

# 100

*The 100 Group*



**100**  
*The 100 Group*

# The Hundred Group

of Finance Directors

Annual Review

For the year ended 30 September 2013





# FORREWORD

Welcome to the 2013 Annual Review of the Hundred Group of Finance Directors, which provides an overview of the activities undertaken by the Group over the past twelve months. The Hundred Group brand is strong in lobbying circles, because the UK Government, regulators and standard setters understand that our Committees represent the views of our members. Our voice is strong because we act as one body.



## WHO WE ARE

The Hundred Group is a non-political, not-for-profit organisation which represents the Finance Directors of the UK's largest companies, with membership drawn mainly from boardrooms of the FTSE 100 and other large UK private companies.



## WHAT WE DO

The Hundred Group plays an important role in influencing the business agenda and has done so for almost 40 years.

The overarching objective of the Hundred Group is to contribute positively to the development of UK and International policy and practice, and to promote the competitiveness of the UK (particularly in the areas of tax, reporting, pensions, regulation, capital markets and corporate governance) for UK based global and domestic companies, for the benefit of its members, the UK economy and long-term growth of the UK.



## HOW WE OPERATE

The Hundred Group sets and oversees strategic direction through our Main Committee. The assessment of emerging issues and engagement with stakeholders is principally undertaken by members of our sub-committees: Taxation, Financial Reporting, Investor Relations and Markets and Pensions. Active participants on our Committees include current CFO's supported by senior finance personnel from member organisations.

In addition to the ongoing work of our Committees, we maintain a dialogue with our members to ensure that our work is representative of our members' interests.

We ensure we remain representative of our entire membership, through our breakfast sessions, surveys, working groups, email alerts and updates to our website: [www.the100group.co.uk](http://www.the100group.co.uk).

We believe that the Hundred Group network works to serve our members and we encourage the engagement of all members.

**Contact us:**



[thehundredgroup@kpmg.co.uk](mailto:thehundredgroup@kpmg.co.uk)

[www.the100group.co.uk](http://www.the100group.co.uk)



**FINANCIAL REPORTING**



**PENSIONS**

Our member companies represent almost 90% of the market capitalisation of the FTSE 100, collectively employing over 7% of the UK workforce and in 2012, paid, or generated, taxes equivalent to 14% of the UK Exchequer's overall tax take. We seek to assist the development of UK businesses particularly in the areas of taxation, reporting, pensions, regulation, capital markets and corporate governance.



**TAXATION**



**INVESTOR RELATIONS AND MARKETS**

# THIS YEAR'S HIGHLIGHTS

**Membership  
normalised at**

**100**

**CFOs**

**Over**

**50%**

**of member companies actively  
involved in 2012/13**

**21**

**public comment  
letters submitted**

**2012**

**Total Tax Contribution  
Survey published**

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# CHAIRMAN'S INTRODUCTION

At the start of the year, I set out some aspirational priorities:

**On Regulation:** To improve the competitiveness of the UK as a great place to be based and to do business, by pushing back on proposed regulation (no matter where it comes from), unless it has a clearly explained, justified and costed rationale.

**On Ownership:** To promote both efficient capital markets and long-term equity ownership in large UK-based corporates, stressing not only the financial returns available to shareholders, but the sustainable ethos of the Companies in which they're investing.

**On Sentiment:** To improve the profile of big business as a force for good, by accentuating the positive financial impacts and challenging the negative, using the media where appropriate and effective to do so, to voice the Hundred Group view on relevant topics.

**On Involvement:** To continue to nurture engagement with our CFO membership, increase participation, promote the Hundred Group as a strong communication mechanism for their views and an excellent networking opportunity.

Almost 1 year into my tenure as Chairman, I believe we have made progress against all priorities, and there are several areas where the contribution of Hundred Group members serves to reinforce that we are a real force in promoting the views of business and influencing outcomes impacting competitiveness.

