

Company number: 5098973

# Cobseo

## The Confederation of Service Charities

Report and financial statements  
For the year ended 31 December 2017

# Cobseo – The Confederation of Service Charities

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### For the year ended 31 December 2017

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## Cobseo – The Confederation of Service Charities

### Reference and administrative information

For the year ended 31 December 2017

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**Company number** 5098973

**Registered office and operational address** Mountbarrow House, 6–20 Elizabeth Street, London SW1W 9RB

**Country of registration** England & Wales

**Country of incorporation** United Kingdom

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

General Sir John McColl KCB CBE DSO	Chair
Mr T L Holloway	Vice Chair
Commodore BW Bryant CVO	(stood down Dec 17)
Mr C B Byrne	
Major General N J Caplin CB	(stood down Jul 17)
Mrs S J Freeth BA MBA	(stood down Jul 17)
Colonel M F Gibson OBE DL	
Brigadier S M Gledhill	
Lieutenant General Sir Andrew Gregory KBE CB	
Brigadier B Le Grys MBE	
Air Vice–Marshal R Lock CBE	
Mrs D Mills	(Re–elected Jul 17)
Mrs M Moreland	(Elected Jul 17)
Colonel N Murdoch	(Elected Jul 17; stood down Feb 18)
Air Vice–Marshal The Hon D P Murray CVO OBE	
Mr J S Pitt–Brooke	
Brigadier J E Richardson	
Mr R N Robson OBE	
Major General M J Rutledge CB OBE	
Mrs M D Waters OBE LLB MBA	
Mr P Gaffney	(Elected May 2018)
Major General C G S Hughes	(Elected May 2018)

**Key management personnel** Brigadier I M Caws OBE Director of Operations/Company Secretary

## **Cobseo – The Confederation of Service Charities**

### **Reference and administrative information**

**For the year ended 31 December 2017**

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**Bankers**

C Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

**Auditor**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON EC1Y 0TL

**Executive Committee’s annual report**

**For the year ended 31 December 2017**

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The Executive Committee present the audited financial statements for the year ended 31 December 2017.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements and the memorandum and articles of association. The Executive Committee have elected to present the financial statements in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. The Executive Committee have not elected to follow the disclosure requirements of the Charity SORP in respect of the Executive Committee’s annual report.

The decision to prepare financial statements in accordance with SORP FRS 102 is voluntary and entirely at the discretion of the board of directors. This decision has been made to keep presentation in line with the organisations which subscribe to COBSEO's services.

## **Statement of responsibilities of the Executive Committee**

The Executive Committee (who are also directors of Cobseo – The Confederation of Service Charities for the purposes of company law) are responsible for preparing the Executive Committee’s 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 Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing these financial statements, the Executive Committee are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards 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 company will continue in operation

The Executive Committee are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Executive Committee are aware:

- There is no relevant audit information of which the company’s auditor is unaware

## Cobseo – The Confederation of Service Charities

### Executive Committee's annual report

#### For the year ended 31 December 2017

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- The Executive Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

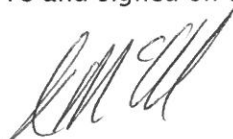
The Executive Committee are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of such guarantees at 31 December 2017 was 17 (2016: 18). The Executive Committee are members of the company but this entitles them only to voting rights. The Executive Committee have no beneficial interest in the company.

### Auditor

Sayer Vincent LLP was appointed as the company's auditor during the year and has expressed its willingness to act in that capacity.

