.

Our objects and our public benefit

The objects of the charity are, for the public benefit:

- to advance education; and
- the promotion of the voluntary sector, in particular, but without limitation, by developing the skills and capacity of Chairs of voluntary, community and social enterprise organisations which exist for public and community benefit.

The trustees give due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, exercising relevant powers and duties, and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. Our annual strategy awayday in January places a particular focus on our mission, objects, impact, public benefit and our theory of change.

We seek to provide a direct benefit to Chairs and Vice Chairs, so that they in turn enhance the public benefit of the organisations with which they are involved.

We have developed formal governance and operational policies and procedures to delegate authority appropriately, manage potential conflicts of interests, ensure appropriate data protection, manage risk, build appropriate levels of reserves and ensure we only accept donations in line with our values. At Board meetings, we regularly reflect on our governance in practice. The board periodically reviews how it applies the Charity Governance Code for small charities and continues to make improvements in its governance.

This report sets out how we seek to deliver our public benefit in practice.

The year in summary

2018–2019 saw a big increase in our activities as we launched the Beacon programme for smaller charities (those with incomes under £1 million) in May 2018. We started by launching a website, opening registration for the programme, offering a monthly bulletin and in September we started to run face-to-face workshops across England. We have produced a wide range of new content to support the training and more recently we have started to offer webinars. As we share in this report, our independent evaluators have found that the programme is doing well. 90% of mid-term survey respondents would recommend the programme to other Chairs or Vice-Chairs. At the same time, we continued to offer events and resources to our members and the wider charring community. We also run an informal networking groups for Chairs of larger charities, and plan to launch a similar initiative for national Chairs of federated organisations.

We are now reaching considerably more Chairs than last year. At March 2019 we had 854 enrolled in the Beacon programme and AoC's membership continues to grow, to 664 at the year end.

OUR 2018–19 YEAR IN FIGURES		(Last year in brackets)
Income	£326,196	(£288,861)
Expenditure	£307,593	(£196,614)
Staff	3.3	(2.2 FTE)
Members	664	(580)
eNewsletter reach and contacts	6,970	(4,176)
Monthly e-newsletters	18 per year	(10)
Our events	46	(24)
Attendees at events	1,092	(775)
Downloads to date of our two main guides	9,618	(8,088)
Twitter followers	2,440	(1,427)

% who would recommend

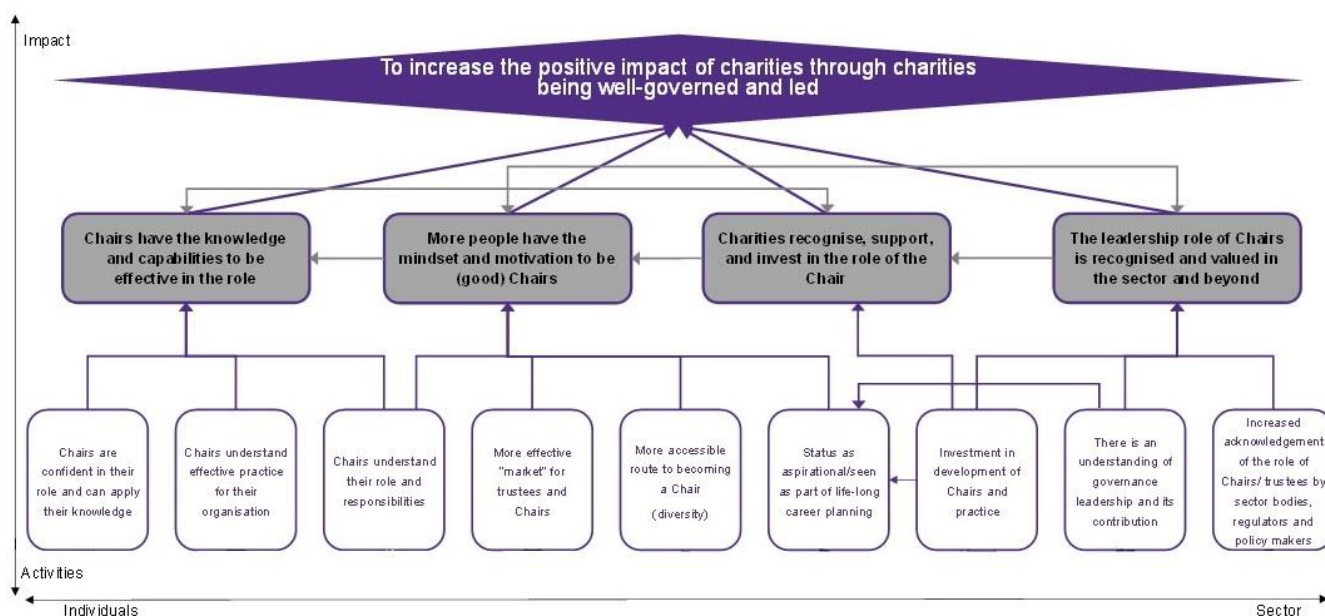
New Chairs' briefing 99%

Beacon programme 90%

% who report changing behaviour 71% (Beacon)