On regulation, it has been pleasing to note that some potentially destabilising regulatory proposals have been altered or reversed during the year. Notably, the initial proposals of the Sharman Panel on going concern, introduced at a time when the UK is not yet out of the economic doldrums – we were bold and vociferous in our written and verbal responses with the FRC and are pleased to see new, altered guidance will be issued shortly. We will continue to be further involved in this debate.

After several meetings and responses to proposals by the UK Competition Commission for mandatory auditor rotation, the broad alignment with the FRC's 10-year timeline was welcome; we will continue to be involved in the European debate on this topic.

Further in Europe, we have seen an increased focus on seeking to better influence international standard setting within the IASB. We met with Commissioner Barnier's special adviser on this matter to share our views; we too see sensible, engagement and thoughtful, commercial perspectives as key to making standards more relevant going forward.

As ever, we have sought to improve engagement with the UK and certain European representatives through focussed interactions with key stakeholders, including regulators and standard setters. Our reach in this environment is improving and we are continuing to build a wider network within Europe, not only engaging with relevant MEPs and standard setters to discuss our views but initiating stronger ties with European equivalent bodies such as the Club Des Trente in France and the CFO Task Force of the European Round Table of Industrialists – together, our voice will become louder.

Corporate governance is more prominent and important now than ever. We, as CFOs, are playing a major role in delivering robust corporate governance in the public interest, as well as in the interest of business and other stakeholders and shareholders. Through our interactions with the FRC, UK Government and other bodies, we continue to help shape best practice for all businesses.

There has been a notable shift in public sentiment, away from the shareholder discontent of 2012, and towards a greater willingness for more frequent (and sometimes 'better' informed) engagement. During the year, we have met and discussed our views on shareholder/investor and company engagement with various investor working groups, established to seek to remediate some of the findings of Professor Kay in the 'Kay review,' and with BIS. We have been pleased to identify some real common interest between all parties we have met and discussed this with and can now progress, working better and smarter with them, fostering better engagement and improved transparency where appropriate.

There are, however, certain areas where we continue to note a hindrance to progress for the UK to be a great place to do business: negative media rhetoric, particularly around corporation tax and political pressures, reducing the head of steam that has gathered in recent years in improving the overall competitiveness of the UK.

In the tax environment, we are working closely with HMRC and the CBI in order to ensure that any disclosure requirements as a result of the call for country-by-country tax reporting do not become onerous and inhibitive.

As you will read further on page 7, Hundred Group members make a significant contribution to the UK economy, not only through taxation, but through continued investment and employment. As CFOs, I believe we are critical to ensuring the UK remains a world finance leading centre, not just in terms of profits, but in sustaining long-term businesses and growth through long-term investment. This is essential to the country's sustained recovery, guarding against future financial crisis, and driving innovation and growth through a wide and varied supply chain (including SMEs) and inspiring R&D activity. We must ensure that this messaging is not lost amongst the almost exclusively focused debate on corporation tax.

The Hundred Group is a voluntary organisation, continually reliant upon the goodwill of the individuals who serve on our Committees and those who support our activities. Without this, the Group would not survive and I'd like to extend my sincere thanks to everyone who has contributed over the past year.

It gives me great pleasure to welcome to the Main committee our new CFO members, José Leo (Heathrow Group Holdings Limited) and Russ Houlden (United Utilities Group PLC). I would like to extend one final, sincere thank you to both Chris Lucas (Barclays) and Philip Broadley (Old Mutual) who are both retiring from the Main Committee after many years of exceptional service.

Our sub committees have a key role to play in many debates. On pages 9 to 12, the sub committee chairmen report achievements against their relevant objectives: I think you will agree, these serve to demonstrate that the Group's influence remains as strong as ever.

Thank you for your continued support.