The Executive Committee's annual report has been approved by the Executive Committee on 23 May 2018 and signed on their behalf by



General Sir John McColl KCB CBE DSO  
Chair

## Independent auditor's report

To the members of

**Cobseo – The Confederation of Service Charities**

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### Opinion

We have audited the financial statements of COBSEO – The Confederation of Service Charities (the 'company') for the year ended 31 December 2017 which comprise the statement of financial activities, balance sheet and the 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 company's affairs as at 31 December 2017 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 other information comprises the information included in the Executive Committee's annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the

## **Independent auditor's report**

**To the members of**

### **Cobseo – The Confederation of Service Charities**

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other information and, except to the extent otherwise explicitly stated in our report, 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Executive Committee's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Executive Committee's annual report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Committee's annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Executive Committee's annual report and from the requirement to prepare a strategic report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out in the Executive Committee's annual report, the directors are 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



## Independent auditor's report

To the members of

### Cobseo – The Confederation of Service Charities

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as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

## **Independent auditor's report**

**To the members of**

**Cobseo – The Confederation of Service Charities**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

17 July 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

COBSEO

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

For the year ended 31 December 2017

	Note	Unrestricted		Restricted	2017 Total	Unrestricted		Restricted	2016 Total
		General	Designated	£	£	General	Designated	£	£
<b>Income from:</b>									
Grants and donations	2	4,140	-	1,270,000	<b>1,274,140</b>	5,850	-	150,000	155,850
Charitable activities	3								
Members Subscriptions		186,928	-	-	<b>186,928</b>	160,399	-	-	160,399
Casework Management System (CMS)		15,990	-	-	<b>15,990</b>	-	85,000	-	85,000
Other – Bank Interest		1	-	-	<b>1</b>	2,575	-	-	2,575
<b>Total income</b>		<b>207,059</b>	<b>-</b>	<b>1,270,000</b>	<b>1,477,059</b>	<b>168,824</b>	<b>85,000</b>	<b>150,000</b>	<b>403,824</b>
<b>Expenditure on:</b>									
Communications	4	-	89,432	-	<b>89,432</b>	-	52,135	-	52,135
Charitable activities	4								
Membership Services		196,697	-	-	<b>196,697</b>	222,351	-	-	222,351
Casework Management System (CMS)		-	-	186,799	<b>186,799</b>	-	64,653	-	64,653
<b>Total expenditure</b>		<b>196,697</b>	<b>89,432</b>	<b>186,799</b>	<b>472,928</b>	<b>222,351</b>	<b>116,788</b>	<b>-</b>	<b>339,139</b>
<b>Net income / (expenditure) for the year</b>	5	<b>10,362</b>	<b>(89,432)</b>	<b>1,083,201</b>	<b>1,004,131</b>	<b>(53,527)</b>	<b>(31,788)</b>	<b>150,000</b>	<b>64,685</b>
Transfers between funds		5,628	-	(5,628)	-	53,527	-	(53,527)	-
<b>Net movement in funds</b>		<b>15,990</b>	<b>(89,432)</b>	<b>1,077,573</b>	<b>1,004,131</b>	<b>-</b>	<b>(31,788)</b>	<b>96,473</b>	<b>64,685</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		622,308	804,779	96,473	<b>1,523,560</b>	622,308	836,567	-	1,458,875
<b>Total funds carried forward</b>		<b>638,298</b>	<b>715,347</b>	<b>1,174,046</b>	<b>2,527,691</b>	<b>622,308</b>	<b>804,779</b>	<b>96,473</b>	<b>1,523,560</b>

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 14a to the financial statements.

COBSEO

Balance sheet

Company no. 5298973

As at 31 December 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets:</b>					
Tangible assets	10		<u>6,061</u>		<u>7,926</u>
			<b>6,061</b>		<b>7,926</b>
<b>Current assets:</b>					
Debtors	11	1,124,453		-	
Cash at bank and in hand		<u>1,484,034</u>		<u>1,534,612</u>	
		<b>2,608,487</b>		<b>1,534,612</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<u>(86,857)</u>		<u>(18,978)</u>	
<b>Net current assets</b>			<b>2,521,630</b>		<b>1,515,634</b>
<b>Total net assets</b>	13		<u><b>2,527,691</b></u>		<u><b>1,523,560</b></u>
<b>The funds of the organisation:</b>					
Restricted income funds	14a		<b>1,174,046</b>		<b>96,473</b>
Unrestricted income funds:					
Designated funds		<b>715,347</b>		<b>804,779</b>	
General funds		<u><b>638,298</b></u>		<u><b>622,308</b></u>	
Total unrestricted funds			<u><b>1,353,645</b></u>		<u><b>1,427,087</b></u>
<b>Total funds</b>			<u><b>2,527,691</b></u>		<u><b>1,523,560</b></u>

