

Company registration number: 05842626

FUNDRAISING STANDARDS BOARD CIC

**Financial statements
Year to 30 June 2008**

FUNDRAISING STANDARDS BOARD CIC

Financial statements for the year ended 30 June 2008

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FUNDRAISING STANDARDS BOARD CIC

Company Information

Directors

Colin Lloyd - Chairman
Michael Aldridge – representing Public Fundraising Regulatory Association
Paula Reynolds – representing Northern Ireland Council for Voluntary Action
Lindsay Boswell – representing Institute of Fundraising
Richard Crossley
Richard Williams – representing National Council of Voluntary Organisations
Lawrence Simanowitz – representing Charity Law Association
Elaine Stallard
Roy Thompson
Anna Butterworth – representing Which?
John Wenger
Zoe Willems

Secretary

Jon Scourse

Registered Office

Hampton House
20 Albert Embankment
London
SE1 7TJ

Registered number

05842626

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Bankers

Co-Operative Bank
62-64 Southampton Street
LONDON
WC1B 4ND

Solicitors

Stone King
28 Ely Place
London
EC1N 6TD

FUNDRAISING STANDARDS BOARD CIC

Chairman's Statement for the year ended 30 June 2008

The second year of operation for the Fundraising Standards Board (FRSB) has been one of continued development and engagement with our many stakeholders. By the end of the financial year in June, membership had grown to 866 members and we are encouraged that this represents 34% of all UK voluntary giving based on an estimate of £10bn annually. There is still a long way to go and while pleased with progress, we realise that we need to attract more membership if the scheme is to be sustainable in the longer term.

The year 2007/8 was our first full year as a financially independent organisation. The grants from the Office of the Third Sector (OTS) and the Scottish Government have enabled us to fund our development, but this is a declining subsidy which has to be balanced by growth from membership fee income. After holding our fees for two years, we have revised these upwards for certain categories of membership in the current year, with a more proportional approach to reflect the scale of fundraising by the larger charities.

During the year we completed the first major adjudication which was not upheld. The level of complaints is largely dictated by the effectiveness of our member charities, as we only handle escalated cases. As awareness is growing, we are seeing a gradual increase in these, but the very good news is that only an extremely small proportion reach this stage despite our membership informing us of handling over 8,000 complaints in total during the calendar year 2007. This information is received through an annual reporting process and we have started working with our members to streamline this and to make complaints reporting easier and more consistent.

We also completed a major project to reach and develop smaller charity membership in Hull, West Kent and East Fife. These were all completed during the period and we have established that there is scope for the FRSB in local communities; in particular we have signed over 60 charities into the scheme from Hull alone. We are appreciative of the support given by NAVCA and the local CVS networks with these projects.

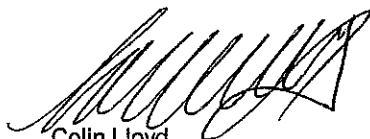
The FRSB made a loss of £134,000 in the year to 30 June 2008. However, this loss was offset by the surplus of £139,000 that was reported for the previous year and was the result of a large grant being received towards the end of that year. Expenditure during 2007/08 was kept under strict control and finished the year £46,000 below the original budget. Cash flow was carefully monitored throughout the year and the cash balance at the year-end was over £150,000.

The grant income from the Office of the Third Sector and the Scottish Government is scheduled to fall in 2008/09, so our financial forecasts indicate that the FRSB requires a significant increase in membership to ensure a secure long-term future for self-regulation. This is therefore the major priority for the Board and the executive team and we have clear targets to meet during the current year.

To work well, the self-regulation of fundraising will require greater public awareness. We are to a large extent dependent on our membership to provide exposure for the scheme brand and an explanation of the FRSB role to the donor public through their marketing materials and web sites. Some of our members, both small and large, are doing this well but I would like to see more effort and commitment across the sector to ensure its long term success and I ask our members for their full support,

As I reported last year, self-regulation is a privilege, not a right. The charity sector has been given the opportunity to make self-regulation work and good progress has been made. It is important however that the sector fully understands that we have only this one opportunity and that together we must demonstrate that the fundraising community can operate an effective and viable scheme that can maintain and build public trust and confidence. The alternatives – statutory intervention or no regulation at all – surely reinforce the need for self-regulation as the best way forward.