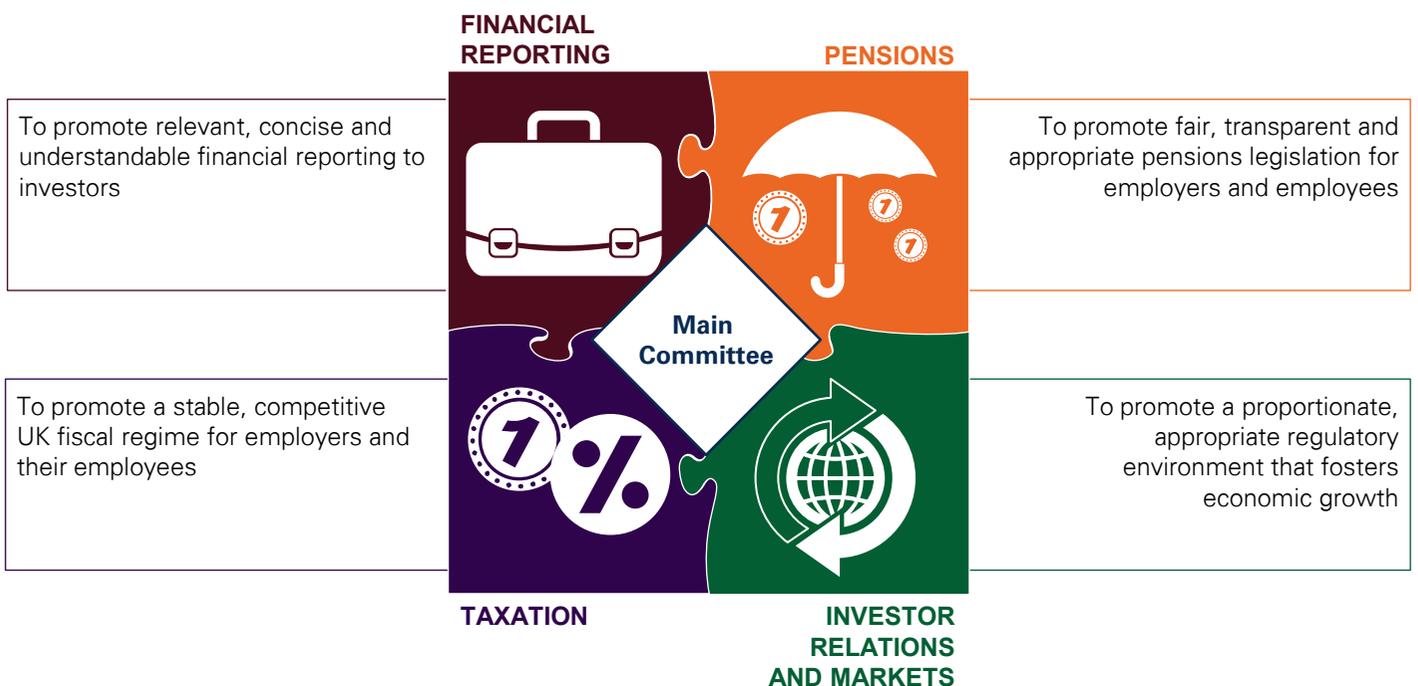


Robin Freestone  
Chairman, The Hundred Group



## MEMBERS OF THE MAIN COMMITTEE

- Robin Freestone**, Chairman (Pearson)
- Andy Halford**, Deputy Chairman (Vodafone)
- Ashley Almanza** (G4S)
- Andrew Bonfield** (National Grid)
- Philip Broadley** (Old Mutual)
- Simon Dingemans** (GSK)
- Simon Henry** (Shell)
- José Leo** (Heathrow)
- Matthew Lester** (Royal Mail)
- Simon Lowth** (AstraZeneca)
- Chris Lucas** (Barclays)
- Deirdre Mahlan** (Diageo)



# THE CONTRIBUTION OF OUR MEMBERS

Each year the Hundred Group commissions the Total Tax Contribution survey, which assesses the total UK taxes borne and collected by Hundred Group member companies. The survey is prepared by PricewaterhouseCoopers for the Hundred Group and is compiled from members' data – making it an authoritative report on the total tax contribution by the UK's largest public and other large private companies. The 2012 survey was issued in January 2013 and prepared using results from member companies for the 2011/12 reporting period. The 2012/13 survey will be published in January 2014.

