



Registered Charity Number: 1108863
Company Number: 04327390

FRAUD ADVISORY PANEL
(Limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2007

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

The Board of Trustee Directors submit their report and the financial statements of the Company for the year ended 31 December 2007.

ADMINISTRATIVE DETAILS

Company Name	Fraud Advisory Panel ('Panel')
Charity Registration Number	1108863
Company Registration Number	04327390 company limited by guarantee
Registered / Principal Office	Chartered Accountants' Hall, PO Box 433, Moorgate Place, London, EC2P 2BJ
Board of Trustee Directors	<i>Chairman</i> R Wright W T M Cleghorn K C Farrow J S Fisher N R Griffiths S M Hill W Kenyon S N Philippsohn A Plavsic P M Raphael <i>ICAEW Appointed Members</i> F J Banks <i>Co-opted Members</i> J P Perry No other Trustee Directors served during the year
Company Secretary	M Campbell, Manager
Auditors	Grant Thornton UK LLP Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
Bankers	National Westminster Bank plc Milton Keynes Branch, 501 Silbury Boulevard, Saxon Gate East, Milton Keynes, MK9 3ER
Solicitors	None

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Panel is a charitable company limited by guarantee. It was founded 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 5 April 2005.

The Panel is governed by its Memorandum and Articles of Association as amended by special resolution on 10 March 2005 and 26 September 2007.

Membership

Membership to the Fraud Advisory Panel is open to individuals, companies and other organisations with an interest in the detection, investigation, prosecution and prevention of fraud on payment of an annual subscription fee. This fee may be waived in exceptional circumstances where an identifiable conflict of interest may arise if the individual were to become a paid member, such as some Government departments. These individuals are accorded 'observer' status.

Fully paid up members are entitled to vote at any general meeting. Companies or organisations only have one vote and must appoint a representative for this purpose.

All members must comply with a Code of Conduct.

Board of Trustee Directors

The Fraud Advisory Panel's Board of Trustee Directors has overall legal and financial responsibility for the Panel. The Board comprises a minimum of three and a maximum of 15 trustee directors who are appointed by ordinary resolution of the company for a fixed period not exceeding three years.

A maximum of three trustee directors may be co-opted to serve at any one time. The ICAEW also has the right to appoint up to one-third of the directors by notice in writing to the company.

A special resolution was passed on 26 September 2007 to dispense with the requirement for trustee directors to retire after serving six consecutive years by deleting existing articles of association 60.2 and 60.3:

60.2 After serving a total period of six consecutive years a Director so appointed must retire unless the Directors resolve unanimously that such Director should not be obliged to retire.

60.3 A Director retiring by virtue of Article 60.2 shall not be eligible for re-election under Article 60 until a period of at least one year has elapsed.

Induction and Training

On election each new trustee director receives an induction handbook containing a copy of the memorandum and articles of association, latest annual report and accounts, and a range of organisational policies and documents. It also includes a selection of guidance published

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

by the Charity Commission, Companies House and the National Council for Voluntary Organisations (NCVO).

Upon becoming a registered charity in 2005 all trustee directors received trustee and governance training through the NCVO. The need for additional training is reviewed on an annual basis.

Decision Making

The Board of Trustee Directors usually meets six times a year to consider matters relating to the management and governance of the Panel. It is supported by two full-time staff seconded from the ICAEW.

The Manager is responsible for the day-to-day management of the Panel and is also the company secretary.

Risk Management

A review of the major risks to which the Fraud Advisory Panel is exposed, including an assessment of fraud and error risk, was undertaken by the Board of Trustee Directors in 2005. This review confirmed that systems have been established to regularly assess and mitigate these risks.

An assessment of insurance risk was conducted at the end of the current year to ensure that the Panel's insurances are adequate and appropriate.

OBJECTIVES AND ACTIVITIES

The 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, education, collaboration and advice.

The Panel furthers this object exclusively for the benefit of the public in the United Kingdom and elsewhere in accordance with the law of charity in England and Wales.

In furtherance of this object the Panel aims to reduce the harm caused by fraud by raising awareness of the immense human, social and economic damage caused by fraud and to help the private and public sectors, and the public at large, to develop effective remedies. The Panel does this through:

- Advising Government, business and the general public on fraud prevention, detection and reporting
- Assisting to improve fraud-related education and training to business, the professions and the general public, and
- Undertaking research to establish a more accurate picture of the extent, causes and nature of fraud.