Approved by the directors on 23 May 2018 and signed on their behalf by



General Sir John McColl KCB CBE DSO  
Chair

**COBSEO****Statement of cash flows****For the year ended 31 December 2017**

	Note	2017		2016	
		£	£	£	£
<b>Cash flows from operating activities</b>	15				
<b>Net cash provided by / (used in) operating activities</b>			(50,579)		54,297
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		1		2,575	
<b>Net cash provided by / (used in) investing activities</b>			1		2,575
<b>Change in cash and cash equivalents in the year</b>			(50,578)		56,872
Cash and cash equivalents at the beginning of the year			1,534,612		1,477,740
<b>Cash and cash equivalents at the end of the year</b>			<u>1,484,034</u>		<u>1,534,612</u>

**1 Accounting policies**

**a) Statutory information**

COBSEO is a company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Second Floor, Mountbarrow House, 6–20 Elizabeth Street, London SW1W 9RB.

**b) Basis of preparation**

The company has chosen to prepare the financial statements 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.

The decision to prepare financial statements in accordance with SORP FRS 102 is voluntary and entirely at the discretion of the board of directors. This decision has been made to keep presentation in line with the organisations which subscribe to COBSEO's services.

**c) Public benefit entity**

The company meets the definition of a public benefit entity under FRS 102 as the entity is provided with a view to supporting the primary objectives rather than providing a financial return.

**d) Going concern**

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

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

Income from membership subscriptions is recognised in the year to which the subscription relate. Income from membership donations is recognised on receipt.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the entity 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 entity 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 so refer to the trustees' annual report for more information about their contribution.

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.

**1 Accounting policies (continued)**

**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.

**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 is classified under the following activity headings:

- Costs of communications relate to the costs incurred by the company in for supporting COBSEO and member organisations with communications support.
- Expenditure on charitable activities includes the costs of delivering support services to member entities.
- Other expenditure represents those items not falling into any other heading

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

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- Communications 2 in every 7 pounds of overheads costs other than staff costs.
- Membership Services 5 in every 7 pounds of overheads costs other than staff costs, and the staff costs not allocated elsewhere.

Governance costs are the costs associated with the governance arrangements of the entity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the entity's activities, including the costs of undertaking a Annual General Meeting.

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**l) Tangible fixed assets**

CRM items of equipment are capitalised. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 5 years

**1 Accounting policies (continued)**

**m) 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.

**n) 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.

**o) 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.

**p) 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.

**q) Pensions**

COBSEO operate a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

**2 Income from grants and donations**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Libor Funding – CMS	–	1,120,000	1,120,000	–
Libor Funding – operating	–	150,000	150,000	150,000
Members Contributions	4,140	–	4,140	5,850
	<u>4,140</u>	<u>1,270,000</u>	<u>1,274,140</u>	<u>155,850</u>

**3 Income from charitable activities**

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Membership Subscriptions	186,928	–	186,928	160,399
Tower Poppies	15,990	–	15,990	85,000
	<u>202,918</u>	<u>–</u>	<u>202,918</u>	<u>245,399</u>
Sub-total for Membership				