The 2012 Total Tax Contribution ('TTC') survey highlighted that the Hundred Group companies continue to bear and collect a substantial amount of tax: member companies contributed £77.1bn in taxes for the year, representing 14.2% of total government tax receipts. This contribution remained broadly level with 2011 (£77.2bn). Total taxes borne were £24.8bn, representing a 19% increase in total taxes borne since the survey began in 2005. This figure decreased 3.1% year on year as the bank payroll tax has been partially replaced by the bank levy and the headline corporation tax rate has fallen 2% since 2011. These, combined with a number of corporation tax settlements in the prior year, contributed to the overall fall in taxes borne.

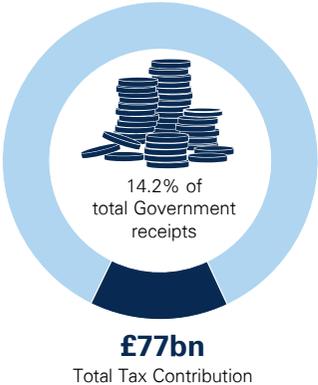
In 2012 for every £1 in corporation tax paid Hundred Group members paid £2 in other taxes (there being a total of 24 different taxes borne by members in the year). In 2005 when the survey was first completed, this ratio was 1:1. This shows clearly how the policy of successive governments to move away from profit taxes to more stable property and people taxes has worked, enabling the Treasury to have more certainty over the total tax revenues they expect to receive each year. We remain concerned, however, that there is significant complexity in the tax system, and the fact there are 24 taxes borne by our members only serves to highlight this fact. We strongly believe stability in the tax code and consideration of some simplification is needed over the next few years.

The Hundred Group continue to make a significant contribution to the wider UK economy, employing 2 million people in the UK (7% of the total workforce). For the first time in 2012 we included some additional questions in the survey which were completed by half the respondents. The answers showed that £19bn was spent on capital expenditure and £2.5bn on research and development by these respondents, representing 15.8% and 14.4% respectively of the UK totals.

The importance of our members' contribution is seemingly underplayed in the media. We believe that with the enhanced focus this year on the wider contribution to society of our members, we will be in a stronger position to reinforce the message that big business is a significant contributor to the UK economy and the welfare of a significant number of people.

Finally, thank you for your ongoing participation and support in this important study: there are a few studies out there in the market today that can be used to better inform those we seek to discuss with and enhance their understanding.

**The Hundred Group continues to make a substantial contribution to the UK public finances**



The figures show that the estimated Total Tax Contribution (taxes borne and taxes collected) in the 2012 survey is £77 billion or 14.2% of total Government receipts, reflecting the importance of these companies to the UK economy.

**There is a wider contribution beyond tax including employment and investment**



The Hundred Group is an important source of well paid jobs in the UK. It provides employment to 2 million people, 7% of the UK workforce, and pays on average £11,000 in employment taxes for each employee.