Much of the Panel's detailed work is conducted by volunteers via multi-disciplinary groups. These groups report to the project working group which supervises the company's charitable activities.

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

The Panel's Trustee Directors have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake.

ACHIEVEMENTS AND PERFORMANCE

2007 was a busy and successful year for the Fraud Advisory Panel. Staff, Board members and volunteers collectively contributed to a number of key achievements in each of the three principal areas of charitable activity for the period. Particular emphasis was given to raising the profile and presence of the Fraud Advisory Panel outside of London to enhance our reputation as the national watchdog on fraud and financial crime.

A total of four regional events were held by the Panel in Castle Donnington, Edinburgh, Birmingham and Leeds. These events were made possible through the support of corporate members KPMG LLP, PKF (UK) LLP, PricewaterhouseCoopers LLP, and RSM Bentley Jennison.

Representatives also spoke at events arranged by other organisations in Birmingham and Newcastle-upon-Tyne.

Advice and Information

Aim:	To publish advice and information on a range of current or emerging fraud-related issues
Status:	Achieved

The Fraud Advisory Panel published advice and information on a range of fraud-related subjects during 2007. All publications are available to download free from the Panel's website. Key achievements were:

- Highlighting the importance of setting and maintaining high standards of ethical behaviour in business and public life in order to prevent fraud in the Panel's 9th Annual Review 2006 – 2007 entitled *Ethical Behaviour is the Best Defence Against Fraud*.
- Publishing guidance for business and individuals on identity fraud covering how to detect identity fraud and the steps that can be taken to reduce the risk of becoming a victim.
- Producing a short directory of the main criminal justice agencies that have a remit to investigate and prosecute some frauds against private sector businesses.
- Raising awareness of the legal loopholes that expose web-based virtual communities to the threat of fraud and organised crime via a dedicated media campaign.
- Publishing *Protecting Your Payments Online: An introduction to internet payment systems* in September which provides an overview of the main types of internet payment systems and what consumers can do to protect themselves when purchasing online.
- Issuing an occasional paper on *Fraud in Research: Is it new or just not true?* which outlines the proceedings of a conference on fraud and misconduct in scientific and medical research held on 8 May.

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

- Acting as a referral agency for fraud-related enquiries received via the website, telephone and post from members of the public.
- Providing regular updates to members on current activities, forthcoming events and industry developments via a quarterly electronic newsletter.
- Updating the Fraud Advisory Panel website on emerging fraud issues and current developments. The number of visitors to the website increased in 2007 to 14,263 (2006: 12,369).

Aim:	To produce best practice guidance on the release of data in fraud investigations
Status:	Partly achieved

A special project group was established in early 2007 to produce and publish best practice guidance on data protection and fraud investigations. Completion of the project has been postponed until 2008.

Aim:	To strengthen linkages with other organisations to facilitate future collaboration on issues of mutual interest, particularly the Government Fraud Review
Status:	Achieved

The Fraud Advisory Panel has made some significant progress in developing linkages with new organisations and strengthening existing relationships. Key achievements were:

- Contributing to the establishment of the National Fraud Strategic Authority through representation on the steering committee by the Chairman, Rosalind Wright CB QC.
- Co-hosting joint events with the ICAEW IT Faculty and the Institute of Internal Auditors – UK and Ireland ('IIA').
- Liaising with accountancy professional bodies to publicise the Fraud Advisory Panel's regional workshops on *The Role of the Accountant in Fraud Risk Management*.
- Producing articles on a range of fraud-related subjects for Accountancy magazine and the ICAEW Finance Faculty's FS Focus magazine.

Aim:	To contribute to the development of public policy on fraud by responding to Government consultation papers
Status:	Achieved

In 2007 the Panel responded to a number of consultation papers of direct relevance to fraud and financial crime. In addition, the Panel also continued to monitor developments in relation to the Government Fraud Review advocating the need for adequate financial investment and making new recommendations where desirable. Key achievements were:

- Submitting a response to the Sentencing Advisory Panel's consultation on *Sentencing for Fraud Offences* in December. The Panel's response welcomed the tenor of the consultation paper but expressed reservations that the recommendations were not sufficiently victim-centric and needed to take greater account of victims in

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

compensation, asset confiscation, sentencing bands and the discount resulting from plea bargains.

