



Registered Charity Number: 1108863
Company Number: 04327390

FRAUD ADVISORY PANEL
(Limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2009

Report of Trustee Directors

For the year ended 31 December 2009

The Board of Trustee Directors submits their report and the financial statements of the Company for the year ended 31 December 2009.

ADMINISTRATIVE DETAILS

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
Board of Trustee Directors	<i>Chairman</i> R Wright D M Clarke (appointed 10 September 2009) W T M Cleghorn J S Fisher N R Griffiths B J Hart (appointed 10 September 2009) S M Hill W Kenyon J P Perry (resigned 01 May 2009) S N Philippsohn A Plavsic P M Raphael D Skade (appointed 10 September 2009) <i>Co-opted members</i> P C Hagon (appointed 03 December 2009) <i>ICAEW appointed members</i> F J Banks 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 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Fraud Advisory Panel (the 'Panel') is a registered charity and company limited by guarantee. It was established in 1998 through a public-spirited initiative by The Institute of Chartered Accountants in England and Wales (the '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.

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.

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

The training requirements of trustee directors are reviewed on an annual basis.

Decision making

The Board of Trustee Directors meets six times each year to consider matters relating to the governance and management of the Panel.

The Board 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.

Report of Trustee Directors

For the year ended 31 December 2009

Risk management

The Board of Trustee Directors reviewed the major risks to which the Fraud Advisory Panel is exposed in 2009. An independent assessment of fraud and error risk was conducted by the ICAEW Head of Internal Audit in December. Systems and procedures have been established to regularly assess and mitigate any risks that are 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, 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.

Main activities

In furtherance of this object the Fraud Advisory 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 individuals and organisations develop effective strategies to prevent it. The Panel does this through:

- Advising Government, business and the general public on fraud prevention, detection and reporting
- Improving education and training in business and the professions as well as amongst the general public, and
- Undertaking research to establish a more accurate picture of the extent, causes and nature of fraud.

Activities are aimed at those actually or potentially affected by fraud.

Much of the Panel's detailed work is undertaken by volunteers via a range of multi-disciplinary groups. The Board of Trustee Directors supervises all Company activities.

Public benefit

The Board of Trustee Directors have paid due regard to the guidance on public benefit published by the Charity Commission in exercising their duties and determining the activities in which the Fraud Advisory Panel engages.

Performance is periodically reviewed throughout the year to ensure that activities are consistent with the stated aims and objectives of the Fraud Advisory Panel.

ACHIEVEMENTS AND PERFORMANCE

2009 was one of the Fraud Advisory Panel's most productive and successful years to date. The Board of Trustee Directors, volunteer members and staff contributed to a broad range of initiatives aimed at reducing the harm caused by fraud.

A particular emphasis was placed on highlighting the fraud risks during an economic recession and the provision of practical prevention advice and information to individuals and businesses to better protect themselves against it.

Advice and information

Aim: To highlight new and/or emerging fraud issues and to examine ways to address them effectively

The provision of advice and information to both individuals and organisations is the cornerstone of much of the Fraud Advisory Panel's work – including educational and research initiatives – and is based upon the premise that knowledge and awareness are the key to effective fraud prevention.

Much of the Panel's work in this area has been to raise awareness of the new and emerging fraud issues including:

- Highlighting the increased risk of fraud during the recession in articles contributed to magazines and newspaper supplements and through presentations delivered at external conferences.
- Publishing practical guidance for smaller businesses on *Fraud in a Recession* which included simple prevention techniques.
- Acting as a referral agency for fraud-related enquiries received from members of the public. Since late October this has included referrals to the National Fraud Authority's 'Action Fraud' reporting centre (where appropriate).
- Updating members of the Fraud Advisory Panel on current counter fraud initiatives (including the Panel's own work) via a quarterly e-newsletter.
- Maintaining the website www.fraudadvisorypanel.org. The number of visitors to the site increased in 2009 to 21,070 (2008: 17,894).

Aim: To publish best practice advice on fraud investigation, prevention and detection for individuals and organisations
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In addition to highlighting current fraud trends the Fraud Advisory Panel also published best practice advice and information on a range of fraud-related subjects during 2009. All publications are available free to download from the Panel's website. Key achievements were:

- Advocating the need for a strong ethical culture and the importance of trust in countering the threat of fraud in the Panel's *11th Annual Review*.

Report of Trustee Directors

For the year ended 31 December 2009

- Publishing two new leaflets on *Complying with DPA 1998 Obligations* and *Anti-Money Laundering and Data Protection* to complete a series of six best practice guides for fraud investigators on current data protection requirements.
- Producing a series of short practical fraud prevention *Fraud Facts* for organisations and individuals on pre-employment screening, fraud hotspots in smaller businesses, investment scams, email and internet scams, the threats arising from social networks and virtual worlds, and bribery and corruption.