COBSEO

Notes to the financial statements

For the year ended 31 December 2017

4 Analysis of expenditure

	Communications £	Casework Management System (CMS) £	Membership Services £	Governance costs £	Support costs £	2017 Total £	2016 Total £
Staff costs (Note 6)	54,573	-	-	-	164,156	218,729	204,140
Staff training and other staff costs	1,397	-	666	-	11,855	13,918	16,270
Consultancy	-	127,970	-	-	310	128,280	65,193
Membership direct costs	68	-	-	8,350	-	8,418	9,899
IT including CRM	-	6,966	-	-	6,120	13,086	13,215
Legal Costs	-	51,863	-	-	-	51,863	139
Executive Meeting costs	43	-	-	2,364	-	2,407	2,551
Office costs	245	-	-	-	2,419	2,664	5,971
Rent	-	-	-	-	18,711	18,711	16,268
Depreciation	-	-	-	-	1,865	1,865	1,399
Audit and accountancy	-	-	-	12,987	-	12,987	4,095
	<b>56,326</b>	<b>186,799</b>	<b>666</b>	<b>23,701</b>	<b>205,436</b>	<b>472,928</b>	<b>339,140</b>
Support costs	33,106	-	172,330	-	(205,436)	-	-
Governance costs	-	-	23,701	(23,701)	-	-	-
<b>Total expenditure 2017</b>	<b>89,432</b>	<b>186,799</b>	<b>196,697</b>	<b>-</b>	<b>472,928</b>		
Total expenditure 2016	52,135	64,653	222,351	-	-	-	

Of the total expenditure, £286,129 was unrestricted (2016: £339,140) and £186,799 was restricted (2016: £nil).

Communications costs relate to the Head of Communications role, providing support to both COBSEO and its member organisations regarding newsletters, Public Relations et cetera. It has been decided that this would not be split between costs of raising funds and membership services as there is no clear indication of the split between roles undertaken for COBSEO and its members in some instances.

## Notes to the financial statements

For the year ended 31 December 2017

**5 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

	2017 £	2016 £
Depreciation	1,865	1,399
Auditor's remuneration (excluding VAT):		
Audit	6,000	4,095
Other services	2,000	-
	<u>2,000</u>	<u>-</u>

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	183,660	182,044
Social security costs	19,881	14,518
Operating costs of defined benefit pension schemes	12,537	6,278
Other forms of employee benefits	2,651	1,301
	<u>218,729</u>	<u>204,140</u>

No employees (2016-£nil) received employee benefits (excluding employer pension costs and employer's national insurance) of more than £60,000.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £218,729 (2016: £208,236).

The directors were neither paid nor received any other benefits from employment with the charity in the year (2016: £nil). No director received payment for professional or other services supplied to the charity (2016: £nil).

Directors' expenses represents the payment or reimbursement of travel and subsistence costs totalling £2,407 (2016: £2,551) incurred by 9 (2016: 8) members relating to attendance at meetings of the trustees.

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 4 (2016: 4)

**8 Related party transactions**

The directors are all employed by member organisations of Cobseo, from which Cobseo receives membership subscriptions in accordance with its standard fees policy.

There are no other related party transactions to disclose for 2017 (2016: none).

## Notes to the financial statements

For the year ended 31 December 2017

**9 Taxation**

The company is exempt from corporation tax as all its income is received from non-trading activities and so no corporation tax is due.

**10 Tangible fixed assets**

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At the start of the year	9,325	<b>9,325</b>
At the end of the year	9,325	<b>9,325</b>
<b>Depreciation</b>		
At the start of the year	1,399	<b>1,399</b>
Charge for the year	1,865	<b>1,865</b>
At the end of the year	3,264	<b>3,264</b>
<b>Net book value</b>		
At the end of the year	6,061	<b>6,061</b>
At the start of the year	7,926	7,926

**11 Debtors**

	2017 £	2016 £
Trade debtors	350	–
Prepayments	1,043	–
Other debtors	1,123,060	–
	<b>1,124,453</b>	–

Other debtors includes £1,120,000 due for the Libor funds – CMS project.