- Responding to other relevant consultation papers including *Disclosure of Death Registration Information for Use in the Prevention, Detection, Investigation or Prosecution of Offences* (Registrars General for England and Wales, Northern Ireland and Scotland), *Use of Resources: Proposals for assessments taking place in 2008* (Audit Commission), *Asset Recovery Action Plan* (Home Office), and the *Partial Regulatory Impact Assessment: Regulations to implement the Private Sector Industry Act 2001 in respect of private investigation and precognition agents* (Home Office).
- Developing six new policy proposals in the 9th Annual Review 2006 - 2007 to complement the Government's initiatives to establish a National Fraud Strategic Authority, National Fraud Reporting Centre and Lead Force on Fraud.

Education and Training

Aim:	To offer a free one-hour introductory fraud awareness presentation to organisations
Status:	Achieved

The Panel has continued to offer a one-hour introductory fraud awareness presentation entitled *Fraud: Is this a risk you manage* to organisations upon request. One session was delivered during 2007.

Topics covered include the Fraud Act and other Government initiatives, fraud in organisations, fraudster profiles and warning signs, key internal controls, and action planning.

Initial sessions are offered free to organisations whilst subsequent sessions are offered on a fee-for-service basis. Past beneficiaries have included financial institutions, charities, museums, professional bodies, industry forums, and local and central government.

Aim:	To host an annual programme of seminars and conferences on a range of fraud-related subjects
Status:	Achieved

For the second consecutive year the Fraud Advisory Panel has run an annual events programme comprising of a combination of discussion forums, seminars and conferences, lectures and debates on a range of fraud-related topics. Key achievements are:

- Staging a major conference on fraud and misconduct in research in May. Speakers included experts from the scientific, biomedical and academic fields. An occasional paper outlining the proceedings of the conference was published in November.
- Running a series of regional workshops on *The Role of the Accountant in Fraud Risk Management* to provide accountants working in practice and business with a holistic overview of fraud and fraud risk management techniques. The roadshow has visited London, Castle Donnington, Edinburgh and Birmingham with additional venues planned for early 2008.
- Holding four half-day seminars on VAT and tax fraud, consumer bankruptcy, retail fraud and fraud investigations, as well as the Biennial Great Fraud Debate.

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

- Co-hosting two evening lectures on corporate identity fraud and e-crime with the ICAEW IT Faculty and a full-day conference on developing a cross-sector perspective on fraud with the IIA.
- Hosting three discussion forums covering fraud management in the financial services sector, best practice in fraud reporting, and good governance and fraud risk management. These half-day workshops are designed to encourage delegates to discuss specialist subjects in depth. Discussion forums are offered free to members of the Panel as a benefit of membership. A nominal fee is charged to non-members to cover costs.

Aim:	To consider other educational initiatives aimed at raising awareness of fraud
Status:	Achieved

In late 2007 the Fraud Advisory Panel agreed in principle to develop and deliver a fraud course entitled *Fraud Risk and the Internal Auditor* for the IIA. The course is aimed at auditors and risk managers at any level from any sector and has been included in the IIA's training brochure for 2008.

Research

Aim:	To advance proposed research into the human and social impact of fraud
Status:	Not Proceeding

The Board of Trustee Directors decided against proceeding with proposed research into the human and social impact of fraud for the following reasons:

1. Similar research was published by the Centre for Crime and Justice Studies on the impact of corporate fraud.
2. The cost of commissioning a comprehensive piece of research into the social impact of fraud is too prohibitive.
3. The Panel has already highlighted the impact of fraud on victims as part of its Annual Review 2004 – 2005 on the *Human Cost of Fraud* and its roundtable on the *Victims of Fraud* in 2006 which resulted in the publication of an occasional paper on the subject.
4. The Panel may be able to add more value by deferring research into the victims of fraud until after the establishment of the National Fraud Reporting Centre.

Other Activities

Aim:	To develop a financial plan for the Panel
Status:	Achieved

The Fraud Advisory Panel has developed a fundraising strategy and matrix for implementation during 2008. Key priority areas are membership growth and retention, and increasing sponsorship and donations. The purpose of this strategy is to ensure the long-term financial sustainability of the Panel.