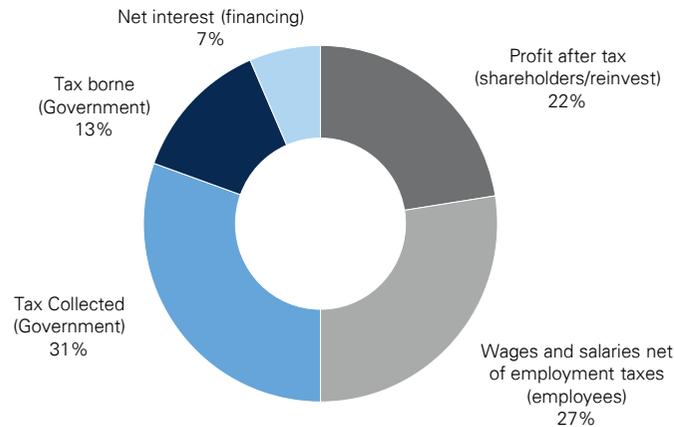


**£19 billion**  
15.8% of UK expenditure on capital investment



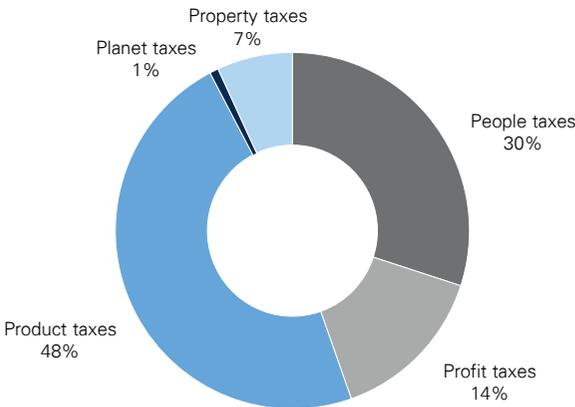
**£2.5 billion**  
14.4% of UK research and development

**Value distributed by The Hundred Group participants**



The chart shows the elements of value distributed for those companies in the survey.

**The Total Tax Contribution of The Hundred Group by tax base**





## FINANCIAL REPORTING COMMITTEE



*“We believe that financial reporting is fundamentally an exercise in clear and meaningful communication of financial performance by management to investors. We therefore encourage the development of principles-based accounting standards and support initiatives to cut clutter in financial statements. We remain concerned that the IASB’s progress on its major ongoing projects on financial instruments, revenue recognition and leases is painfully slow and that its standards are becoming ever greater in length and complexity and seem always to add to disclosure requirements.*

*We are mindful that the Annual Report is increasingly regarded as a repository for information that meets the needs of stakeholders other than investors. We are not convinced that such information must be published in the Annual Report and we will resist measures that would increase further the burden on our finance teams during the annual reporting season.*

*Most of you will be aware I am standing down following my retirement from Barclays. I wish the Hundred Group FRC all the best in its endeavours.”*

**Chris Lucas** (Barclays), Financial Reporting Committee Chairman



### Key objective

To promote relevant, concise and understandable financial reporting to investors.



### Priorities

- Support the continued development of a single accounting language for international business.
- Encourage the development of a conceptual framework on which to build principles-based accounting standards.
- Support accounting standards that enable management to present clearly the results of its stewardship of the resources entrusted to it.
- Encourage the development of a disclosure framework to facilitate meaningful financial statements, free of unnecessary or boilerplate disclosures.
- Establish closer links with similar groups across Europe with a view to increasing the Hundred Group’s influence on the financial reporting debate at a pan-European level.



### 2013 activity snapshot

- We submitted only two comment letters this year on the IASB’s latest proposals with regard to hedge accounting and leases (this reflects the slow progress that the IASB has made towards concluding its major projects).
- Committee members continue to meet semi-annually with IASB members and staff and with representatives of the Accounting Council (formerly the ASB) to discuss current and future standard setting activities.
- Continued liaison with other lobbying groups including the ICAEW and the Corporate Reporting Users Forum with a view to co-ordinating efforts on shared interests.



### Future agenda

- During the coming year, we will comment on the IASB’s proposals on the conceptual framework and other of its forthcoming proposals that are of importance to the wider business community.
- We will seek to work with the IASB to help it finalise its projects on financial instruments, revenue recognition and leases.
- We will continue to support initiatives to develop a disclosure framework with a view to reducing clutter in financial statements.
- We continue to work with our other Hundred Group Committees on cross-cutting issues, in particular on country-by-country reporting of tax payments and integrated reporting initiatives.