Aim: To develop strategic relationships with other relevant organisations to raise awareness of fraud and financial crime
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The Fraud Advisory Panel continued to work with other organisations to raise awareness of fraud across sectors and professional groups. Some new relationships were established, most notably with the City of London Crime Prevention Association, another registered charity based within the Square Mile. Key achievements were:

- Collaborating with the Institute of Internal Auditors – UK and Ireland on the annual joint conference and the provision of fraud-related training to the internal audit profession.
- Hosting high-profile events with the City of London Crime Prevention Association and the London Society of Chartered Accountants.
- Contributing articles to a number of external publications including *World Data Protection Report*, *ICAEW Charity and Voluntary Sector Group News*, *ICAEW Audit and Beyond*, *NCVO Engage*, *Charity Finance Yearbook 2010*, *ICAEW Finance and Management*, *Powerchex Update*, *Insider Magazine*, *ICAEW Forensic Group News* as well as fraud prevention supplements in *The Guardian* and *The Daily Telegraph*. Some of these articles are due for publication in early 2010.
- Working with members to secure support such as sponsorship and the provision of suitable venues and/or speakers for various Fraud Advisory Panel events. Special thanks for sponsorship go to Calyon, National Audit Office and McGrigors.

Aim: To contribute to the development of a national agenda on fraud
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During 2009 members of the Fraud Advisory Panel actively contributed to the development of a national agenda on fraud by:

- Giving evidence to the House of Lords Select Committee inquiry into money laundering and the financing of terrorism.
- Participating on relevant stakeholder groups including National Fraud Authority's *Victims of Fraud* working group and the ACPO Economic Crime Portfolio Group.
- Establishing a special project group to review the recommendations of the 1986 Fraud Trials Committee headed by Lord Roskill on the prosecution of fraud in the United Kingdom. The project is due for completion in 2010.
- Stimulating discussion and debate on new counter fraud initiatives and developments via the Panel's multidisciplinary working groups and annual events programme.

Report of Trustee Directors

For the year ended 31 December 2009

Education and training

Aim:	To develop and implement an annual programme of seminars and conferences on a range of fraud-related subjects for business and the professions
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The Fraud Advisory Panel successfully delivered a full programme of educational events during the 2009 year. A total of 18 events (including the AGM and launch of the charity fraud research findings) were convened representing a significant increase on the previous year (2008: 12 events).

No events were cancelled during the period although the impact of the recession may have attributed to lower than forecast attendance to some. This situation improved considerably toward the latter part of the year and the last four events were fully subscribed. Events included:

- Hosting an executive breakfast briefing at the Mansion House in conjunction with the City of London Crime Prevention Association on *Trust in the City: Tackling Fraud in the Square Mile*.
- Convening two major conferences on *The Globalisation of Fraud* and the annual event with the Institute of Internal Auditors – UK and Ireland on *Internal Audit and Fraud: Taking a Holistic Approach to Fraud Risk Management*.
- Running a series of six practical and participative half-day forums covering anti-money laundering, crisis planning, managing personal information, corporate governance, whistle-blowing, and bribery and corruption.
- Holding three seminars on procurement and contract fraud, managing the risk of fraud, and information security as well as an evening lecture on the threats associated with social networks and virtual worlds.
- Considering alternatives to fraud prosecution such as conditional cautions, serious crime prevention orders and deferred prosecutions at our biennial *Great Fraud Debate* held in conjunction with the London Society of Chartered Accountants.
- Organising four regional events in Newcastle, Manchester, Leeds and Belfast. These events were made possible through the support of corporate members Beever and Struthers, Deloitte, KPMG and the National Audit Office.

Aim:	To provide general fraud awareness education and training services to organisations
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The Fraud Advisory Panel continued to provide general fraud education and training services to organisations upon request. Special emphasis was placed on initiatives to improve fraud awareness within charity and voluntary sector bodies as part of the Panel's special project on the subject. Key achievements were:

- Speaking at seminars and conferences on a broad range of fraud-related subjects, including four presentations on charities and fraud. A total of 17 external speaker engagements were undertaken.

Report of Trustee Directors

For the year ended 31 December 2009

- Running two workshops for charity professionals on *Charities and Fraud: Protecting Assets, Beneficiaries and Staff* in London and Leeds. These practical and participative sessions provided attendees with an overview of the current charity and voluntary sector risk environment as well as techniques for fraud prevention and detection.
- Offering a free one-hour introductory fraud awareness presentation to organisations upon request. One session was delivered during 2009.

Aim: To contribute to the development of fraud-specific modules within the educational prospectuses offered by external providers

The Institute of Internal Auditors – UK and Ireland training prospectus for the 2009 year included two fraud courses delivered by the Fraud Advisory Panel - *Fraud Risk and the Internal Auditor* and *E-Crime and IT Fraud*. Three of four courses were cancelled.

