



## **Fraud Advisory Panel**

(A company limited by guarantee)

### **ANNUAL REPORT AND ACCOUNTS**

For the year ended 31 December 2015

Charity number: 1108863  
Company number: 04327390

## CONTENTS

<b>Trustees report</b>	<b>Page</b>
Reference and administrative information	2
Structure, governance and management	3
Objectives and activities	4
Achievements and performance	4
Financial review	8
Plans for the future	8
Statement of trustees' responsibilities	9
 <b>Independent auditor's report to the members of the Fraud Advisory Panel</b>	
Respective responsibilities of trustees and auditor	11
Scope of the audit of the financial statements	11
Opinion on financial statements	11
Opinion on other matters prescribed by the Companies Act 2006	11
Matters on which we are required to report by exception	12
 <b>Financial statements</b>	
Statement of financial activities	13
Balance sheet as at 31 December 2015	14
Statement of cash flows at 31 December 2015	15
Notes to the financial statements	16

## TRUSTEES' REPORT

The trustees, who are also the directors of the company for the purposes of company law, present their report and audited accounts for the year ended 31 December 2015.

### REFERENCE AND ADMINISTRATIVE INFORMATION

Name	Fraud Advisory Panel	
Company number	04327390	
Charity number	1108863	
Registered (principal) office	Chartered Accountants' Hall Moorgate Place London EC2R 6EA	
Trustees	<u>Chairman</u> David N Kirk	
	<u>Deputy Chairman</u> William T M Cleghorn MBE	
	<u>Members</u>	
	Felicity J Banks (ICAEW appointed)	Resigned 07/07/15
	David M Clarke	
	Frances E Coulson	
	Phillip C Hagon QPM	
	Barbara J Hart	Resigned 07/07/15
	Stephen M Hill	
	William Kenyon	
	Sharon Lemon OBE	Appointed 07/07/15
	Hitesh Patel	Appointed 07/07/15
	Philip M Raphael QC	
	Patrick O Rarden	Resigned 07/07/15
	Oliver Shaw	
	David Skade	Resigned 01/05/15
	David J Stevens (ICAEW appointed)	Appointed 07/07/15
	By ordinary resolution on 07 July S Lemon and H Patel were appointed for first terms of three years; D M Clarke was appointed for a third term of three years; W T M Cleghorn and S M Hill were appointed for additional terms of one year; and W Kenyon and P M Raphael were appointed for final terms of one year.	
Secretary	Mia Campbell	
Auditors	Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW	
Bankers	National Westminster Bank Plc 501 Silbury Boulevard Saxon Gate East Milton Keynes MK9 3ER	
Solicitors	Bates Wells Braithwaite London LLP 10 Queen Street Place London EC2R 1BE	

## **TRUSTEES' REPORT (CONTINUED)**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure**

Fraud Advisory Panel (the 'Panel') is a charitable company limited by guarantee registered in England and Wales. It was incorporated as a company on 22 November 2001 and registered as a charity on 05 April 2005. The articles of association were last amended and adopted by special resolution on 30 June 2011.

The Panel is a membership body. Membership is open to any individual, company and organisation (including government departments and statutory bodies) with an interest in the prevention, detection, investigation and prosecution of fraud and financial crime. At the end of the year there were 232 individual members and 38 corporate members (comprising 415 representatives). Another four people were observers. Observer status is only accorded in exceptional circumstances where an identifiable conflict of interest could arise if the person was a paid member. All members must comply with a Code of Conduct.

#### **The board**

The Board comprises between three and fifteen trustees. Trustees are appointed for fixed terms of up to three years and can serve further terms. The Board has the power to co-opt three trustees to serve at any one time. ICAEW also has the right to appoint up to one third of trustees.

The Board meets six times a year and is responsible for governance and strategy. Sub-committees are periodically convened to perform specific duties delegated by the full Board and are governed by their own terms of reference. Current committees consider issues relating to nominations, funding and membership.

