



FRAUD ADVISORY PANEL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2013

Charity number: 1108863
Company number: 04327390

Report of the Trustee Directors

For the year ended 31 December 2013

The Board of Trustee Directors (the 'Board') submits their report and the financial statements of the Company for the year ended 31 December 2013.

ADMINISTRATIVE INFORMATION

| | |
|--------------------------------|---|
| Company name: | Fraud Advisory Panel |
| Charity registration number: | 1108863 |
| Company registration number: | 04327390 (company limited by guarantee) |
| Registered (principal) office: | Chartered Accountants' Hall Moorgate Place London EC2R 6EA |
| Trustee directors: | <p>By ordinary resolution on 02 July 2013 F E Coulson and O Shaw were appointed for initial terms of three years; P C Hagon was appointed for a second term of three years; and W Kenyon, S N Philippsohn, P M Raphael and R Wright were appointed for additional terms of one year.</p> <p>R Wright (chairman) F J Banks (ICAEW appointed) D M Clarke W T M Cleghorn (deputy chairman) F E Coulson (appointed 02 July) N R Griffiths (resigned 02 July) P C Hagon B J Hart S M Hill W Kenyon S N Philippsohn P M Raphael P O Rarden O Shaw (appointed 02 July) D Skade</p> <p>No other trustee directors served during the year.</p> |
| Secretary: | M Campbell |
| Auditors: | Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW |
| Bankers: | National Westminster Bank Plc Milton Keynes Branch 501 Silbury Boulevard Saxon Gate East Milton Keynes MK9 3ER |
| Solicitors: | Bates Wells & Braithwaite London LLP 2 – 6 Cannon Street London EC4M 6YH |

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Fraud Advisory Panel (the 'Panel') is a charitable company limited by guarantee which was established in 1998 through a public-spirited initiative by the Institute of Chartered Accountants in England and Wales ('ICAEW'). It was incorporated on 22 November 2001 and became a registered charity on 05 April 2005.

It is governed by articles of association adopted by special resolution on 30 June 2011, and a memorandum of association which was also amended and restated on this date.

Membership

Membership of the Fraud Advisory Panel is open to individuals, companies and other organisations (including government departments and statutory bodies) with an interest in the detection, investigation, prosecution and prevention of fraud on payment of an annual subscription fee.

In exceptional circumstances the subscription fee may be waived where an identifiable conflict of interest could arise if the individual were to become a paid member. Such individuals are accorded 'observer' status.

At the end of the year the Panel had 255 individual members and 38 corporate members. Six people were observers.

All members must comply with a Code of Conduct.

The Board

At the end of the year the Board comprised 14 trustee directors. It meets six times a year.

Under the constitution the Fraud Advisory Panel is allowed to have a minimum of three and a maximum of 15 trustee directors at any time who are appointed by ordinary resolution for a fixed period not exceeding three years.

Three trustee directors may be co-opted to serve at any one time. ICAEW also has the right to appoint up to one-third of the directors by notice in writing to the Panel for a fixed period not exceeding three years.

Upon appointment each trustee director receives an induction handbook containing details of the Panel's financial, governance and operational arrangements. Training requirements are reviewed on an annual basis thereafter. During the current year trustee directors received a refresher session on their roles and responsibilities.

A nominations subcommittee was established at the beginning of the year to give more detailed consideration to matters relating to board appointments and succession planning and to make recommendations to the full Board.

The staff team

The Board is supported by two full-time members of staff seconded from ICAEW (a manager and an executive). The Manager is responsible for the day-to-day management and operation of the Company and is also the company secretary.

Report of the Trustee Directors

For the year ended 31 December 2013

Funders, supporters and volunteers

The Fraud Advisory Panel relies on its funders, supporters and volunteers to carry out its charitable activities and is extremely grateful to them. Volunteer members contribute an enormous amount of time, knowledge and expertise to help staff to progress the annual programme of activity.

ICAEW is the main funder and supporter. In addition, Pinsent Masons (a corporate member) sponsored the biennial Great Fraud Debate and also provided speakers, venues and refreshments for workshops held in Manchester, Belfast and London.

Venues were also generously provided by Baker Tilly, Clydesdale Bank, Dentons UKMEA LLP, DWF LLP, Eversheds LLP, and Smith and Williamson LLP.

Risk management

The Board has identified and reviewed the major risks to which the Fraud Advisory Panel is exposed and established systems and procedures to mitigate these risks where appropriate. A risk register is maintained for this purpose.

