

Company Number 4327390

**FRAUD ADVISORY PANEL
(LIMITED BY GUARANTEE)**

ANNUAL REPORT

FOR THE PERIOD ENDED

31 DECEMBER 2002

FRAUD ADVISORY PANEL
(LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements of the company for the period ended 31 December 2002.

The company is a company limited by guarantee.

ACTIVITIES

The Company was incorporated on 22nd November 2001. The main activity of the Company is the carrying out of research into and education in all aspects of fraud prevention, detection, investigation, prosecution and deterrence.

Prior to the Company's incorporation the activities of the Fraud Advisory Panel were carried out as a committee of the Institute of Chartered Accountants in England and Wales (ICAEW). The Company commenced raising funds in its own right with effect from 1 January 2002 although the majority of its activities continued to be carried out through and funded by the ICAEW. The ICAEW gave a commitment during 2000 to provide funds to support the Panel's work to a maximum of £37,500 for that year and to continue to provide funds until at least until 2003. The ICAEW has undertaken to donate the cumulative balance of committed funds unspent as at 31 December 2002 to the Company and also to make the committed funds for 2003 available to it during that year.

Under the constitution of the Company, no amounts can be distributed to members and any surplus/(deficit) is carried forward to offset future expenses/revenue of the Company.

The company made a surplus of £62,191 for the period which included a contribution of £21,960 in respect of prior years operations and this has been transferred to reserves.

DIRECTORS

The directors holding office during the period were as follows:

G. W. Staple	(appointed 22 November 2001)
G. Acher	(appointed 22 November 2001)
A. J. Bingham	(appointed 22 November 2001)
W. T. M. Cleghorn	(appointed 22 November 2001, resigned 4 March 2002)
E.R. Eisenberg	(appointed 5 February 2002)
N. R. Griffiths	(appointed 5 February 2002)
M. A. Hoare	(appointed 5 February 2002)
S. N. Philippsohn	(appointed 5 February 2002)
M.C. Robinson	(appointed 5 February 2002)

None of the directors had any financial interest during the period in the Company since it is limited by guarantee.

Mr. A J Bingham resigned as a director on 14 April 2003.

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REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A proposal to re-appoint RSM Robson Rhodes as auditors will be made at the Annual General Meeting.

By order of the Board

H. C. Fay
Secretary
Date:

FRAUD ADVISORY PANEL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRAUD
ADVISORY PANEL LIMITED

We have audited the financial statements on pages 4 to 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom Accounting Standards are set out in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

We read the information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Directors' Report.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes
Chartered Accountants and Registered Auditor
London
Date: April 2003

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PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED
31 DECEMBER 2002

	2002
	£
Turnover	
Contribution in respect of previous years	21,960
Membership subscriptions	22,122
Sponsorship and donations	26,238
Other income	620
	<hr/> 70,940
Expenditure	
Administrative expenses	8,749
Surplus for the period before taxation	2 <hr/> 62,191
Tax on surplus for the period	3 -
Retained surplus for the period	<hr/> 62,191
Retained balance brought forward	-
Retained balance carried forward	<hr/> <hr/> 62,191

All activities are continuing

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

The notes on pages 6 to 7 form part of these accounts

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BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £
Current Assets		
Debtors	4	62,191
		<hr/> 62,191
Creditors: amounts falling due within one year		-
Net current assets		<hr/> <hr/> 62,191
Capital and Reserves		
Profit and loss account	5	<hr/> <hr/> 62,191

Approved by the Board on

M. C. Robinson
Director

G.W. Staple
Director

The notes on pages 6 to 7 form part of these accounts.

FRAUD ADVISORY PANEL
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are prepared under the historical cost convention on a going concern basis and in accordance with applicable United Kingdom accounting standards

b. Income

Income is accounted for as it is received.

2. SURPLUS FOR THE PERIOD BEFORE TAXATION

The Company has no employees.

The directors receive no remuneration for their services.

There are no contracts of service between the Company and the Directors.

The auditors' remuneration amounted to £1,410 inclusive of irrecoverable VAT.

3. TAXATION

The Company has no liability to Corporation Tax based on its ordinary activities as it operates on a not for profit basis.

4. DEBTORS

Other debtors comprise £62,191 receivable from ICAEW in respect of the balance of committed funds unspent as at 31 December 2002.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2002

5. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2002 £
Surplus for the period	62,191
Opening Members' funds	-
Closing Members' funds	<u>62,191</u>

6. FUNDING BY ICAEW

The expenses borne by the Institute during the calendar year ended 31 December 2002.

	2002 £
Administrative expenses	
Employment costs	30,717
Other expenses	33,545
	<u>64,262</u>

7. MEMBERS' FUNDS

The Company is limited by guarantee. Each member of the Company has guaranteed to pay £1.