The nominations committee is responsible for recruiting members to the Board and for ensuring the process is open, transparent and continuous. One of its aims is to ensure a broad mix of skills, experience and knowledge is represented on the Board. Vacancies are advertised to members and the Board also approaches individuals thought to have the right attributes.

New trustees receive a handbook containing details of financial, governance and operational arrangements. This includes a copy of the articles of association. Trustees training requirements are reviewed on appointment and on an annual basis thereafter.

The Board is supported by two full-time members of staff seconded from ICAEW. Day-to-day management is delegated to the manager (also the company secretary), who is assisted by an executive.

#### **Funders, supporters and volunteers**

Fraud Advisory Panel is funded through subscriptions, registration fees for events and an annual grant from ICAEW. It also receives ad hoc sponsorship and in-kind donations of time, expertise, venues and refreshments.

Crowe Clark Whitehill and Pinsent Masons LLP sponsored events during the year and Absolute Partnership, ACL, Cifas, Haymarket Risk Management Ltd, and Keegan and Pennykid (Insurance Brokers) Ltd exhibited at them. In addition, ASM, Baker Tilly, Deloitte, DWF, EY and Peters & Peters provided venues and refreshments for members' meetings.

As a small charity we rely on the continued support of our many dedicated volunteers (usually members) who make a significant contribution to furthering our charitable activities. During the year volunteers helped write content for various publications and the website, spoke at our events and also assisted with scoping research.

## **TRUSTEES' REPORT (CONTINUED)**

### **Risk management**

Trustees have identified the major risks to which the Fraud Advisory Panel is exposed and established systems and procedures to mitigate those risks.

Risk management is taken very seriously. Potential risks are considered at the outset of every new activity and/or project and then on a regular basis thereafter. A register is maintained for this purpose. During the year a review of financial controls was conducted by ICAEW's internal audit department which found that effective processes were in place to manage the risk of fraud and error.

### **Public benefit**

Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance when exercising their powers and duties and in determining the Fraud Advisory Panel's current and future activities.

## **OBJECTIVES AND ACTIVITIES**

### **Vision**

Fraud Advisory Panel is committed to winning the fight on fraud. Our vision is for everyone to have the knowledge, skills and resources they need to protect themselves against fraud and to help protect others too.

### **Objects and activities**

Our object is to protect life and property by the prevention, detection, investigation, prosecution and deterrence of fraud, particularly 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; and
- 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 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.

## **ACHIEVEMENTS AND PERFORMANCE**

2015 saw us complete some significant projects carried forward from the previous year, most notably our new website and branding. We also embarked on a new series of initiatives designed to help specific sectors strengthen their fraud defences starting with charities and housing associations. By taking a more targeted and systematic approach to our activities we hope to use our small resource and considerable knowledge and experience to maximum benefit and make a practical difference to those we seek to assist.

## TRUSTEES' REPORT (CONTINUED)

The main driver behind all our activities during the period was to improve fraud victim's access to the wide range of information, advice and support offered by the Fraud Advisory Panel, our members and other key stakeholders. Performance was periodically reviewed to ensure activities remained focussed and consistent with our stated purposes.

### Advising and supporting victims

Our new website was launched in June after 18 months of development. Designed to be accessible to a wide an audience as possible the site is now viewable on desktop, mobile and tablet. It aims to provide honest and impartial advice on fraud and acts as a central repository of our free guides and other resources. Key features include the following.

- A dedicated section offering simple, practical advice for individuals, businesses and charities on common fraud risks and how to prevent them.
- An easy-to-use interactive decision tree for UK-based victims to explain the criminal and civil justice processes and how the two systems interact. Because many victims do not know where to go and who to turn to for advice and support<sup>1</sup> we also set out the potential options to recover fraud losses and explain how to find suitably qualified or experienced fraud professionals.
- Global fraud statistics and information on how to report fraud to the authorities in the UK and elsewhere.
- A resource centre containing our many guides and best practice advice, research, videos, and other tools. This includes resources from reputable third parties such as HM Government and Sussex Police.
- Information on how people can get in touch with us so that we can signpost them to other appropriate sources of advice, information and support.