Objects and activities: our mission and theory of change

Good chairing, governance and leadership are not an end in themselves, but a route to more effective social change. The ultimate change we seek is to increase the positive impact of charities by ensuring they are well-governed and led. Our premise is that effective chairing and leadership of the board help the organisation to be the best it can and achieve the best outcomes for its beneficiaries and users. Our theory of change is summarised in the following table.



It can be hard to evidence the impact of a good Chair, but easier to assess the impact of poor chairing which can wreak havoc in a charity and contribute to poor organisational performance. The Charity Commission regularly reports that poor governance is often an underlying cause of charity difficulties.

The role of Chair is a cornerstone in charity effectiveness, but it is inherently challenging to do well. Even our most experienced members share with us the difficulties they have had and the value of accessing help and guidance. Chairs come from a very wide variety of backgrounds, but very few get support to do their role well. There is a very limited culture of investing in the training, support and development of Chairs, by government, support bodies or charities themselves.

The Association launched in October 2013 to fill a gap in support for Chairs – most advice and training focuses on the general duties of all trustees. Through our engagement with members and other Chairs we know they continue to face a range of issues. These include funding challenges,

finding appropriate trustees for the organisation's age and stage of development, fundraising governance, relationships within the board and the relationship with the Chief Executive.

Achievements and performance

Delivering our mission:

1 – providing support and challenge and fostering peer networking

Beacon: delivering for Chairs of smaller charities

Beacon is our new two-year support and development programme for Chairs and Vice-Chairs of smaller charities (under £1 million) in England funded by the National Lottery Community fund. Beacon started delivery in September 2018. It is split into four modules of content, each of which has been converted into a half-day workshop and a short interactive webinar.

For each module of content, the programme has created a library of practical written resources. The programme also sends out a monthly bulletin, which aims to provide an update about the programme's upcoming activities, share resources and news relevant to Chairs and Vice Chairs of smaller charities. While the programme's activities are only open to those chairing smaller charities, anyone can sign up to the programme's monthly bulletin.

The table below outlines Beacon's modules of content, what has been delivered at the midway point and what delivery is planned in the final year of the programme.

Module	Core content covered	Delivered (September 2018 – May 2019)	What is planned (June 2019 – May 2020)
Being an effective Chair (module 1)	<ul style="list-style-type: none"> ✓ Chair's role and legal responsibilities ✓ The characteristics of an effective Chair ✓ Chairing board meetings effectively ✓ Looking after yourself in your chairing role 	12 workshops 4 webinars	1 workshop
Strengthening your organisation (module 2)	<ul style="list-style-type: none"> ✓ The board's involvement in developing an organisation's strategy ✓ Chair's role in financial governance ✓ Identifying and managing risks ✓ Where to go for support 	9 workshops 3 webinars	1 webinar

Managing relationships and board dynamics (module 3)	<ul style="list-style-type: none"> ✓ Working effectively with the CEO or equivalent ✓ Good practice in recruiting and inducting trustees ✓ Working well with your trustees 		9 workshops 4 webinars
Developing an effective board (module 4)	<ul style="list-style-type: none"> ✓ Managing conflict and having difficult conversations ✓ Building a high-functioning team ✓ Succession planning for Chairs ✓ The Chair/Vice Chair relationship 		9 workshops 4 webinars

We have run workshops and webinars in 9 locations: Birmingham, Bournemouth, Brighton, St Austell, Leeds, London, Manchester, Newcastle and Taunton. We have almost 1,000 registered participants and our monthly Beacon bulletin now has almost 1,400 subscribers. To help deliver the programme we are working with a number of partners, including FSI (the Foundation for Social Improvement), the Small Charities Coalition and a number of local CVSs.