**12 Creditors: amounts falling due within one year**

	2017 £	2016 £
Trade creditors	77,257	(1,079)
Accruals	9,600	20,057
	<b>86,857</b>	18,978

## Notes to the financial statements

For the year ended 31 December 2017

## 13a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	6,061	–	6,061
Net current assets	1,347,584	1,174,046	2,521,630
<b>Net assets at 31 December 2017</b>	<b>1,353,645</b>	<b>1,174,046</b>	<b>2,527,691</b>

## 13b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	7,926	–	7,926
Net current assets	1,419,161	96,473	1,515,634
<b>Net assets at 31 December 2016</b>	<b>1,427,087</b>	<b>96,473</b>	<b>1,523,560</b>

## 14a Movements in funds (current year)

	At 1 January 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2017 £
<b>Restricted funds:</b>					
Libor Funds – CMS	–	1,120,000	(186,799)	–	933,201
Libor Funds – operating	96,473	150,000	–	(5,628)	240,845
<b>Total restricted funds</b>	<b>96,473</b>	<b>1,270,000</b>	<b>(186,799)</b>	<b>(5,628)</b>	<b>1,174,046</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Tower Poppies–CMS	635,347	–	–	–	635,347
Tower Poppies–Communications	169,432	–	(89,432)	–	80,000
<b>Total designated funds</b>	<b>804,779</b>	<b>–</b>	<b>(89,432)</b>	<b>–</b>	<b>715,347</b>
<b>General funds</b>	<b>622,308</b>	<b>207,059</b>	<b>(196,697)</b>	<b>5,628</b>	<b>638,298</b>
<b>Total unrestricted funds</b>	<b>1,427,087</b>	<b>207,059</b>	<b>(286,129)</b>	<b>5,628</b>	<b>1,353,645</b>
<b>Total funds</b>	<b>1,523,560</b>	<b>1,477,059</b>	<b>(472,928)</b>	<b>–</b>	<b>2,527,691</b>

The narrative to explain the purpose of each fund is given at the foot of the note on the next page.

## Notes to the financial statements

For the year ended 31 December 2017

## 14b Movements in funds (prior year)

	At 1 January 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
<b>Restricted funds:</b>					
Libor Funds – operating	–	150,000	–	(53,527)	<b>96,473</b>
<b>Total restricted funds</b>	<b>–</b>	<b>150,000</b>	<b>–</b>	<b>(53,527)</b>	<b>96,473</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Tower Poppies–CMS	700,000	–	(64,653)	–	<b>635,347</b>
Tower Poppies–Communications	136,567	85,000	(52,135)	–	<b>169,432</b>
<b>Total designated funds</b>	<b>836,567</b>	<b>85,000</b>	<b>(116,788)</b>	<b>–</b>	<b>804,779</b>
<b>General funds</b>	<b>622,308</b>	<b>168,824</b>	<b>(222,351)</b>	<b>53,527</b>	<b>622,308</b>
<b>Total unrestricted funds</b>	<b>1,458,875</b>	<b>253,824</b>	<b>(339,139)</b>	<b>53,527</b>	<b>1,427,087</b>
<b>Total funds</b>	<b>1,458,875</b>	<b>403,824</b>	<b>(339,139)</b>	<b>–</b>	<b>1,523,560</b>

**Purposes of funds**

Libor Funds – CMS – these funds were given to help in the development of a new case management system.

Libor Funds – operating – these funds are used to fund the COBSEO office operating deficit until COBSEO becomes sustainable from generated income.

The Tower Poppies Fund – the fund is designated for projects relating to the Confederation including the Head of Communications role and CMS infrastructure.

## 15 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
<b>Net income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>1,004,131</b>	64,682
Depreciation charges	1,865	1,399
Dividends, interest and rent from investments	(1)	(2,575)
(Profit)/loss on the disposal of fixed assets	–	(17)
(Increase)/decrease in debtors	(1,124,453)	7,235
Increase/(decrease) in creditors	67,879	(16,427)
<b>Net cash provided by / (used in) operating activities</b>	<b>(50,579)</b>	54,297

## 16 Legal status of the company

The entity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.