Over the last eight years we have produced a popular series of short self-help guides called *Fraud Facts* to raise awareness of specific fraud threats and how to prevent them. Toward the end of the year these were replaced by two new series of guides covering various aspects of anti-fraud best practice and UK legislation with five titles (2014:4) published on *Money laundering and the proceeds of crime*, *Criminal fraud in England and Wales*, *Criminal fraud in Scotland* (4<sup>th</sup> edition), *Due diligence on UK-based third parties*, and *Data mining and analytics*. Our intention is for these to become practical resources for those who are new to the subject and we encourage their wide dissemination.

One area of particular interest to us has been the social housing sector and more specifically housing associations. Housing associations fulfil a vital role in providing affordable housing to people with a low income (including older people and the vulnerable) so it is important that they know how to protect their organisations and housing stock. During the year the Fraud Advisory Panel met with the National Housing Federation to discuss fraud risks within the sector and subsequently delivered a session on right-to-buy fraud at its audit committee conference in December. A short guide for directors and senior managers of housing associations was also published in association with the Tenancy Fraud Forum (TFF) and London Boroughs' Fraud Investigators' Group (LBFIG) to improve awareness and resilience within the sector.

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<sup>1</sup> As part of the national counter fraud strategy, *Fighting Fraud Together*, the Fraud Advisory Panel led an 18-month 'civil justice initiative' beginning in 2012 to examine ways in which access to civil justice could be made easier for fraud victims in England and Wales whose cases are unlikely to result in a criminal investigation and prosecution.

## TRUSTEES' REPORT (CONTINUED)

Until recently many fraud victims have received limited support. But there are now signs that this situation is beginning to improve with some new (mostly regional) initiatives focussed on the broad needs of victims and those at risk, particularly the vulnerable. It is vital that organisations that come into contact with victims are aware of these initiatives so we highlighted them as part of our annual review, *Supporting the victims of fraud: the year in review 2014-15*, and considered what they tell us about UK fraud-fighting today. Some of our trustees also shared their personal views on the treatment of fraud victims and the obstacles they face in achieving a fair and just outcome.

### Educating and training professionals

Our annual programme of executive briefings, conferences, workshops and training courses continued to help professionals from all sectors expand their knowledge and keep up-to-date on the latest counter fraud developments. Almost 600 people (including delegates, speakers and sponsors) attended a total of 13 events during the year (2014:11)<sup>2</sup>, some of them free of charge.

Most significantly we hosted the first national conference on *Tackling fraud in the charity sector* in partnership with the Charity Commission which saw over 150 trustees and managers of charities and not-for-profit organisations come together to discuss the challenges they face, highlight current risks and share best practice. Staff and students from two universities acted as rapporteurs on the day as part of our ongoing strategy to support new anti-fraud professionals.

Everyone who attended and provided feedback found the conference informative. Another 97% found it useful and 93% found it relevant for their needs and of practical use. Some of the comments included the following.

- *'I came to be able to say that I had been to my trustees, but instead it turned out to be one of the most useful days I have attended in the last 7 years.'*
- *'Excellent initiative and pertinent to our needs.'*
- *'I really liked the short, punchy presentations and the fact that it was so practical in focus.'*
- *'Well thought out, well planned and well executed; good speakers too.'*

The conference received good pre and post media coverage in Third Sector, Charity Times, Professional Security and Charity Commission News. A summary of proceedings will be published in February 2016 and made widely available.

Continuing our focus on supporting victims Paul Lewis, the respected financial journalist and presenter of BBC's *Money Box* programme, delivered the annual lecture to an audience of our members and invited guests. Paul shared some of his experiences and views on what needs to be done to better protect consumers from fraud and financial scams. For the first time we filmed the lecture and it can now be watched on our website and on YouTube.