Aim: To offer advice, training and support to organisations which provide assistance to the victims of fraud

Representatives of the Fraud Advisory Panel participated on the joint National Fraud Authority (NFA) and ACPO Economic Crime Portfolio *Support for Victims* working group which commissioned research into the experiences of fraud victims and the support available to them.

In late 2009 the Panel also commenced involvement in the NFA's *Support for SME Victims* pilot project. This will be ongoing in 2010.

Research

Aim: To identify any gaps in the prevailing knowledge and/or understanding of fraud prevention, detection, investigation, prosecution and deterrence that might benefit from research.

Much of the Fraud Advisory Panel's research activity was related to the special project on the nature and extent of fraud in the third sector. Key achievements were:

- Launching the results of research commissioned into the nature and extent of fraud in the charity sector at a dedicated breakfast briefing in February. Good media coverage was received particularly within the third sector press.
- Publishing a special report *Breach of Trust* to highlight the key findings of the research.
- Raising awareness of fraud within the sector and the ways to combat it through presentations delivered at charity and voluntary sector events and by convening two practical workshops for charity professionals.
- Contributing to the development of the National Fraud Authority's *Annual Fraud Indicator 2010* which estimated the cost of fraud to the charity sector at £32.2 million.

In addition the Fraud Advisory Panel also began a new special project to examine the prevention and detection of corporate fraud in the United Kingdom with particular regard to reporting mechanisms. The project is due for completion in 2010.

Report of Trustee Directors

For the year ended 31 December 2009

Other activities

Aim:	To implement initiatives to ensure the financial sustainability and governance of the Fraud Advisory Panel in the long term
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Initiatives to improve the governance and management of the Fraud Advisory Panel included:

- Appointing four new trustee directors to fill vacancies and to strengthen the knowledge, skills and experience available on the Board to ensure the Panel is well governed and run effectively.
- Canvassing members for their views on the activities of the Fraud Advisory Panel via an online membership survey. The results were used to inform the development of the 2010 operational plan.
- Introducing facilities to accept credit and debit card payments for subscriptions and event registrations.
- Enhancing the profile and reputation of the Fraud Advisory Panel by hosting joint events with other membership organisations and professional bodies, participating on relevant stakeholder working groups, and speaking at external events.

FINANCIAL REVIEW

Incoming resources

Key sources of income during the year include:

- Funding from the ICAEW of £57,192 (2008: £55,650). 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 2009. The ICAEW will not be increasing its funding contribution for the 2010 year.
- Membership subscriptions of £58,811 (2008: £60,613). On 1 January each year membership subscriptions increase by the rate of inflation as determined by the Retail Price Index (RPI) as at 30 September in the preceding year.
- Event income of £33,354 (2008: £46,996) derived from the Panel's annual event programme. In addition, a total of £7,978 (2008: £11,250) worth of event sponsorship was received for the *Trust in the City* breakfast briefing (so that it could be offered free of charge), *Procurement and Contract Fraud* seminar and the *Great Fraud Debate*.
- Donations of £1,100 (2008: £1,154).

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.

Report of Trustee Directors

For the year ended 31 December 2009

Resources expended

The Panel's expenditure has reduced to £153,228 (2008: £191,672) due to cost savings achieved in respect of our publications and events. In addition, no new research was commissioned during the period.

Allocated funds

Data protection research

Sponsorship income of £3,661 was allocated to the development of guidance for fraud investigators on the Data Protection Act 1998. A series of six best practice publications were produced during 2008/2009 at a total cost of £3,826.

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 Panel held unrestricted funds of £104,608 (2008: £99,288). This is considered appropriate based upon the anticipated operating expenditure for 2010.

The reserves policy is reviewed on an annual basis by the Board of Trustee Directors. It was last reviewed on 5 February 2009.

PLANS FOR THE FUTURE

In 2010 the Fraud Advisory Panel will focus on initiatives to enhance the capacity of businesses and individuals to prevent and detect fraud. Business as usual activities will also continue.

Advice and information

Much of the Fraud Advisory Panel's work in this area will focus on broadening the range of topics covered by the successful series of *Fraud Facts* in order to provide clear and concise prevention advice to businesses and individuals alike. New and emerging fraud threats will also be addressed on an ad hoc basis with particular regard to non-financial reporting fraud. The special project on fraud in the charity and voluntary sector will conclude with the publication of three fraud prevention guides.

The Fraud Advisory Panel will also continue to contribute to the national agenda on fraud through participation on relevant stakeholder initiatives and in the provision of expert commentary on proposals to reform the law and public policy.

A major redesign of the website should improve accessibility to the advice and information produced by the Fraud Advisory Panel.