A review of financial controls was conducted during the current year to provide assurance that the risk of fraud and error is being properly managed. No significant weaknesses within the Panel's system of internal financial control were identified.

OBJECTIVES AND ACTIVITIES

Objects

The Fraud Advisory Panel's object is the protection of life and property by the prevention, detection, investigation, prosecution and deterrence of fraud, in particular through the promotion of:

- Research into the nature, extent and causes of fraud and into the means, systems and techniques of preventing, detecting, investigating, prosecuting and deterring the same, making the useful results of such research available to the public.
- Education of those actually or potentially affected by fraud concerning the foregoing and in relation to regulatory and legal aspects of the same.
- Collaboration with and advice to governments, public authorities, professional and other bodies, companies, firms and individuals concerning the development of general systems, standards, policies, regulations and laws with a view to the prevention, detection, investigation, prosecution and deterrence of fraud.

This object is furthered exclusively for the benefit of the public in the United Kingdom and elsewhere in accordance with the law of charity in England and Wales.

Public benefit

The Board confirms that it has complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's guidance on public benefit in exercising its duties and in determining the current and future activities of the Panel.

Report of the Trustee Directors

For the year ended 31 December 2013

Activities undertaken by the Panel are directed towards those actually or potentially affected by fraud. The main activities are outlined in the next section. Performance is periodically reviewed throughout each year to ensure that activities remain consistent with the stated aims and objects of the Fraud Advisory Panel.

ACHIEVEMENTS AND PERFORMANCE

Education and training

Twelve events were held during the year (2012:11) as part of the Fraud Advisory Panel's education and training programme. Over 500 people attended these events, mostly from the professions (legal, accountancy and anti-fraud) and the business community.

This included four free events on charity fraud, current fraud trends and developments, the legal options available to smaller businesses wanting to recover their losses, and the annual lecture delivered as part of the annual general meeting which was given by David Green CB QC, Director of the Serious Fraud Office ('SFO').

Collaborative events were held with the Chartered Institute of Internal Auditors ('CIIA'), Federation of Small Businesses ('FSB'), Midlands Fraud Forum ('MFF'), Smith and Williamson, and the University of the West of England's Commercial Law Research Unit.

In addition, the Panel successfully delivered three one-day courses on '*Fraud Risk and the Internal Auditor*' on behalf of the CIIA. Next year the course will be replaced by a new one on '*Auditing Fraud Risk: A practitioner's action plan*'.

Overall the Panel fulfilled 14 speaking engagements during the year in the United Kingdom and Europe. Presentations were made to a financial institution, a professional services firm, a law enforcement agency, a public prosecutor's office, two fraud forums, and various professional bodies and trade associations in the private and third sectors.

The introduction and trial of two webinars were deferred to 2014 due to resource constraints.

Advice and information

This year saw a significant reduction in the number of factsheets published as part of the Fraud Advisory Panel's popular '*Fraud Facts*' series for individuals, organisations and professionals due to resource constraints (2013:2; 2012:7). Only one new title was issued on the use of private prosecutions for fraud offences. Another existing factsheet on fraud in Scotland was revised and reissued. At least four other factsheets were still in production at year end and will be published in early 2014.

The Panel also published '*The year in review 2012/13*' which summarised some of the major developments in anti-fraud thinking and policy including the potential UK opt out of EU third pillar arrangements, the new direction of the SFO, the creation of the National Crime Agency and changes to the reporting of fraud to law enforcement agencies. Trustee directors contributed articles on cybercrime, financial and investment fraud, and crowd engagement.

All publications are available on the Panel's website. The website received 11,762 unique visitors during the year, predominantly from the United Kingdom (79%), United States (5%), Isle of Man (2%) and India (1%).

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Expert comment was provided on a diverse range of fraud-related subjects to industry, trade and national press including stress levels in anti-fraud professionals, fraud risks in pension schemes, identity fraud, protecting charities against fraud, abuse of incorporation, and improving outcomes for the victims of fraud.

Law and public policy

Overall four written responses were submitted to consultations and calls for evidence issued by HM Government and other bodies (2012:3). ICAEW's response to the Department for Business, Innovation and Skills ('BIS') consultation on cyber-security organisational standards was also supported.

An issue of particular interest during the year was whistleblowing disclosures in the context of possible fraud and other forms of financial misconduct. To this end, the Fraud Advisory Panel attended and participated in a meeting convened by the Council of Europe in Strasbourg on the possible adoption of a recommendation to protect whistleblowers. Responses were also submitted to whistleblowing consultations issued by BIS and the charity Public Concern at Work.