A further two financial crime workshops for accountants were delivered as part of our ongoing collaboration with the CCAB, including one to members of the Association of British and Irish Accountants in Luxembourg. We also delivered two training courses for the Chartered Institute of Internal Auditors (CIIA) on *Auditing fraud risk: a practitioner's action plan* and a pair of in-house fraud awareness sessions to staff within a public sector organisation.

We also offer free training sessions to our corporate members. Two such sessions were delivered by our trustees during the period.

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<sup>2</sup> Event figures now include our training courses which were treated separately in previous years and omitted from the totals reported for our annual programme. The 2014 figure has been restated for consistency and comparison.

## TRUSTEES' REPORT (CONTINUED)

Unfortunately for the second consecutive year we were unable to pilot webinar training because of resource constraints so this initiative will now be launched in early 2016.

### Representing and supporting members

Members' interests were represented on a variety of external stakeholder groups including the National Crime Agency's economic crime command threat group, the Charity Commission's charity sector counter fraud group, Action Fraud's economic crime victim care unit pilot project board, and the City of London Police's project subgroup overseeing the implementation of the new National Fraud Intelligence Bureau and Action Fraud solutions. We also participated in expert roundtables convened by other bodies on business fraud, serious and organised crime and whistleblowing.

Written representations were made on two government consultations on the reform of court fees and exemptions for corporate directors (2014:6) and we began to provide continuing input into the Cabinet Office's initiative to create a counter fraud framework and standards for the public sector.

We also answered 20 media enquiries and requests for articles covering a range of local, regional, national and international issues such as Libor, workplace ethics, cybersecurity, social media fraud, health fraud, charity fraud, anti-money laundering, fake invoicing and plastic card fraud. As part of this, we supported an open letter to ministers calling on Government to renew its focus on tackling fraud, particularly against older people and the vulnerable, and to establish a new scams and fraud task force and national fraud measure.

Forewords were written to accompany reports produced by The European Institute for Combatting Corruption and Fraud and LBFIG on *Protecting the London Public Purse 2015: fighting fraud against London boroughs* and accountancy firm RSM's *Pensions fraud risk report 2015*.

Our UK-based members were supported with a regular series of meetings in London and the South East, the Midlands, Northern Ireland, Scotland, and the South West and Wales. Participation increased to 260 members and invited guests (up from 200 last year) who attended 17 meetings (2014:15) to hear from guest speakers and to share experiences and best practice. Another ten meetings were held with corporate members as part of our ongoing engagement with them.

At the beginning of the year a new logo and brand were launched. These were urgently needed as the previous logo and brand had remained unchanged since the Fraud Advisory Panel's formation over 15 years ago. Our new visual identity is specifically designed to help us communicate our work in the most effective and engaging way to our many and varied audiences. A new Twitter account (@Fraud\_Panel) was also set up in October to enable us to promote the anti-fraud agenda to a wider audience.

### Researching and understanding fraud

Although no new research was commissioned during the period, scoping commenced on a small number of potential research projects including one to examine the level of co-operation between law enforcement and the private sector in fraud investigations. Discussions were also held with key partners including the Australian Institute of Criminology and Cifas about collaborating on initiatives to improve our wider understanding about fraud and fraudsters.

### Collaborating and co-operating with partners

Fraud Advisory Panel collaborated with more stakeholders than ever before to raise awareness of fraud including AgeUK, CCAB, Charities Commission, CIIA, LBFIG, and Tenancy Fraud Forum – many for the first time. As part of this we fulfilled three speaking engagements and held meetings with a broad range of sector bodies to identify common areas of concern and discuss opportunities to support one another more.

## TRUSTEES' REPORT (CONTINUED)

### FINANCIAL REVIEW

#### Incoming resources

Key sources of income during the year included the following.

- Grant funding from ICAEW of £64,948 (2014: £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 Fraud Advisory Panel for 2015. Funding will remain at the current level for the 2016 year.
- Membership subscriptions of £55,599 (2014: £56,979). 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 £64 for individuals and £1,296 for corporates for the 2016 year.
- Event income of £23,487 (2014: £27,084). This figure includes our annual internal audit and fraud conference held in partnership with the CIIA generating income of £9,998.
- Sponsorship income of £13,150 (2014: £1,750). This figure includes £11,000 received from one main sponsor and five exhibitors for the charity fraud conference which enabled us to offer the event at a substantially discounted rate to charity professionals.