Events

In addition to the Beacon events, we have held 19 events this year, 7 outside London. Our programme for Chairs this year has included:

Speaker suppers	We welcomed a series of distinguished charity leaders who shared their insights and experiences at members-only suppers: Carole Easton, who has recently stepped down from the Chair role at Young Minds; and David Bryan who chairs Voluntary Arts.
Seminars and workshops	We run our regular New Chairs' Briefing at venues around the country as well as addressing topics of current concern to Chairs. Themes last year included financial sustainability, safeguarding and beyond compliance. We continued our series Chair's Challenge with topics 'Navigating risk' and 'Appraising the CEO'. At each, we look to bring not only our own knowledge but draw in experts and specialist expertise from our various speakers and event partners.
Discussions	Our discussion event on the report published by Civil Society Futures was well attended and lively. We held a 'Chair to Chair' event in Taunton, bringing chairs together to generate peer support.
Partnership events	We have worked with ACEVO, the Chief Executives' organisation, to repeat our Dynamic Duo one-day workshop addressing the Chair-CEO relationship, inviting our members to come in pairs to explore their relationship

	We also held a joint half-day event in Trustees Week with WCVA, the Wales Council for Voluntary Action, on Creating a Healthy Organisational Culture.
Charity Commission workshops	We held three events with the Charity Commission exploring the issues around serious incident reporting, in Liverpool, London and Birmingham. Our members value the chance to hear directly from the regulator and demonstrate a hunger to understand how to follow best practice.

Evaluating our events programme

Evaluation forms at our events give us a snapshot of satisfaction levels: looking at the 12 themed workshops and seminars we analysed, 95% of attendees rated them as excellent or very good. 96% of attendees scored 8–10 when asked how likely they were to recommend the event to others. In terms of rating events as excellent, the highest ranked in the year were on 'After the safeguarding scandal: what lessons for Chairs?' followed by two of our New Chairs' Briefings. Our best attended events were our 'After the safeguarding scandal' and our joint event with the Charity Commission on serious incidents reporting in London. This is a selection of feedback from attendees at our different events:

"Hearing from other Chair/CEO teams and realising that we all face similar and also different challenges was helpful but mainly realise that none of us do this perfectly. We all try to do our best and we can all improve"

"Discussion over the scenarios raised so many interesting issues that will lead me to conduct further research. "

"I thought the panel members were excellent and each approached the subject from a different angle, which gave a very good overall picture. The question and answer session was very good and I appreciated the way in which the panel members went to some lengths to provide satisfactory answers. "

"An extraordinary insightful guide to being a better Chair. I learned a lot in a short time and am more confident now in my ability to lead our board. "

"This has made manageable what previously felt like drinking the ocean".

Our members and community

Our member numbers have risen to 664 at 31 March 2019, but we see our community as much wider than our membership and have a substantial database who can hear from us via our newsletter and who have access to many of our events. We operate a priority access to events for our members and these are regularly fully booked.

We produce a regular e-newsletter on issues of concern to Chairs, 10 times a year. It focuses on topical news and new advice and guidance. We now have about 5,700 subscribers. Most are Chairs but there are also CEOs, trustees and advisers on the mailing list. In addition, we produce a monthly Beacon bulletin for Chairs of smaller charities which goes to 1358 subscribers.

We are also active in building relationships with others, for example numerous local CVS, community foundations and national infrastructure organisations. We are also active on social media with our twitter followers growing to 2440 by the end of March 2019. We also now produce a regular blog.

Delivering our mission:

2 – creating and disseminating knowledge through research, analysis and exchange

Fresh insight and briefings

We continued our new Chair's Challenge series – shorter, focused briefings addressing areas that cause Chairs particular challenges. Topics covered were:

- *Navigating risk*
- *Appraising your CEO*

These are available to download from the website for free together with:

- *Making board committees work*
- *Managing difficult board dynamics*
- *Avoiding legal pitfalls*

Our media partner Third Sector helped us promote these new resources. We are indebted to our supporters who have sponsored these guides: Cazenove, Chartered Secretaries Charitable Trust, Thomson Snell & Passmore, Zurich and Odgers Berndtson.

Our two existing publications, *A Chair's Compass* and *A Question of Balance* have continued to be downloaded steadily, together now over 9,600 times. Some feedback from Chairs about the two guides:

"As a newly appointed Chair and for someone who had previously chaired a very different charity in a very different context and time, it provided a very helpful reintroduction into the role, and particularly into the interpersonal dynamics of working with a CEO." Paul Keeping, Chair, Cardiff Third Sector Council

"The Chair's Compass provides a very useful reference point whilst providing a shared language for all who may be involved in the journey towards better governance; executive, non-executive, trustee or governor." Brett Rennolds, Partner Dreamkey, Trustee and School Governor.