A number of recommendations previously made by the Panel to reduce the abuse of company incorporation to commit fraud were reflected in proposals issued during the year by BIS to increase confidence and transparency in the company regime. Overall the Panel does not believe that these proposals go far enough to protect legitimate businesses, investors and the general public and prevent rogue directors from setting up companies. Comment was provided to this effect.

During the year the interests of members were represented by the Panel on the economic crime portfolio group of the Association of Chief Police Officers, the National Fraud Authority's (NFA) economic crime prevention and insolvency pilot groups, and the Charity Commission's voluntary sector fraud group.

Research and projects

As part of HM Government's counter fraud strategy '*Fighting Fraud Together*' over the last two years the Fraud Advisory Panel has been leading a major initiative to examine ways in which access to civil justice can be made easier for fraud victims in England and Wales whose cases are unlikely to result in a criminal outcome.

A comprehensive review of the existing channels available to fraud victims seeking redress and recovery of their money was completed at the end of the last year, leading to a series of publications collectively entitled '*Obtaining redress and improving outcomes for the victims of fraud*'.

This year the Panel published a summary of the key findings from the first phase of the project, linked to a set of recommendations to improve the support received by individual and smaller business victims of fraud who want to get their money back using non-criminal forms of redress in two ways: by improving the availability and quality of information and guidance, and raising the awareness among public and private professionals of the range and usefulness of civil justice remedies.

A small roundtable of key senior stakeholders was convened over the summer to discuss how the main recommendations could be taken forward. Since then the Panel has been working with these stakeholders and others to progress them. Successes have included:

Report of the Trustee Directors

For the year ended 31 December 2013

- Meeting with representatives of the Crown Prosecution Service ('CPS') to highlight the barriers to compensation for fraud victims in criminal proceedings, particularly in relation to cases involving multiple victims but only sample names in charges. A small manual dip sample was conducted to examine the reasons why compensation orders are not awarded.
- Convening a free lunchtime seminar with the Federation of Small Businesses ('FSB') and Midlands Fraud Forum ('MFF'), supported by DWF LLP, to provide practical advice for smaller businesses and their professional advisers on the main legal options available to fraud victims who want to get their money back.
- Raising awareness amongst anti-fraud professionals and the academic community of the difficulties faced by many individual and small business fraud victims in trying to recover their money through speaking at the annual Cambridge International Symposium on Economic Crime.
- Examining whether civil proceedings in fraud cases achieve a better outcome for justice and victims than the criminal process in the biennial Great Fraud Debate.

Further activities are planned for the 2014 year.

Other

Thirteen London-based working group meetings and seven regional forums in Birmingham, Bristol and Edinburgh were convened to enable members to network and exchange information, discuss new and current developments in the anti-fraud arena, hear from guest speakers, and contribute to Panel activities.

In addition, a new members' group was launched on the social network LinkedIn in February to create another means for members to interact with one another and with the Fraud Advisory Panel.

A project to rebuild the existing membership database commenced in August and is due for completion in early 2014.

Incoming resources

Key sources of income during the year include:

- Grant funding from ICAEW of £63,056 (2012: £63,056). ICAEW committed to provide continuing funds to support the Panel's work, and to provide accommodation and associated overheads at no cost to the Company for 2013. ICAEW will not increase its funding contribution for the 2014 year.
- Membership subscriptions of £54,060 (2012: £60,371). On 1 January each year membership subscriptions increase by no more than the rate of inflation as determined by the Retail Price Index (RPI) as at 30 September in the preceding year. Subscriptions will increase to £63 for individuals and £1,258 for corporates for the 2014 year.
- Event income of £29,478 (2012: £32,962). This figure includes a successful joint event with the CIIA generating income of £8,589.
- Donations of £nil (2012: £890).

Report of the Trustee Directors

For the year ended 31 December 2013

Under the constitution of the Company, no amounts can be paid or transferred directly or indirectly to members except for payment in good faith in certain prescribed circumstances. Any surplus or deficit is carried forward in the Company. All income is applied solely towards the promotion of the Panel's objects.

None of the trustee directors had any financial interest in the Company during the year.

Resources expended

The Fraud Advisory Panel's expenditure decreased to £148,228 (2012: £165,709) due to fewer costs being incurred by the civil justice initiative.