No amounts are 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. All income is applied solely towards the promotion of our charitable object.

None of the trustees had any financial interest in the Panel during the year.

#### Resources expended

Fraud Advisory Panel's expenditure increased to £159,304 (2014: £142,930). Much of this increase was due to costs associated with the charity fraud conference.

#### Reserves policy

Fraud Advisory Panel's reserves policy is to maintain sufficient free revenue reserves to meet the equivalent of at least three months operating costs which averages £39,826.

At the end of the year the Fraud Advisory Panel held unrestricted funds of £116,540 which equates to almost nine months (8.8) of free reserves (2014: £118,594). This was considered appropriate based upon the anticipated operating expenditure for the forthcoming year.

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

### PLANS FOR THE FUTURE

Fraud Advisory Panel plans to continue the activities outlined above subject to satisfactory funding arrangements.

Our priorities for the year ahead are to build upon our existing work to increase fraud awareness and resilience within the social housing and charity sectors and to contribute more to the creation of anti-fraud thought, policy and practice within the public sector.

## TRUSTEES' REPORT (CONTINUED)

Another priority is to create our new five year strategy which will focus on establishing a sustainable and secure financial future for the Fraud Advisory Panel; evolving our membership scheme so that it becomes more viable, vibrant and inclusive; supporting our members, the business community and general public to conduct business in domestic and international markets with confidence; and contributing to our wider understanding about fraud and fraudsters through targeted research and other initiatives.

In seeking to achieve our priorities we will, wherever possible, collaborate with other relevant, like-minded individuals and bodies.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial

## **TRUSTEES' REPORT (CONTINUED)**

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.

### **Auditor**

As a result of an audit tender process carried out during 2015 Haysmacintyre have been appointed as the new independent auditor. A resolution concerning their appointment will be proposed at the forthcoming Annual General Meeting.

### **Approval of the annual report and financial statements**

The attached Annual Report and Financial Statements were approved by trustees at a meeting of the Board held on 07 April 2016 and are signed on their behalf by:

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**David N Kirk**  
Trustee

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**William T M Cleghorn**  
Trustee

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAUD ADVISORY PANEL**

We have audited the financial statements of Fraud Advisory Panel for the year ended 31 December 2015 which comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Trustees' Responsibilities set out on page 9, 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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 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 MATTERS 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
- 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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**William Devitt**

Head of Not for Profit, Central Region  
for and on behalf of Grant Thornton UK LLP  
Senior Statutory Auditor, Chartered  
Accountants  
Milton Keynes

07 April 2016

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2015

	Note	Unrestricted funds 2015 £	Unrestricted funds 2014 £
<b>Income and endowments from</b>			
<b>Income from donations and legacies</b>			
Membership subscriptions		55,599	56,979
Sponsorship donations		78,098	64,808
Investment income – bank interest		66	92
<b>Income from charitable activities</b>			
Event income		23,487	27,084
<b>Total income and endowments</b>		<u>157,250</u>	<u>148,963</u>
Expenditure on charitable activities	2	(159,304)	(142,930)
<b>Total expenditure</b>		<u>(159,304)</u>	<u>(142,930)</u>
<b>Net movement in funds</b>		<u>(2,054)</u>	<u>6,033</u>
Retained balance brought forward	3	<u>118,594</u>	<u>112,561</u>
Retained balance carried forward	3	<u><u>116,540</u></u>	<u><u>118,594</u></u>

All activities are continuing.

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

The notes on pages 16 to 17 form part of these financial statements.