"An excellent insight to the respective roles of the CEO and Chair of Trustees. Highly recommended." Rick Oliver, Chair, Trust Links

We have also developed a lot of new content for Chairs as part of our Beacon programme. These include tops tips, tools and longer guides, all of which can be downloaded from our website. They cover topics such as conflicts of interest, decision-making, preparing for good board meetings, minutes, and financial governance.

Delivering our mission:

3 – offering professional development; developing professional standards, and encouraging self-regulation

Training

Our New Chairs' half day training has proved consistently popular and we held five in the year, with two in London, one in Leeds, one in Manchester and one in Liverpool. It is free to members, with a charge to non-members. 98% of those who attend our New Chairs' briefing would recommend it to a Chair they know. Feedback from those Chairs who have taken the course:

"A very valuable session which covered areas for deep thought as well as "quick tips" to improve our board performance."

"Having jumped in at the deep end, I'm still a long way from being above water – but I can now see the sunlight hitting the surface above!"

"Thought provoking all the way through"

"Thank you, it was very useful. Helen was fantastically knowledgeable and very engaging"

"Ruth was excellent and very knowledgeable. Thank you!"

Raising standards

We also pursue this third plank of our mission by collaborating and supporting the work of others. We are active members of the Charity Governance Code steering group. We actively promote the Code to our members and networks and have taken up several speaking opportunities to widen its reach.

We contribute to working parties where invited, always trying to say yes despite our stretched resources: we value the role our volunteer board make as an additional resource in these tasks. We have been invited to one of the Government's task and finish groups on leadership, arising from its civil society strategy. We also hosted two events for Chairs as part of our contribution to the Civil Society Futures Inquiry led by Julia Unwin, and continue to look for opportunities to take this work forward.

Delivering our mission:

4 – Giving a voice to Chairs and championing their role and contribution to the effectiveness of their Boards and organisations

We supplement the impact of our own events and publications with an active programme of speaking, blogging and social media that takes what we know and champions it to a wider and more diverse audience. We have spoken around the country at external conferences, seminars and workshops for sector bodies, funders, professional advisers and umbrella charities.

We have worked hard to build relationships with the key organisations that support the charity sector, to learn from them, collaborate with them, and to enable them to hear what Chairs are saying and needing. We have good working relationships with key individuals in organisations

including the Charity Commission, Directory of Social Change, NCVO, ACEVO, NAVCA, Reach Volunteering, Getting on Board, WCVA, Muslim Council of Britain and the Small Charities Coalition.

It's been a conscious decision where invited to be part of working groups and new initiatives on governance, where resources allow. These groups tend to be dominated by the executive perspective, so it is important that trustees and Chairs are included in policy, planning and decisions about resource allocation. In addition to the activities already mentioned, we are involved with two initiatives to help charities achieve more effective and more diverse trustee recruitment.

In line with our theory of change, we think it's important to make the case for investment by organisations in their Chairs, and for sector level investment, to ensure there is sufficient, sustainable support for learning about and sharing of good governance practice, for all trustees as well as Chairs. We are actively engaged in this debate.

Learning

We were pleased to receive our first independent evaluation this year. M2, our independent evaluators, delivered a mid-term report on Beacon. Key findings from this phase of the evaluation are:

- Satisfaction with Beacon is very high: 90% of mid-term survey respondents would recommend the programme to other Chairs and Vice-Chairs. Levels of previous chairing experience made no difference to this, suggesting that Beacon is working effectively with Chairs at all levels of experience.
- The more engagement a participant has had with the programme, the more likely they are to recommend it.
- The majority of Chairs and Vice Chairs who have engaged with the programme are feeling more confident, less isolated and better able to fulfil their roles. 89% report increased skills and knowledge
- As a result of participating in Beacon, many participants (71%) have changed their practice and made a difference to the way they approach their chairing role. (This rose to 86% for those engaging in multiple ways.)
- The midway survey demonstrates that there has been an increase in self-reported levels of confidence, particularly amongst those who have engaged either face-to-face or in multiple ways.

'I would highly recommend it to other Chairs at any stage of their Chair-ship, as it provides very useful advice and support of best practice and up-to-date thinking.'

Beacon participant

'I would like to see the programme continue, particularly increasing the opportunities to join webinars...in the evenings – or the ability to review and re-watch webinars would be really helpful.'

(Mid-term survey respondent)

- A critical element for many Chairs has been the opportunity to meet their peers, an experience they find both valuable and supportive even if this was not their primary motivation for joining.