## INVESTOR RELATIONS AND MARKETS COMMITTEE



*"Whilst the initiatives and issues we observe are more predictable than in the past, we continue to be busy engaging with regulators, particularly in understanding and influencing the shape of the future of narrative reporting and corporate governance. We have had some interesting meetings with investor bodies to gain a further appreciation of common issues, and to share our thoughts on improving engagement and aligning our approaches to dealing with the regulatory tide.*

*It remains vitally important that business is given a reasonable environment in which to grow and that the UK continues to remain a competitive and well regulated market."*

**Matthew Lester** (Royal Mail) Investor Relations and Markets Committee Chairman



### Key objective

To promote a proportionate, appropriate regulatory environment that fosters economic growth.



### Priorities

- Promotion of long termism to good governance and stewardship (principles approach).
- Shareholder communication, including identification.
- Regulatory oversight of narrative reporting.
- Discourage regulations that do not streamline reporting.
- Promotion of efficient capital markets.



### 2013 activity snapshot

- Engaged and met with the Investment Management Association (IMA) investor working group to identify ways of enhancing longer term engagement on corporate governance and more productive shareholder/management engagement.
- Nine public comment letters expressing views on narrative reporting, integrated reporting, enhanced auditor reporting, the Competition Commission audit proposals, corporate and social responsibility and going concern considerations.
- Members of the Committee met the Chief Executive of the International Integrated Reporting Council to discuss their proposals for Integrated Reporting.
- Guests are invited to speak at each quarterly Committee meeting. Recent guests have included BIS, the Corporate Reporting Users Forum, the Financial Reporting Lab, and the Investment Management Association.



### Future agenda

- Continue to engage with the IMA to see if there are areas where coordinating our responses to regulatory enquiries could have a materially greater impact.
- The next few months are expected to remain busy: we are expecting the EU to shortly publish its final proposals on the reform of the audit market and shareholders rights directives. We will continue to work hard to ensure that the competitiveness of the UK is not harmed by proposals which fail to take into account that a one size fits all approach is rarely appropriate.
- Corporate and social responsibility is becoming increasingly important and there continues to be considerable interest in the future of narrative reporting, with BIS, the EU and the International Integrated Reporting Committee all making recommendations for improvement. We will continue to promote our vision of narrative reporting as being relevant, meaningful and clutter free and will engage with Government and regulators alike to ensure a consistent and truly internationally recognised approach is proposed.



## PENSIONS COMMITTEE



*"We were pleased to see a change in the European stance in 2013: Commissioner Barnier's announcement that the revised IORP directive will leave solvency/funding requirements as an open issue, to be re-examined once more complete data is available, was welcome. However, we will continue to look out for any further proposals in this area.*

*We continue to work closely with The Pensions Regulator and DWP in the UK to set an appropriate agenda that balances the desires of both employers and employees."*

**José Leo** (Heathrow Group Holdings Limited), Pensions Committee Chairman



### Key objective

To promote fair, transparent and appropriate pensions legislation for employers and employees.



### Priorities

- **Defined benefit funding:** Ensuring that the funding regime for defined benefit pension schemes maintains an appropriate balance between trustees and employers and, in particular, that the Pensions Regulator's new objective to minimise the impact on sponsoring employers' sustainable growth is reflected in its revised regulatory approach.
- **Europe:** Monitoring European developments that may impact on UK pension schemes and their sponsoring employers, in particular the revised IORP directive, as well as keeping a watching eye on any future moves to introduce insurance-style solvency funding for pensions.
- **Defined contribution (DC) regulation:** Ensuring that the regulation of DC schemes (by the Government and by the Pensions Regulator) maintains an appropriate balance between helping members to access good quality DC schemes without imposing a regulatory burden on DC schemes equivalent to that for defined benefit schemes or impeding the market for DC pension provision.