Reserves policy

The Fraud Advisory Panel's reserves policy is to maintain sufficient free revenue reserves to meet the equivalent of at least three months operating costs.

At the end of the year the Fraud Advisory Panel held unrestricted funds of £112,561 (2012: £112,075). This was considered appropriate based upon the anticipated operating expenditure for 2014.

The reserves policy is reviewed on an annual basis by the Board.

PLANS FOR THE FUTURE

International presence

The way that UK citizens and organisations conduct business has changed dramatically over the last ten to fifteen years since the Fraud Advisory Panel was established. Globalisation means that it is now easier than ever before for people to travel, communicate and do business. This has created new opportunities for honest law-abiding citizens, but has simultaneously increased the risks: fraudsters can now operate effortlessly across borders, often with anonymity and impunity.

As a result, the Panel will focus on becoming more responsive to the changing nature of fraud and the environments in which its beneficiaries operate. It will do this by supporting members and the wider public and business community to do business in international markets with confidence, and through seeking opportunities to assist other markets to strengthen their resilience to fraud and learn from international best practice and past experiences, specifically by:

- Creating a new series of international (non-country specific) fraud factsheets covering overarching best practice principles.
- Exploring opportunities to strengthen existing relationships and develop new ones with both UK-based organisations that host visiting overseas delegations and well-respected international bodies that have an interest in fraud-related issues.

Sustainable membership

The anti-fraud industry has grown exponentially since the introduction of the Fraud Advisory Panel's membership scheme in 2002 leading to more anti-fraud training courses and

Report of the Trustee Directors

For the year ended 31 December 2013

qualifications becoming available and more regional and national membership bodies being formed. The Panel will ensure its continued value to new and existing members by:

- Creating new ambassadorial roles for trustee directors to raise the Panel's profile and reputation with the professions, business community and general public, and build better relationships with corporate members.
- Rolling out a range of new and enhanced benefits for members (especially corporates), including the establishment of two new regional forums.
- Identifying ways to attract and encourage the involvement of more young professionals.

Civil justice initiative

The Fraud Advisory Panel will build upon the findings of the civil justice initiative by:

- Developing web-based guidance on the routes to justice available to fraud victims in the United Kingdom.
- Establishing a dialogue with the City of London Police's Economic Crime Portfolio Group on whether it is desirable and viable to modify MG11 witness statement forms nationwide to include consent for it to be used in civil or other proceedings.

Other activities

The Fraud Advisory Panel website www.fraudadvisorypanel.org acts as the main interface with members, the anti-fraud community and general public. A complete redesign of the website is planned to provide a platform for new information for fraud victims on the justice system and how to find fraud professionals.

Other core activities such as the annual programme of events, training initiatives, publications and member services will continue as normal subject to satisfactory resourcing and funding arrangements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustee directors (who are also directors of Fraud Advisory Panel for the purposes of company law) are responsible for preparing the Report of the Trustee Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;

Report of the Trustee Directors

For the year ended 31 December 2013

- UK Accounting Standards and the SORP Accounting and Reporting by Charities' revised 2005 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 business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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, the Charities Act 2011 and regulations thereunder. 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 directors confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors 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.

Auditors

A proposal to re-appoint Grant Thornton UK LLP as auditors will be made at the Annual General Meeting.

Approval of the annual report and financial statements

The attached Annual Report and Financial Statements were approved by the trustee directors at a meeting of the Board held on 03 April 2014 and are signed on their behalf by:

R Wright
Trustee director

B J Hart
Trustee director

Independent Auditor's Report to the Members of the Fraud Advisory Panel

For the year ended 31 December 2013

We have audited the financial statements of Fraud Advisory Panel for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Independent Auditor's Report to the Members of the Fraud Advisory Panel
For the year ended 31 December 2013

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Ann Tomkins

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

03 April 2014

Financial Statements

For the year ended 31 December 2013

STATEMENT OF FINANCIAL ACTIVITIES Incorporating Income and Expenditure Account For the year ended 31 December 2013

| | | Unrestricted funds 2013 | Unrestricted funds 2012 |
|--|------|-------------------------------|-------------------------------|
| | Note | £ | £ |
| Incoming resources | | | |
| Incoming resources from generated funds | | | |
| Voluntary income - membership subscriptions | | 54,060 | 60,371 |
| Voluntary income - sponsorship donations | | 65,056 | 63,946 |
| Investment income – bank interest | | 120 | 136 |
| Incoming resources from charitable activities | | | |
| Event income | | 29,478 | 32,962 |
| Total incoming resources | | <u>148,714</u> | <u>157,415</u> |
| Resources expended | | | |
| Charitable activities | 2 | 140,961 | 160,679 |
| Governance costs | 3 | 7,267 | 5,030 |
| Total resources expended | | <u>148,228</u> | <u>165,709</u> |
| Net (deficit)/surplus for the year | | <u>486</u> | <u>(8,294)</u> |
| Retained balance brought forward | 4 | <u>112,075</u> | <u>120,369</u> |
| Retained balance carried forward | 4 | <u>112,561</u> | <u>112,075</u> |

All activities are continuing.