Overall our results are very encouraging. One area of disappointment is that we haven't yet reached the numbers we had originally hoped to. Our evaluators note: 'This is largely a result of two factors: challenges in recruiting to the marketing manager role; and the inevitable challenge of attaching numbers to an innovative programme'.

Review of risks and finances

The Board is aware of its responsibility for managing risk; and has set up systems for identifying, managing and monitoring the key risks that the charity faces. These systems include establishing a strategic risk register, and regular review of risks at Board meetings. Our key risks currently are:

Financial sustainability – if we are to sustain and grow our activities it is vital we bring in sufficient funds. We are developing a diverse funding mix and talking to a range of funders. Growing earned income is also important. We have built up reserves in order to manage anticipated fluctuations in cash flow. Our aim is for steady growth.

Infrastructure – developing systems is an important area for us. It is important that our IT systems are accessible, reliable and secure and able to cope with our growing operations.

Capacity – we are lightly resourced and we need to be very clear about priorities, taking care not to spread ourselves so thinly that quality suffers. In a small team, finding and keeping the right people is particularly important. Unfortunately we have found it difficult to recruit the marketing skills we need, and have had to use interim support. More positively, in April 2019 we created a Deputy Chief Executive role and had a very strong field and successfully recruited. This will increase our resilience. Given our small staff team, we still rely on voluntary effort to deliver all our activities.

Financial review

Our membership continued to grow in the financial year to 31 March 2019, providing the Association with core income, and we received important grant support from funders to develop our services for Chairs. Our thanks to CCLA, Charities Aid Foundation, Macquarie Foundation, Esmée Fairbairn Foundation, the Pears Foundation and the Clothworkers Company. Of our total income of £326,196, £218,718 (67%) was restricted, including funding from the National Community Lottery Fund (Big Lottery Fund) for the Beacon programme. We used some of the restricted funding brought forward from the previous year and take forward £104,214 of restricted funds into 2019–20 to spend on the purposes for which the funding was given. We additionally have funding from the National Community Lottery Fund (Big Lottery Fund) for the Beacon programme for a further year. We have been able to build our unrestricted funds to ensure that we can deliver services without interruption over the coming year as well as meet our reserves policy.

Reserves policy

The Association receives funding for specific purposes which are restricted funds – these are not available for expenditure on other purposes. The general reserves are the unspent unrestricted funds of the charity. The Association currently owns no fixed assets so the general reserve is held in cash or short term assets such as debtors (amounts due from members or funders). The general reserve is therefore the free reserves of the charity, also termed the 'unrestricted revenue funds' in the charity's balance sheet. The purpose of the general reserve is:

- to fund working capital and time lags in the receipt of promised funds
- to fund unexpected expenditure, for example when projects overrun or unplanned events occur
- manage economic or regulatory changes which may have unforeseen financial consequences

We assess the level of general reserve needed by looking forward and considering the risks to our funding balanced against our expenditure commitments. Future plans show increasing levels of committed expenditure for which we are seeking funding, but to ensure we can continue to operate in accordance with our plans, we hold a general reserve in the range of £125,000–£150,000 to cover unfunded committed costs for the foreseeable future.

Our general reserve at 31 March 2019 was £143,360, which was within our policy. The Board will review the policy at its annual awayday in January.

Plans for the future

We aim to learn from what we do and to continuously improve our impact. We have continued to develop our theory of change, which sets out our assumptions about how we will improve the quality of chairing so that charities are well-governed and led and so deliver greater impact. We continue to gather evidence to test and refine those assumptions, so that we continuously improve our impact.

Building on our Beacon programme

The independent mid-term evaluation of our Beacon programme has very encouraging findings. 71% of participants report they have changed something as a result of the programme. Beacon is validating our belief that with support Chairs grow in confidence, knowledge and skills and change what they do.

The evaluation has reinforced the value of high-quality publications, training, case studies, signposting and partnerships. We need to continue these. Feedback from Beacon, together with AoC's wider activities, have also reinforced our

'The programme, and particularly the exchanges with other Chairs as a part of it, performed a type of mentoring role that helped me better understand my role, which in turn enhanced my confidence.'

Beacon participant

view that peer support is an important part of the tapestry of provision needed for Chairs. This is a key area for us to develop, but also a challenging one.

Reaching more Chairs

We know we are reaching only a small proportion of Chairs; we are keen to extend our reach. We are planning improvements in our marketing this year.