### 2013 activity snapshot

- Several consultation responses were made on issues relevant to the Committee, including whether to introduce a new statutory objective for the Pensions Regulator and whether to smooth assets and liabilities in scheme funding valuations. The Committee also responded to the DWP Call for Evidence on DC Quality Standards and the Pensions Regulator's consultation on regulating work-based DC pension schemes. The Committee recently responded to an EIOPA discussion paper on the inclusion of sponsor support in the holistic balance sheet.
- Committee members had meetings with senior representatives from DWP, the Pensions Regulator, the Pension Protection Fund and the NAPF, making representations on matters of interest and providing them with information and advice. Officials from the DWP attended a Committee meeting to discuss their plans for 'defined ambition' (risk-sharing) pension schemes and the Chair of the Pensions Regulator attended a meeting to discuss a number of issues of mutual interest.



### Future agenda

- Overall, the Committee's focus continues to be on both defined benefit and, increasingly, defined contribution schemes as they are used as part of current employees' remuneration packages. A key priority early in 2014 will be to respond to the Pensions Regulator's consultation on a revised code of practice on the funding of defined benefit schemes to ensure that a proper balance is achieved between trustees and companies sponsoring pension schemes.
- The Committee will also keep a close eye on developments in future DC regulation. Whilst the Committee agrees that the current focus on DC schemes is understandable given the number of individuals being automatically enrolled into DC schemes, it also believes that it is important to strike a balance in DC regulation to ensure that DC schemes (and the employers providing them) do not find themselves facing similar regulatory burdens to those faced by defined benefit schemes.
- The Committee will also keep the proposed changes to the European IORP directive in its sights. In the short term, the aim will be to ensure that any proposed changes to governance and disclosure requirements made by the revised IORP directive are proportionate and take into account the characteristics of existing pension schemes. In the longer term, the Committee will continue to lobby to ensure that solvency funding for pensions is not reintroduced by Michel Barnier's replacement as EU Commissioner.
- Other issues for the Committee to consider will include minimising the impact on pension schemes of the cessation of contracting out and the introduction of the new state pension in 2016 and ensuring that pensions liberation is effectively addressed by regulators, without imposing unnecessary regulatory burdens on pension schemes.
- The Committee also continues to debate the future of retirement provision amongst Hundred Group members and the viability of third way 'defined ambition' pensions in the UK and expects to respond on the DWP's consultation in this area.



## TAX COMMITTEE



*“Taxation is very much at the forefront of international debate. In the UK, we have seen HMRC’s progress in improving the taxation regime but recent studies by the OECD and House of Lords Economic Affairs Committee show that further inroads will be needed. Negative publicity for many Corporates in the UK continues unabated. We have continued to work with PwC on assessing the total tax contribution of our members which in 2012 shows that 100 Group members paid or generated taxes of £77 billion, equivalent to 14% of the UK Exchequer’s overall tax take.”*

**Andrew Bonfield** (National Grid), Tax Committee Chairman



### Key objective

To promote a stable, competitive UK fiscal regime for employers and their employees.



### Priorities

- Policy that engenders investment in the UK, i.e. is internationally competitive.
- Stability in tax legislation.
- Promote a wider focus on the tax regime to include all taxes, not just corporate taxes.
- Transparent fiscal policies and consistent consultation process.
- Monitoring current fiscal developments to promote balanced legislation.



### 2013 activity snapshot

- 2012 Total Tax Contribution survey highlighting the contribution our members make to the wider UK economy.
- Four public comment letters expressing views on tax avoidance, the need for a reform of corporation tax, loan relationships and government procurement rulings.
- Private meetings with senior representatives from HMT and HMRC to discuss HMRC strategy and engagement.
- Committee members have been involved in several of HMT’s working groups, including the General Anti-Abuse Rule.
- Committee members worked closely with the CBI to endorse the seven principles of taxation.