Finally, I would like to thank my colleagues on the Board and the Executive team led by Jon Scourse for their support throughout a challenging year.



Colin Lloyd
Chairman

FUNDRAISING STANDARDS BOARD CIC

Directors' Report for the year ended 30 June 2008

The directors present their report, together with the audited financial statements of the Fundraising Standards Board ("the company" or "the FRSB") for the year ended 30 June 2008. This report should be read in conjunction with the Community Interest Report, submitted to the CIC Regulator, and the Chairman's statement on page 2.

Constitution

Fundraising Standards Board CIC is a Community Interest Company (CIC), limited by guarantee, registered at Companies House on 9 June 2006 and with the CIC Regulator on 9 June 2006.

Directors

The directors who held office during the year are as follows:

Michael Aldridge	
Graham Benfield	(Resigned 11/06/2008)
Lindsay Boswell	
Anna Butterworth	(Appointed 12/03/2008)
Richard Crossley	
Colin Lloyd	
Stephen Maxwell	(Resigned 11/06/2008)
Paula Reynolds	(Appointed 11/06/2008)
Lawrence Simanowitz	
Elaine Stallard	
Roy Thompson	
Peter Vicary-Smith	(Resigned 12/03/2008)
John Wenger	
Zoe Willems	
Richard Williams	(Appointed 11/6/2008)

The directors held no beneficial interest in the company during the year.

Objectives

The objects of the company are:

- For the benefit of the community of the United Kingdom, to promote high standards and best practice in fundraising undertaken by or on behalf of organisations established for charitable, philanthropic or benevolent purposes;
- To carry out any other activities consistent with the company's status as a Community Interest Company.

FUNDRAISING STANDARDS BOARD CIC

Directors' Report for the year ended 30 June 2008

Review of Activities

The principal activity of the company in the year was the operation of a self-regulatory scheme for fundraising in the UK. A full review of the activities of the company in the year is set out in the Chairman's statement on page 2.

The directors are satisfied with the results for the year and are confident of making further progress in establishing the FRSB scheme in the forthcoming year.

Financial Results

The results for the year are set out on page 7.

Movement in fixed assets

Movements in fixed assets are set out in note 6 to the financial statements.

Auditor

In accordance with S385, Companies Act 1985, a resolution to re-appoint Chantrey Vellacott DFK LLP as auditor will be put to the members at the Annual General Meeting.

Statement of directors' responsibilities

Company law 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 as at the end of the financial year and of the surplus or deficit of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

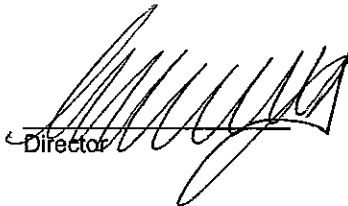
The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information (as defined by the Companies Act) of which the company's auditor is 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 auditor is aware of that information (as defined)

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.

Approved by the directors on 10 December 2008 and signed on their behalf by:


Director

FUNDRAISING STANDARDS BOARD CIC

Independent Auditor's Report to the members of Fundraising Standards Board CIC

We have audited the financial statements of Fundraising Standards Board CIC for the year ended 30 June 2008 which comprise the Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 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 auditor

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and are properly prepared in accordance with Companies Act 1985. We also report to you if, in our opinion, the Chairman's Statement, Directors' Report and the Community Interest Report are 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 regarding directors' remuneration and transactions with the company is not disclosed.

We read the Chairman's Statement, Directors' Report and the Community Interest Report and consider the implications for our report if we become aware of any apparent misstatement within them.

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 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.

FUNDRAISING STANDARDS BOARD CIC

Independent Auditor's Report to the members of Fundraising Standards Board CIC

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 company's affairs as at 30 June 2008 and of its result 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 Chairman's Statement, Directors' Report and the Community Interest Report is consistent with the financial statements.