Building our organisation

We are still a relatively young organisation. We are continuing to put in place key systems and staff to develop the capacity and core capabilities of our organisation, so we can deliver reliably, cost-effectively and sustainably at scale. We need to invest in our systems and back office, so that we are better able to offer reliable support to Chairs, Vice Chairs and others who look to us for advice and support. Earning more of our own income is also a key goal. We are keen to grow our membership and our earned income.

Our commitment to inclusion

There is widespread recognition that being inclusive is good for the health and success of charities, and that we can and must do more to reflect the communities we serve and are part of. We aim to be inclusive in terms of our board, staff, volunteers, members and the wider Chair community who are our direct beneficiaries.

The Charity Commission's research 'Taken on Trust' reveals that the current constituency of Chairs and trustees is not very diverse. As the table below illustrates, relative to the Chair and trustee population we are managing to attract more women and relatively younger people to engage with us. However, 90%+ of those we work with identify as white, which is very much a reflection of the current trustee population.

	Chairs^a	Trustees^a	AoC^b	Beacon^c
Gender M:F ratio	71:29	64:36	55:45	46:52
Age profile				
Retired ^a / over 70 ^b / over 65 ^c	48%	51%	11%	32%
Non-retired ^a / under 60 ^b / Under 65 ^c	52%	49%	89%	67%
White		92%	93%	90%

a. Charity Commission: Taken on trust

b. Based on AoC survey 2016 n.436 (Age bands were in decades. 44% were between 61 and 70)

c. Based on Beacon baseline survey 2019 n. 530. Some figures do not total 100% as some respondents preferred not to say.

We seek to be inclusive by holding events across the country, by working to make our online resources accessible (e.g. to people with disabilities), and by ensuring we hear from and represent different perspectives. Developing a more diverse pipeline of Chairs is part of our theory of change, and a long-term goal for us.

A big thank you to our supporters

Our progress would not be possible without the support we have received from a range of supporters. In particular, we would like to thank the following funders who have committed to multi-year funding:

- Charities Aid Foundation
- The Pears Foundation
- CCLA
- The Clothworkers Company
- The Esmée Fairbairn Foundation

We repeat our gratitude to the National Community Lottery Fund (Big Lottery Fund) for their major £463,000 grant for our programme for Chairs of smaller charities (Beacon) which commenced July 2017 and continues to 2020. And our thanks to Garfield Weston Foundation for their grant to help us support Chairs of medium-sized charities.

The contribution of volunteers

Over the past year, the Association has benefited significantly from the contribution of volunteers. We have had a full-time volunteer, Stephen Warren, providing IT support, to whom we are immensely grateful. The contribution of trustees beyond their trustee role was the equivalent of a part-time member of staff on 25 hours a week. Many of the Association's operational activities are carried out by its trustees and by a group of dedicated supporters. We would particularly like to thank:

- Andrew Purkis or for his support of our new 'Working with Trustees' series
- Our speakers at events who give their time for free
- Volunteers for our new Beacon advisory group
- Those who peer-reviewed our publications
- Those who gave feedback on our pilot events

We are also immensely grateful to our dedicated staff team and Chief Executive, Ros Oakley, who all go 'above and beyond' to help the Association.

Statement of responsibilities of the trustees

The trustees (who are also directors of Association of Chairs for the purposes of company law) are responsible for preparing the directors/trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently

- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was seven (2018 – seven). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 17 September 2019 and signed on their behalf by

Danny Curtin
Chair of Trustee Board

Independent examiners' report
To the trustees of
Association of Chairs ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2019.

Respective responsibilities and basis of report

As the charity's trustees (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered part of an independent examination
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the republic of Ireland (FRS 102).

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

John Thacker FCA DChA
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton, East Sussex, BN2 9QA

Date 31 October 2019

Association of Chairs

Statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	43,759	218,718	262,477	60,600	181,788	242,388
Charitable activities	3						
Member services		62,981	–	62,981	46,406	–	46,406
Investment income		738	–	738	67		67
Total income		107,478	218,718	326,196	107,073	181,788	288,861
Expenditure on:							
Charitable activities	4						
Member services		48,827	258,766	307,593	59,119	137,495	196,614
Total expenditure		48,827	258,766	307,593	59,119	137,495	196,614
Net income / (expenditure) for the year	5	58,651	(40,048)	18,603	47,954	44,293	92,247
Reconciliation of funds							
Total funds brought forward		84,709	144,262	228,971	36,755	99,969	136,724
Total funds carried forward	13	143,360	104,214	247,574	84,709	144,262	228,971

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 13 to the financial statements.