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For the year ended 31 December 2007

FINANCIAL REVIEW

Incoming Resources

Key sources of income during the year include:

- Funding from the ICAEW of £53,000 (2006: £49,620). The 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 2007.
- Membership subscriptions of £53,776 (2006: £51,017). On 26 September 2007 members resolved to increase membership subscriptions by 6% to £53 for individuals and £1,060 for corporates with effect from 1 January 2008.
- Event income of £28,902 (2006: £16,967) derived from the Panel's annual programme of seminars, conferences, lectures, and discussion forums. This includes a total of £1,000 worth of sponsorship received for the Fraud in Research conference and Great Fraud Debate.
- Donations of £11,706 (2006: £23,240), including donations totalling £9,956 from the Association of Certified Fraud Examiners (ACFE).
- Sponsorship of £2,000 (2006: Nil) from Royal and Sun Alliance for the Fraud Advisory Panel website.

Under the constitution of the company, no amounts can be distributed to members and any surplus or deficit is carried forward in the company. All income is applied solely towards the promotion of the Panel's object.

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

Resources Expended

The Panel's expenditure has increased to £151,498 (2006: £135,571) due to the increase in charitable activities for the period.

Allocated Funds

Data Protection Research

In 2004 the Fraud Advisory Panel commissioned research into *Perceptions on the Impact of Data Protection Legislation Upon the Successful Private Sector Investigation of Fraud*. The project was funded by sponsorship income received during 2004/2005. Expenses were borne by the Panel during 2005/2006.

Remaining sponsorship income of £3,661 will be used during 2008 to fund the development of guidance to address some of the major concerns identified in the preliminary research.

Human (Social) Impact of Fraud Research

In 2006/2007 the Panel allocated funds of £14,000 to commission research into the social impact of fraud. Funds allocated to this research project will now be made available for other activities.

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For the year ended 31 December 2007

Accountant Roadshow

The Panel allocated funds of £5,000 to undertake a series of regional workshops on *The Role of the Accountant in Fraud Risk Management* during 2007/2008. At the end of 2007 £1,730 of these funds had been spent on delivering four workshops. Two additional workshops are planned for 2008.

Reserves Policy

A new reserves policy was adopted on 1 March 2007 which requires the Panel to maintain sufficient free revenue reserves to meet the equivalent of at least three months operating costs.

At the end of the year the Panel held unrestricted funds of £105,435. This is considered appropriate based upon the anticipated operating expenditure for 2008.

The reserves policy is reviewed annually by Trustee Directors.

PLANS FOR THE FUTURE

2008 marks the 10th anniversary of the formation of the Fraud Advisory Panel. In recognition of this milestone it is intended to undertake some landmark work to further enhance the Panel's reputation and to establish its position as the centre for thought leadership on fraud in the United Kingdom.

Three key projects will be undertaken on bribery and corruption, local authority fraud and charity fraud. These projects will straddle some or all of the Panel's principal areas of activity.

Other proposed activities will continue as usual.

Advice and Information

- To prepare ad hoc publications on current or emerging fraud issues and to make these available from the Fraud Advisory Panel website.
- To publish best practice guidance on data protection as it relates to the investigation of private sector fraud. The Information Commissioner's Office (ICO) will be consulted as part of the project.
- To continue to improve relationships with other organisations in order to facilitate collaboration on issues of mutual interest.
- To contribute to the development of a national agenda on fraud through participation on relevant external stakeholder groups and the preparation of responses to Government consultation papers.

Education and Training

- To continue to offer a free one-hour introductory fraud awareness presentation *Fraud: Is this a risk you manage?* to organisations upon request.
- To develop and implement an annual programme of seminars and conferences on a range of fraud-related subjects. This will include a major conference and dinner on fraud prevention in recognition of the Panel's 10th anniversary.

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For the year ended 31 December 2007

- To consider other educational initiatives aimed at raising awareness of fraud across and within various sectors.

Research

- To identify any gaps in the prevailing knowledge or understanding of local authority fraud, bribery and corruption and charity fraud.

Other Activities

- To commence implementation of the Fraud Advisory Panel's fundraising strategy.
- To consider other initiatives to strengthen the governance and management of the Fraud Advisory Panel.
- To develop a strategy to highlight fraud issues likely to be of interest to business, the professions and the general public.
- To develop additional initiatives to continue to enhance the Fraud Advisory Panel's regional profile.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the trustee directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs and of its financial activities during the year. In preparing these financial statements the trustee 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 the SORP Accounting and Reporting by Charities' revised 2005;
- And prepared the financial statements on the going concern basis.