Chantrey Vellacott DFK LLP
CHANTREY VELLACOTT DFK LLP

Chartered Accountants
Registered Auditor

LONDON

10/12/08

FUNDRAISING STANDARDS BOARD CIC

Income and Expenditure Account For the year ended 30 June 2008

	Notes	2008 £	2007 £
Income			
Subscriptions		172,757	38,696
Grants receivable	2	331,395	627,176
Donations		-	13,500
		<hr/>	<hr/>
		504,152	679,372
Administration expenses		(647,445)	(547,349)
		<hr/>	<hr/>
Operating (deficit)/surplus	3	(143,293)	132,023
Interest receivable		11,137	8,418
		<hr/>	<hr/>
(Deficit)/surplus before tax		(132,156)	140,441
Taxation	5	(2,255)	(1,619)
		<hr/>	<hr/>
Retained (loss)/profit for the year		<u>(134,411)</u>	<u>138,822</u>

All recognised gains and losses are reflected in the Income and Expenditure Account and no separate Statement of Total Recognised Gains and Losses has been presented.

All of the Company's activities are continuing.

The notes on pages 9 to 13 form part of these financial statements.

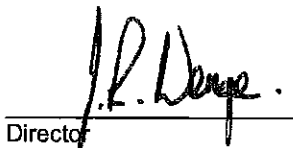
FUNDRAISING STANDARDS BOARD CIC

Balance Sheet as at 30 June 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	6	<u>18,481</u>	<u>26,405</u>
Current assets			
Debtors	7	37,512	43,135
Cash at bank		<u>153,419</u>	<u>266,842</u>
		190,931	309,977
Creditors: amounts falling due within one year	8	<u>205,001</u>	<u>197,560</u>
Net current assets		<u>(14,070)</u>	<u>112,417</u>
Net assets		<u><u>4,411</u></u>	<u><u>138,822</u></u>
Reserves			
Income and expenditure account	10	<u><u>4,411</u></u>	<u><u>138,822</u></u>

Approved by the Board and authorised for issue on 10 December 2008 and signed on its behalf by:


Director


Director

The notes on pages 9 to 13 form part of these financial statements.

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2008

1. Accounting policies

The financial statements are prepared under the historical cost convention, in accordance with the requirements of the Companies Act 1985, and relevant accounting standards.

The following indicates the principal policies adopted in the preparation of these financial statements:

(i) Income and expenditure

Grant income is recognised in the year to which the grant relates, as specified by the funder, subject to the criteria of certainty, entitlement and measurement being met and achievement of specified milestones. Income relating to future years is deferred.

Membership subscriptions are accounted for on a rolling annual basis. Income attributable to future years is deferred.

All expenditure is recognised on an accruals basis, inclusive of VAT.

(ii) Fixed assets

Fixed assets are stated at cost net of depreciation to date. Depreciation rates are set so as to write down the value of fixed assets to residual values over their estimated useful lives. The charge is calculated on a straight line basis. Six months' depreciation is charged in the year of purchase. The principal rates adopted are as follows:

Computer equipment and software	33%
Fixtures and fittings	33%

(iii) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account over the year of the lease.

(iv) Cash flow statement

The company has taken advantage of the exemption available under FRS1 and not produced a cash flow statement on the grounds of its size.

(v) Pension scheme

The company operates defined contribution schemes on behalf of certain of its employees. Contributions to the schemes are charged to the income and expenditure account in the year in which they become payable.

2. Grants receivable	2008 £	2007 £
Cabinet Office	292,660	522,124
Scottish Government	38,735	105,052
	<u>331,395</u>	<u>627,176</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2008

3.	Operating surplus	2008	2007
		£	£
	This is stated after charging:		
	Auditor's remuneration - audit	4,100	3,950
	- other	3,066	1,000
	Depreciation	11,673	5,218
	Operating Leases - land and buildings	20,181	20,862
	Plant and machinery	4,000	3,055
		<u> </u>	<u> </u>
4.	Staff Costs	2008	2007
		£	£
	Wages and salaries	223,348	118,391
	Social security costs	20,363	11,044
	Pension costs	6,526	7,486
		<u> </u>	<u> </u>
		250,237	136,921
		<u> </u>	<u> </u>
	The average number of employees (excluding directors) during the year was 6.		
	Staff costs include the following amounts:		
	Directors' remuneration	30,000	19,252
		<u> </u>	<u> </u>
5.	Tax on surplus on ordinary activities	2008	2007
		£	£
	(a) Analysis of tax charge for the year		
	Current tax		
	UK corporation tax on income of the year	2,255	1,619
		<u> </u>	<u> </u>
	Total current tax charge	2,255	1,619
		<u> </u>	<u> </u>
	Tax on (loss) profit on ordinary activities	2,255	1,619
		<u> </u>	<u> </u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2008