Association of Chairs

Balance sheet

Company no. 08287034

As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	9	<u>1</u>	<u>1</u>
Current assets			
Debtors	10	13,939	12,621
Cash at bank and in hand		<u>254,623</u>	<u>225,932</u>
		268,562	238,553
Liabilities			
Creditors: amounts falling due within one year	11	<u>(20,989)</u>	<u>(9,583)</u>
Net current assets		<u>247,573</u>	<u>228,970</u>
Net assets		<u><u>247,574</u></u>	<u><u>228,971</u></u>
 The funds of the charity	 13		
Restricted funds		104,214	144,262
Unrestricted revenue funds		<u>143,360</u>	<u>84,709</u>
Total charity funds		<u><u>247,574</u></u>	<u><u>228,971</u></u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the trustees on 17 September 2019 and signed on their behalf by

Danny Curtin
Chair of Trustee Board

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies

a) Statutory information

The Association of Chairs is a charitable company limited by guarantee and is incorporated in England. The registered office address is 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of providing services to members, running events and distributing publications to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

1 Accounting policies (continued)

k) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

n) Financial instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

o) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the company to the fund. The company has no liability under the scheme other than for the payment of those contributions.

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

2 Voluntary income

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Grants and donations						
Big Lottery Fund – Beacon	–	152,368	152,368	–	115,078	115,078
Cazenove			–	–	4,000	4,000
CCLA	10,000		10,000	10,000	–	10,000
Charities Aid Foundation	10,000		10,000	10,000	–	10,000
Esmee Fairbairn Foundation			–	10,000	5,900	15,900
ICSA – The Governance Institute			–	–	4,000	4,000
Macquarie Foundation			–	19,000	–	19,000
Pears Foundation	20,000		20,000	10,000	–	10,000
The Clothworkers' Company	–	26,000	26,000	–	–	–
Thomson Snell & Passmore		4,000	4,000	–	–	–
Zurich Financial Services			–	–	4,000	4,000
Donations	3,759		3,759	1,600	–	1,600
Donated services		36,350	36,350		48,810	48,810
Total	43,759	218,718	262,477	60,600	181,788	242,388

3 Income from charitable activities

Member services

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Events	14,979		14,979	7,041	–	7,041
Membership	38,870		38,870	34,565	–	34,565
Publications and consultancy	9,132		9,132	4,800	–	4,800
Total from member services	62,981	–	62,981	46,406	–	46,406

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

4 Expenditure on charitable activities

Expenditure on charitable activities was as follows:

	Member services	Support costs	Governance costs	2019 Total	2018 Total
	£	£	£	£	£
Staff costs (note 5)	128,230	5,231	–	133,461	88,949
Freelance and interim management	55,409	–	–	55,409	22,504
Publication costs	1,783	–	–	1,783	4,731
Event costs	41,751	20	–	41,771	39,079
Advisory group costs	919	–	–	919	294
Marketing and partnerships	18,095	–	–	18,095	30
Subscriptions, conferences & training	1,423	63	–	1,486	377
IT costs	10,237	401	–	10,638	19,222
HR and recruitment	12,482	56	–	12,538	3,099
Office costs	14,884	899	–	15,783	10,397
Governance, legal and bank charges	3,580	8,355	3,775	15,710	7,932
	288,793	15,025	3,775	307,593	196,614
Support and governance costs	18,800	(15,025)	(3,775)	–	–
Total expenditure	307,593	–	–	307,593	196,614

Of the total expenditure, £48,827 was unrestricted (2018: £59,119) and £258,766 was restricted (2018: £137,495).

5 Net incoming resources for the year

This is stated after charging / crediting:

	2019 £	2018 £
Independent examiner's remuneration:	1,440	1,200
Trustees' remuneration	–	–
Trustees' reimbursed expenses	500	473

In 2018/19 two trustees were reimbursed for travel expenses totalling £500 (2017/18 – two – £473).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity.

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

6 Staff costs and numbers

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	120,673	78,961
Social security costs	9,297	8,293
Pension contributions	3,491	1,695
	<u>133,461</u>	<u>88,949</u>

No employee earned more than £60,000 during the year.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £52,586 (2018: £49,585).

The average number of staff employed in the year was 4; full-time equivalent of 3.3 (2018 – 4; 2.2).

7 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. Trustees donated £550 (2018: £1,300) as well as paying membership subscriptions. Additionally, Trustees provide considerable amount of pro bono services such as training and editing newsletters as explained in the Trustees' Annual Report.