The trustee directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations thereunder. The trustee directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each person who is a trustee director at the date of approval of this report confirms that:

- So far as the trustee director is aware, there is no relevant audit information of which the company's auditors are unaware; and

REPORT OF TRUSTEE DIRECTORS

For the year ended 31 December 2007

- Each trustee director has taken all the steps that he/she ought to have taken as a trustee director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 234ZA of the Companies Act 1985.

Auditors

RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 2 July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 17 July 2007, creating a casual vacancy which the directors have filled by appointing Grant Thornton. 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 Board held on Thursday 1 May 2008 and are signed on their behalf by:

R Wright
Trustee Director

F J Banks
Trustee Director

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE FRAUD ADVISORY PANEL

For the year ended 31 December 2007

We have audited the financial statements of the Fraud Advisory Panel for the year ended 31 December 2007 which comprise the statement of financial activities, the income and expenditure account, the balance sheet, the cash flow statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them 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 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 Directors and auditors

The responsibilities of the Trustee Directors (who are also the directors of the Fraud Advisory Panel for the purposes of company law) for preparing the Report of the Trustee Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the Trustee Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 regarding Trustee Directors' remuneration and transactions with the charitable company is not disclosed.

We read the Report of the Trustee Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements made by the Trustee Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE FRAUD ADVISORY PANEL

For the year ended 31 December 2007

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustee Directors is consistent with the financial statements for the 31 December 2007.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
Hemel Hempstead

FINANCIAL STATEMENTS

For the year ended 31 December 2007

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account) For the year ended 31 December 2007

	Note	Unrestricted funds 2007 £	Unrestricted funds 2006 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income - membership subscriptions		53,776	51,017
Voluntary income - sponsorship donations		66,706	72,860
Investment income – bank interest		4,701	3,012
Incoming resources from charitable activities			
Event income		28,902	16,967
Total incoming resources		<u>154,085</u>	<u>143,856</u>
Resources expended			
Charitable activities	2	148,891	129,987
Governance costs	3	<u>2,607</u>	<u>5,584</u>
Total resources expended		<u>151,498</u>	<u>135,571</u>
Net income for the year		<u>2,587</u>	<u>8,285</u>
Retained balance brought forward	4	<u>102,848</u>	<u>94,563</u>
Retained balance carried forward	4	<u><u>105,435</u></u>	<u><u>102,848</u></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 16 to 17 form part of these financial statements.

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For the year ended 31 December 2007

BALANCE SHEET AT 31 DECEMBER 2007

	Note	2007 £	2006 £
Current assets			
Trade debtors		9,936	4,294
Other debtors		3,923	452
Prepayments and accrued income		1,297	-
Cash at bank and in hand		<u>129,576</u>	<u>133,756</u>
		<u>144,732</u>	<u>138,502</u>
Current liabilities			
Creditors: amounts falling due within one year		504	685
Other tax and social security payable		342	-
Accruals and deferred income		<u>38,451</u>	<u>34,969</u>
		<u>39,297</u>	<u>35,654</u>
Net Assets		<u>105,435</u>	<u>102,848</u>
Funds of the charity			
Unrestricted funds	4	<u>105,435</u>	<u>102,848</u>

Approved by the Board on Thursday 1 May 2008.

R Wright
Trustee Director

F J Banks
Trustee Director

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

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For the year ended 31 December 2007

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

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 1995 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

	2007	2006
	£	£
Employment costs	72,387	57,566
Direct event costs	34,145	21,743
Publications	27,871	27,565
Fraud research	-	3,243
Website development	7,000	7,000
Other expenses	7,488	12,870
	<u>148,891</u>	<u>129,987</u>

The Company has no direct employees. Two employees were seconded to the Company from the 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 out of pocket expenses of £0 (2006: £100) were paid during the year, and are included within governance costs. Volunteers expenses of £538 (2006: £2,393) were paid for the services provided to Trustee Directors, including meeting room hire and refreshments, and are also included within governance costs.

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

The auditors' remuneration amounted to £1,550 (2006: £1,500).

As a registered charity, the Company has no liability to corporation tax.

FINANCIAL STATEMENTS

For the year ended 31 December 2007

4. Reconciliation of Movements in Funds

	2007
	£
Members' funds at 1 January	102,848
Surplus for the year	<u>2,587</u>
Members' funds at 31 December	<u>105,435</u>

5. Members' Funds

The Company is limited by guarantee. Each member of the Company (being those individuals who have subscribed to membership) has guaranteed £1 on winding up or dissolution of the Company.