The Company has no recognised gains and losses other than those reported above for the year.

The notes on pages 14 to 15 form part of these financial statements.

Financial Statements

For the year ended 31 December 2013

BALANCE SHEET AT 31 DECEMBER 2013

| | Note | 2013 £ | 2012 £ |
|--|------|----------------|----------------|
| Current assets | | | |
| Trade and other debtors | | 6,007 | 16,253 |
| Prepayments and accrued income | | 10,104 | 1,195 |
| Cash at bank and in hand | | <u>137,487</u> | <u>129,935</u> |
| | | <u>153,598</u> | <u>147,383</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | | - | - |
| Accruals and deferred income | | 40,647 | 32,643 |
| Amounts due to related undertaking | | <u>390</u> | <u>2,665</u> |
| | | <u>41,037</u> | <u>35,308</u> |
| Net Assets | | <u>112,561</u> | <u>112,075</u> |
| Funds of the charity | | | |
| Unrestricted funds | 4 | <u>112,561</u> | <u>112,075</u> |

Approved by the Board on 03 April 2013:

R Wright
Trustee director

B J Hart
Trustee director

The notes on pages 14 to 15 form part of these financial statements.

Financial Statements

For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. Accounting policies

a. Basis of preparation

The financial statements have been prepared on an accruals basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Charities (Accounts and Reports) Regulations 2008 and the SORP revised in 2005 titled 'Accounting and Reporting by Charities'.

b. Income

Membership subscriptions are recognised in the accounting period to which the services covered by those subscriptions relate. Other income is recognised when it is received.

c. Resources expended

Expenditure is recognised when it is incurred on the following bases:

- Charitable activities – expenditure associated with the delivery of the Company's activities including events and publicity.
- Governance costs – include those costs incurred in the governance of the Company's assets and are associated with constitutional and statutory requirements, including external audit and trustees' expenses.

2. Charitable activities

| | 2013 | 2012 |
|---------------------|----------------|----------------|
| | £ | £ |
| Employment costs | 87,354 | 87,603 |
| Direct event costs | 22,580 | 22,368 |
| Publications | 6,972 | 9,585 |
| Website development | 7,517 | 7,500 |
| Special projects | 5,104 | 28,943 |
| Other expenses | 11,434 | 4,680 |
| | <u>140,961</u> | <u>160,679</u> |

The Company has no direct employees. Two employees were seconded to the Company from ICAEW for the year.

3. Governance costs

The trustee directors receive no remuneration for their services. Their services are given voluntarily and they receive no benefits in kind. Directors expenses of £771 (2012: £289) were paid to three trustee directors during the year for costs associated with travelling to speaking engagements on behalf of the Fraud Advisory Panel. Expenses of £1,928 (2012: £396) were paid for the services provided to trustee directors, including meeting room hire, training and refreshments.

There are no contracts of service between the Company and the trustee directors.

Financial Statements

For the year ended 31 December 2013

The auditors' remuneration amounted to £1,630 (2012: £1,580) inclusive of irrecoverable VAT.

As a registered charity, the Company has no liability to corporation tax with the exception of investment income. Corporation tax of £nil (2012: £nil) is payable in respect of investment income.

4. Reconciliation of movements in funds

| | 2013 |
|-------------------------------|----------------|
| | £ |
| Members' funds at 1 January | 112,075 |
| Surplus for the year | 486 |
| Members' funds at 31 December | <u>112,561</u> |

5. Members' funds

The Company is limited by guarantee. Each member of the Company (being those individuals and organisations that have subscribed to membership) undertakes to contribute such an amount as may be required, not exceeding £1, on winding up of the Company.

6. Related party transactions

The Panel is a charitable company limited by guarantee which was established in 1998 through a public-spirited initiative by the ICAEW. At the year end £390 in relation to general running costs (2012: £2,665) was owed to ICAEW.