5.	Tax on surplus on ordinary activities (continued)	2008 £	2007
	(b) Factors affecting tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK . The differences are explained below:		
	(Deficit)/surplus on ordinary activities before tax	<u>(132,156)</u>	<u>140,441</u>
	Tax on surplus on ordinary activities at standard corporation tax rate of 20.25% (2007:19.24%)	<u>(26,762)</u>	27,015
	Effects of: Income not taxable due to mutual trading and expenditure not deductible	<u>29,017</u>	<u>(25,396)</u>
	Current tax charge for the year	<u><u>2,255</u></u>	<u><u>1,619</u></u>
6.	Tangible fixed assets	Fixtures & fittings £	Computer equipment £
		Total £	
	At 1 July 2007	2,249	29,374
	Additions	-	3,748
	As at 30 June 2008	<u>2,249</u>	<u>33,122</u>
	Depreciation		
	At 1 July 2007	371	4,847
	Charge for the year	742	10,930
	As at 30 June 2008	<u>1,113</u>	<u>15,777</u>
	Net book value		
	At 30 June 2008	<u>1,136</u>	<u>17,345</u>
	At 30 June 2007	<u>1,878</u>	<u>24,527</u>
7.	Debtors	2008 £	2007 £
	Trade debtors	9,461	16,123
	Prepayments and accrued income	17,574	16,684
	Other debtors	10,477	10,328
		<u>37,512</u>	<u>43,135</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2008

8.	Creditors: amounts falling due within one year	2008	2007
		£	£
	Trade creditors	44,700	66,916
	Corporation tax payable	2,255	1,619
	Other taxation and social security	6,275	6,191
	Accruals and deferred income	150,822	119,479
	Other creditors	949	3,355
		<u>205,001</u>	<u>197,560</u>

9. **Share Capital**

The company is a Community Interest Company (CIC) limited by guarantee and therefore has no shares in issue. In the event of the company being wound up, the maximum amount which each member is liable to contribute is £1. There were 12 members at 30 June 2008.

10.	Reserves	Income and expenditure account
		£
	At 1 July 2007	138,822
	Retained loss for the year	(134,411)
	As at 30 June 2008	<u>4,411</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2008

11. Operating leases

At 30 June 2008, the company had the following annual commitments under operating lease expiring:

	Land and Buildings £	Equipment £
In less than one year	20,181	-
Between one and five years	-	3,846
	<u>20,181</u>	<u>3,846</u>

12. Capital commitments

There were no capital commitments as at 30 June 2008.

13. Related Party Transactions

A director of the company is also the Chief Executive of the Institute of Fundraising. During the year The Institute of Fundraising subsidised subscription fees to the company to a value of £5,077.

FUNDRAISING STANDARDS BOARD**Detailed income and expenditure account year ended 30 June 2008**

	2008 £	2007 £
Income		
Subscriptions	172,757	38,696
Grants	331,395	627,176
Bank and other interest receivable	11,137	8,418
Other income	-	13,500
	<u>515,289</u>	<u>687,790</u>
Expenditure		
Directors remuneration	34,513	19,252
Salaries and NI	215,724	117,670
Fees Payable	39,844	15,165
Travel and subsistence	12,512	9,723
Temporary staff	-	7,600
Recruitment & Training	3,983	5,424
Establishment Costs	46,608	29,399
Administration Costs	58,484	35,218
Marketing Costs	213,219	255,675
Legal and Professional	22,558	52,223
	<u>647,445</u>	<u>547,349</u>
(Loss)/surplus before taxation	(132,156)	140,441
Taxation	(2,255)	(1,619)
(Loss)/surplus after taxation	<u>(134,411)</u>	<u>138,822</u>

This page does not form part of the financial statements.