Education and training

The Fraud Advisory Panel will continue to explore opportunities to improve counter fraud education in business, the professions and amongst the general public, principally through collaboration with other organisations and the provision of its annual programme of events.

In 2010 the Panel will broaden its regional presence through the introduction of special members meetings. These will provide a forum for members to share information,

Report of Trustee Directors

For the year ended 31 December 2009

experiences and best practice and to hear from expert guest speakers. Regional events will also be held.

Research

No new research is planned in 2010. However the Panel will publish the findings of its special project into the prevention and detection of corporate fraud in the United Kingdom with specific reference to reporting requirements.

Governance

As a matter of good governance the Fraud Advisory Panel intends to undertake a full review of its memorandum and articles of association to ensure compatibility with changes introduced by the Companies Act 2006 and Charities Act 2006.

The Board of Trustee Directors will also explore new ways to improve the financial stability of the Panel with particular emphasis given to initiatives designed to retain existing members and to attract new ones.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustee directors are responsible for preparing the Annual Report 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 prepared financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- 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 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 1993 and regulations thereunder. 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.

In so far as each of the trustee directors 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 to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of Trustee Directors

For the year ended 31 December 2009

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the 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 Board held on 08 April 2010 and are signed on their behalf by:

R Wright
Trustee Director

F J Banks
Trustee Director

Independent Auditors' Report to the Members of the Fraud Advisory Panel

For the year ended 31 December 2009

We have audited the financial statements of the Fraud Advisory Panel for the year ended 31 December 2009 which comprise the statement of financial activities, the balance sheet and the 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 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 auditors

The trustees' (who are also the directors of the Fraud Advisory Panel for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of Trustee Directors is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of 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 trustees 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.

Independent Auditors' Report to the Members of the Fraud Advisory Panel
For the year ended 31 December 2009

Opinion

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 2009 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 United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the Companies Act 2006; and
- The information given in the Report of Trustee Directors is consistent with the financial statements.

2010

Judith Newton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Financial Statements

For the year ended 31 December 2009

STATEMENT OF FINANCIAL ACTIVITIES Incorporating Income and Expenditure Account For the year ended 31 December 2009

	Note	Unrestricted funds 2009 £	Unrestricted funds 2008 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income - membership subscriptions		58,811	60,613
Voluntary income - sponsorship donations		66,270	74,304
Investment income – bank interest		113	3,612
Incoming resources from charitable activities			
Event income		33,354	46,996
Total incoming resources		<u>158,548</u>	<u>185,525</u>
Resources expended			
Charitable activities	2	148,334	184,351
Governance costs	3	4,894	7,321
Total resources expended		<u>153,228</u>	<u>191,672</u>
Net surplus/(deficit) for the year		<u>5,320</u>	<u>(6,147)</u>
Retained balance brought forward	4	<u>99,288</u>	<u>105,435</u>
Retained balance carried forward	4	<u>104,608</u>	<u>99,288</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.

Financial Statements

For the year ended 31 December 2009

BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009 £	2008 £
Current assets			
Trade debtors		15,870	4,952
Other debtors		-	2,092
Prepayments and accrued income		1,294	10,388
Cash at bank and in hand		<u>127,354</u>	<u>132,512</u>
		<u>144,518</u>	<u>149,944</u>
Current liabilities			
Creditors: amounts falling due within one year		20	-
Accruals and deferred income		38,528	47,785
Amounts due to related undertaking		<u>1,362</u>	<u>2,871</u>
		<u>39,910</u>	<u>50,656</u>
Net Assets		<u>104,608</u>	<u>99,288</u>
Funds of the charity			
Unrestricted funds	4	<u>104,608</u>	<u>99,288</u>

Approved by the Board on 08 April 2010:

R Wright
Trustee Director

F J Banks
Trustee Director

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

Financial Statements

For the year ended 31 December 2009

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

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

	2009	2008
	£	£
Employment costs	80,123	75,307
Direct event costs	35,222	48,316
Publications	16,281	30,152
Fraud research	5,139	22,342
Website development	7,050	7,400
Other expenses	4,519	834
	<u>148,334</u>	<u>184,351</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 expenses of £117 (2008: £nil) were paid during the year for travel and accommodation to Leeds for the *Charities and Fraud* workshop, and are included within governance costs. Volunteers expenses of £383 (2008: £361) 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 £1,625 (2008: £1,612) inclusive of irrecoverable VAT.

Financial Statements

For the year ended 31 December 2009

As a registered charity, the Company has no liability to corporation tax with the exception of investment income. Corporation tax of £nil (2008: £nil) is payable in respect of investment income at 19%.

4. Reconciliation of movements in funds

	2009
	£
Members' funds at 1 January	99,288
Surplus for the year	<u>5,320</u>
Members' funds at 31 December	<u>104,608</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.