

Company Number 4327390

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

**ANNUAL REPORT**

**FOR THE PERIOD ENDED**

**31 DECEMBER 2003**

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

**REPORT OF THE DIRECTORS**

The Directors submit their report and the financial statements of the Company for the year ended 31 December 2003.

The Company is a company limited by guarantee.

**ACTIVITIES**

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.

The Institute of Chartered Accountants in England and Wales (ICAEW) has committed to provide continuing funds to support the Panel's work to a maximum of £44,000 per annum for the years 2004 to 2006 and to provide accommodation and associated overheads at no cost to the Panel for 2004.

Under the constitution of the Company, no amounts can be distributed to members and any surplus or deficit is carried forward in the Company.

The company made a surplus of £2,428 for the period and this has been transferred to reserves.

**DIRECTORS**

The directors holding office during the period were as follows:

G. Acher	
F.J. Banks	(appointed 1 April 2003)
A. J. Bingham	(resigned 14 April 2003)
E.R. Eisenberg	(resigned 4 September 2003)
N. R. Griffiths	
M. A. Hoare	(resigned 27 November 2003)
W. Kenyon	(appointed 27 November 2003)
S. N. Philippsohn	
A. Plavsic	(appointed 27 November 2003)
P. M. Raphael	(appointed 27 November 2003)
M.C. Robinson	(resigned 2 September 2003)
G. W. Staple	(resigned 30 April 2003)
R. Wright	(appointed 1 May 2003)

None of the directors had any financial interest during the period or the previous period.

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**REPORT OF THE DIRECTORS (Continued)**

**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 LLP as auditors will be made at the Annual General Meeting.

By order of the Board

R.Wright  
Director  
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 auditors' 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 2003 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP  
Chartered Accountants and Registered Auditor  
London  
Date: June 2004

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**PROFIT AND LOSS ACCOUNT FOR THE**  
**YEAR ENDED 31 DECEMBER 2003**

		2003	2002
	Note	£	(As restated) £
<b>Turnover</b>			
Contribution in respect of previous years		-	21,960
Membership subscriptions		32,283	4,764
Sponsorship and donations		47,010	26,238
Other income		4,179	620
		<u>83,472</u>	<u>53,582</u>
<b>Administrative expenses</b>	2	81,044	8,749
		<u>2,428</u>	<u>44,833</u>
<b>Surplus for the period before taxation</b>			
Tax on surplus for the period		-	-
		<u>2,428</u>	<u>44,833</u>
<b>Retained surplus for the period</b>	2		
Retained balance brought forward as restated		<u>44,833</u>	<u>-</u>
Retained balance carried forward	5	<u>47,261</u>	<u>44,833</u>

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 2003**

	Note	2003 £	2002 (As restated) £
<b>Current Assets</b>			
Other debtors	4	-	62,191
Cash at bank and in hand		74,175	-
		<u>74,175</u>	<u>62,191</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		2,089	-
Accruals and deferred income		24,825	17,358
		<u>26,914</u>	<u>17,358</u>
<b>Net current assets</b>		<u>47,261</u>	<u>44,833</u>
<b>Capital and Reserves</b>			
Profit and loss account	5	<u>47,261</u>	<u>44,833</u>

Approved by the Board on

R. Wright  
Director

F.J. Banks  
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 YEAR ENDED 31 DECEMBER 2003**

**1. ACCOUNTING POLICIES**

a. Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

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. This represents a change in accounting policy with respect to membership subscriptions which were previously recognised in the accounting period in which they were received and is considered to reflect more fairly the results from the ongoing activities of the Company. Comparative results have been restated accordingly. The impact on the results for the year ended 31 December 2002 was to reduce the income and surplus by £17,358.

**2. SURPLUS FOR THE PERIOD BEFORE TAXATION**

The Company has no direct employees. One employee was seconded to the Company from the ICAEW during the year. The employment costs amounted to £36,624.

The directors receive no remuneration for their services. Prior to his resignation in the year, M C Robinson carried out work in this period to a value of £1400 after referral from the Panel.

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

The auditors' remuneration amounted to £1,398 (2002 £1,410) inclusive of irrecoverable VAT.

During the calendar year 31 December 2002 administrative expenses of £64,262 were borne by the ICAEW. All expenditure was borne directly by the Company in 2003.

**3. TAXATION**

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**4. DEBTORS**

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

**5. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	2003
	£
Surplus for the period	2,428
Opening Members' funds as previously stated	<u>62,191</u>
Prior year adjustment	<u>(17,358)</u>
Opening Members' funds as restated	<u>44,833</u>
Closing Members' funds	<u><u>47,261</u></u>

**6. MEMBERS' FUNDS**

The Company is limited by guarantee. Each member of the Company has guaranteed £1 on winding up or dissolution of the Company.