### Future agenda

- With the OECD Base Erosion Profit Shifting project expected to gather further pace in 2014, we will continue to monitor progress and be firmly involved in the 'fair taxes' debate.
- The Tax Committee will continue to promote the contribution of Hundred Group members to the UK Exchequer and the wider economy through the Total Tax Contribution Survey and other initiatives. With so many sensationalist headlines claiming big business is not meeting its moral obligations regarding tax payments, it is vital that there is a greater understanding of our members’ contribution and their potential to drive the UK growth agenda.
- The Committee will engage with HMRC and, in conjunction with the CBI, will look to influence developments in country-by-country reporting with the aim of contributing positively to the development of any legislation affecting the UK.



# The Hundred Group

of Finance Directors

Unaudited financial statements for the year ended 30  
September 2013



## We report on the financial statements of The Hundred Group of Finance Directors ('the Group') for the year ended 30 September 2013, which are set out on pages 16 to 18.

### RESPECTIVE RESPONSIBILITIES OF MEMBERS OF THE MAIN COMMITTEE AND EXAMINER

As the members of the Main Committee of The Hundred Group of Finance Directors you are responsible for the preparation of the financial statements. You have asked that we carry out an examination and report to you on the Group's financial statements for the year ended on 30 September 2013 on the basis set out in the Letter of Engagement dated 26 September 2012.

### BASIS OF INDEPENDENT EXAMINER'S REPORT

An examination includes a review of the accounting records kept by the Group and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as members of the Main Committee concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

### INDEPENDENT EXAMINER'S STATEMENTS

In connection with our examination, no matter has come to our attention:

1. which gives us reasonable cause to believe that in any material respect the requirements
  - a) to keep accounting records in accordance with the Rules of the Group
  - b) to prepare financial statements which accord with the accounting records

have not been met; or

2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

DANIELLE STEWART

On behalf of BAKER TILLY TAX AND ACCOUNTING LIMITED

Chartered Accountants

3<sup>rd</sup> Floor

One London Square, Cross Lanes

Guildford

Surrey

GU1 1UN

11 November 2013

# INCOME AND EXPENDITURE ACCOUNT

## Year ended 30 September 2013

	2013		2012	
	£	£	£	£
INCOME				
Subscriptions		4,900		5,250
Bank interest		83		112
		4,983		5,362
EXPENDITURE				
Catering	-		(3,150)	
Website upgrade	(8,160)		-	
Travel	(497)		(211)	
Sundries including subscriptions not taken up	(829)		(58)	
Bank charges	(318)		(321)	
		(9,804)		(3,740)
(DEFICIT)/SURPLUS FOR THE YEAR		(4,821)		1,622
ACCUMULATED FUND				
Balance brought forward		32,272		30,650
(Deficit)/surplus for the year		(4,821)		1,622
<b>BALANCE CARRIED FORWARD</b>		<b>27,451</b>		<b>32,272</b>

## BALANCE SHEET

### 30 September 2013

	2013	2012
	£	£
CURRENT ASSETS		
Cash at bank	27,375	32,066
Sundry debtors	750	950
	28,125	33,016
CURRENT LIABILITIES		
Accruals	(674)	(744)
Net assets	27,451	32,272
<b>ACCUMULATED FUND</b>	<b>27,451</b>	<b>32,272</b>

These financial statements were approved and authorised for issue by the Main Committee on 11 November 2013.

R Freestone  
Chairman

## ACCOUNTING POLICIES

### Year ended 30 September 2013

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

#### SUBSCRIPTION INCOME

An annual subscription is levied on all current members at a level determined in advance by the Main Committee. Subscription receipts are recorded as income in the period to which the subscription relates. Subscriptions not taken up are charged as an expense within sundry expenditure.

#### TAXATION

The Hundred Group of Finance Directors is a mutual entity with an identifiable fund for the common purpose with complete identity between contributions to, and participations in, the fund. Therefore taxation would be calculated on investment income only. Owing to the very small annual amounts of such income chargeable to corporation tax, the Main Committee members have self assessed that there is no need to complete a Corporation tax return, as a consequence of which no tax charge is included in these accounts.