**FINANCIAL STATEMENTS (CONTINUED)****BALANCE SHEET AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Current assets</b>			
Trade and other debtors		22,735	2,573
Prepayments and accrued income		1,163	12,356
Cash at bank and in hand		138,219	146,625
		<u>162,117</u>	<u>161,554</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year			
Accruals and deferred income		(44,963)	(41,990)
Amounts due to related undertaking		(614)	(970)
		<u>(45,577)</u>	<u>(42,960)</u>
<b>Net Assets</b>		<u>116,540</u>	<u>118,594</u>
<b>Funds of the charity</b>			
Unrestricted funds	4	<u>116,540</u>	<u>118,594</u>

Approved by the Board on 07 April 2016:

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**David N Kirk**  
Trustee

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**William T M Cleghorn**  
Trustee

The notes on pages 16 and 17 form part of these financial statements.

**FINANCIAL STATEMENTS (CONTINUED)****STATEMENT OF CASH FLOWS AT 31 DECEMBER 2015**

	2015 £	2014 £
<b>Cash Flows from operating activities</b>		
Net movement in funds	(2,054)	6,033
Adjustments for:		
(Increase)/decrease in trade and other debtors	(8,969)	1,182
Increase/(decrease) in creditors	2,617	1,923
Net cash movement from operating activities	<u>(8,406)</u>	<u>9,138</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(8,406)</b>	<b>9,138</b>
Cash and cash equivalents at the beginning of year	146,625	137,487
<b>Cash and cash equivalents at end of year</b>	<b><u>138,219</u></b>	<b><u>146,625</u></b>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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 (FRS 102) revised in 2015 titled 'Accounting and Reporting by Charities' and Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

After reviewing the forecasts and projections, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

b. Income

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

Membership subscriptions are recognised in the accounting period to which the services covered by those subscriptions relate. Membership income deferred at the year end in relation to 2016 was £35,019 (2015: £28,838).

Grant funding received from ICAEW is recognised quarterly. For 2015 this amounted to £64,948 (2014: £63,056).

Other income is recognised when it is receivable.

c. Expenditure

Expenditure is recognised when it is incurred on the following basis.

- Charitable activities – expenditure associated with the delivery of the charitable company's activities including events, publicity and those costs incurred in the governance of the charitable company's assets and are associated with constitutional and statutory requirements, including external audit and trustees' expenses.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2. Charitable activities

	2015	2014
	£	£
Employment costs	90,755	89,740
Direct event costs	27,748	21,122
Publications	11,819	7,824
Website development	12,414	14,283
Special projects	-	8
Governance costs	8,097	5,488
Other expenses	8,471	4,465
	<u>159,304</u>	<u>142,930</u>

## FINANCIAL STATEMENTS (CONTINUED)

Fraud Advisory Panel has no direct employees. Two employees were seconded from ICAEW for the year. As in previous years, these employees did not fall within the £80-90k key management personnel salary band.

Trustees receive no remuneration for their services; their services are given voluntarily and they receive no benefits in kind. Expenses of £983 (2014: £767) were paid to trustees during the year for costs associated with travelling to meetings with members, consultants, stakeholders and prospective trustees, and speaking engagements on behalf of the Fraud Advisory Panel. Expenses of £275 (2014: £159) were paid for the services provided to trustees including meeting room hire, training and refreshments.

There are no contracts of service between the charitable company and the trustees.

The auditor's remuneration amounted to £2,610 (2014: £1,687) inclusive of irrecoverable VAT. The figure for 2015 includes the FRS 102 transition audit fee.

As a registered charity, there is no liability to corporation tax on income and gains applied for charitable purposes.

### 3. Reconciliation of movements in funds

	2015 £
Members' funds at 1 January	118,594
Deficit for the year	<u>(2,054)</u>
Members' funds at 31 December	<u>116,540</u>

Unrestricted reserves are the 'free' reserves of the charitable company.

### 4. Members' liability

The charitable company is limited by guarantee. Each member (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.

### 5. Related party transactions

Fraud Advisory Panel is a charitable company limited by guarantee which was established in 1998 through a public-spirited initiative by the ICAEW. At the end of the year £614 (2014: £970) was owed to ICAEW in relation to general running costs.