Trustees were reimbursed expenses as disclosed above.

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

9 Investment in subsidiary company

The Association of Chairs owns a subsidiary, AOC Trading Ltd, registered in England & Wales with company number 09247655. One share of £1 is in issue, representing 100% of the issued share capital of the company. The subsidiary was incorporated on 3 October 2014.

The subsidiary's activities relate to activities to raise funds for the Association of Chairs, but it is currently dormant.

A summary of the unaudited financial statements of the subsidiary for the year ended 31 March 2019 follows:

	2019 £	2018 £
Assets and funds		
Current assets	1	9,632
Amounts owed to parent	-	(9,631)
Aggregate amount of funds	<u>1</u>	<u>1</u>
Profit and loss account		
Turnover	-	-
Expenses	-	-
Gift Aid donations to parent charity	-	-
Net profit for the year after tax and Gift Aid	<u>-</u>	<u>-</u>

10 Debtors

	2019 £	2018 £
Trade debtors	8,500	2,990
Other debtors	3,509	-
Prepayments	1,930	-
Amounts owed by subsidiary	-	9,631
	<u>13,939</u>	<u>12,621</u>

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,761	2,334
Taxation and social security	3,361	2,662
Other creditors	381	610
Accruals	13,206	1,742
Received in advance	-	-
Deferred income	1,280	2,235
	<u>20,989</u>	<u>9,583</u>

12 Deferred income

	Opening balance £	Released £	Received in year £	Balance at year end £
Membership fees received in	2,235	2,235	1,280	1,280
Total	<u>2,235</u>	<u>2,235</u>	<u>1,280</u>	<u>1,280</u>

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

13a Movements in funds – current year

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Big Lottery Fund Awards for All	258	–	(258)	–
Big Lottery Fund Beacon Programme	52,289	152,368	(162,231)	42,426
Chairs' Challenge	(231)	4,000	(3,769)	–
Esmee Fairbairn Foundation	3,326	–	(3,326)	–
Garfield Weston Foundation	88,620	–	(31,280)	57,340
The Clothworkers' Company	–	26,000	(21,552)	4,448
Donated services	–	36,350	(36,350)	–
Total restricted funds	144,262	218,718	(258,766)	104,214
Unrestricted funds:				
General funds	84,709	107,478	(48,827)	143,360
Total funds	228,971	326,196	(307,593)	247,574

13b Movements in funds – prior year

	At the start of the year £	Incoming resources £	Outgoing resources £	At the end of the year £
Restricted funds:				
Big Lottery Fund Awards for All	9,969	–	(9,711)	258
Big Lottery Fund Beacon Programme	–	115,078	(62,789)	52,289
Chairs' Challenge	–	12,000	(12,231)	(231)
Esmee Fairbairn Foundation	–	5,900	(2,574)	3,326
Garfield Weston Foundation	90,000	–	(1,380)	88,620
Donated services	–	48,810	(48,810)	–
Total restricted funds	99,969	181,788	(137,495)	144,262
Unrestricted funds:				
General funds	36,755	107,073	(59,119)	84,709
Total funds	136,724	288,861	(196,614)	228,971

Association of Chairs

Notes to the financial statements

For the year ended 31 March 2019

13c Purposes of restricted funds

The Big Lottery Fund Awards for All grant was for the implementation of a new customer relationship management system.

The Big Lottery Fund Beacon Programme fund is a three-year programme of support for the Chairs and Vice Chairs of small charities.

The Chairs' Challenge series of briefings on topics of interest to Chairs are supported by companies interested in charity governance.

The Esmée Fairbairn Foundation provided one-off funding for capacity development.

The Garfield Weston Foundation donated £90,000 towards the development of marketing and service development to increase our reach to Chairs across the UK over the next three years.

The Clothworkers' Company donated £26,000 towards the cost of a membership and administrative assistant.

Donated services are various companies and charities who have kindly provided venues and refreshments for events.

Purposes of general funds

These funds are held for meeting the objectives of the charity, and to provide reserves for future activities, and, subject to charity legislation, are free from all restrictions on their use.

14a Analysis of net assets between funds – current year

	Restricted £	Unrestricted £	Total funds £
Investments	–	1	1
Net current assets	104,214	143,359	247,573
Net assets at the end of year	104,214	143,360	247,574

14b Analysis of net assets between funds – prior year

	Restricted £	Unrestricted £	Total £
Investments	–	1	1
Net current assets	144,262	84,708	228,970
Net assets at the end of year	144,262	84,709	228,971