

Chantrey Vellacott DFK LLP

FUNDRAISING STANDARDS BOARD CIC

**Financial statements
Year to 30 June 2009**

FUNDRAISING STANDARDS BOARD CIC

Financial statements for the year ended 30 June 2009

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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
Richard Crossley
Andrew Nebel – representing Institute of Fundraising
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 Williams

Secretary

Barbara Arnold

Registered office

1st Floor
89 Albert Embankment
London
SE1 7TP

Registered number

05842626

Registered 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 2009

The third 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 1062 members and we are encouraged that this represents 42% of all UK voluntary giving based on an estimate of £10bn annually. There is still a long way to go in terms of building our membership and increasing the awareness of the FRSB to the giving public, although we are pleased with progress so far. We also acknowledge that we need to attract more members to the scheme if it is to be sustainable in the longer term.

The year 2009/10 will be 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 these came to an end in the last financial year and we are now focused on ensuring that the growth from membership fee income enables us to continue with our strategy of building the membership whilst also increasing awareness of the FRSB scheme to the public. Mindful of the current economic climate we have decided to hold the level of our fees for the next financial year, something that has been widely supported.

Our members completed their second Annual Return where, amongst other things, they were obliged to advise us of the level of complaints that they dealt with in the calendar year of 2008. The number of complaints reported to us by our members was recorded at 26,349. This is a significant level of complaints which our members take very seriously. However, I am pleased to confirm that of these complaints received only 14 were elevated to Stage 2 of the FRSB Complaints process and of those, only 2 were elevated to Stage 3 requiring main board adjudication. This year we also asked members to tell us the level of activity they carried out so as we could put their complaints into context. This allowed us to show that of the 500 million contacts made by our members only 0.005% were complained about. We intend to develop the data we ask our members to collect regarding their complaints so that we can better understand in the first instance the nature of these complaints and secondly, how we can assist in dealing with those complaints.

At the start of 2009 we received an additional grant from the Office of the Third Sector (OTS) to assist primarily with a campaign to build our membership but which also helped us launch our new public facing website www.givewithconfidence.org.uk. The focus of the membership campaign was to encourage membership within the £1m to £5m + voluntary income charities. In terms of success achieved, monthly applications improved by 50%. The awareness of the scheme that this activity achieved has helped us to continue to sign up members for this key group.

Following on from members' feedback, we set up the members' Advisory Forum. This Forum has been established so that members have the opportunity to feedback on the scheme's progress and express views, opinions and concerns which contribute to the FRSB's development. Significantly the Forum has a balance of members from large to small charities and includes suppliers, ensuring that its output remains representative of the membership.

During the year the FRSB received a three-year grant from the Welsh Assembly Government (starting in June 2009) to assist with the growth of the FRSB in Wales. A manager has now been appointed to represent the FRSB in Wales and seek to drive up Welsh members to the scheme as well as increase awareness of the FRSB to the giving public.

The FRSB made a surplus of £5,754 after tax in the year to 30 June 2009.. Expenditure during 2008/9 was kept under strict control and finished the year below the original budget. Cash flow was carefully monitored throughout the year and the cash balance at the year-end was over £249,000.

Our budgets for next year show that other than the grant from the Welsh Assembly Government no further grants are scheduled, so that all the emphasis over the course of this next financial year will be to drive up membership to ensure a secure long-term future for self-regulation in the sector. This is 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's brand and an explanation of the FRSB role to the donor public through their marketing materials and websites. As with last year some of our members, both small and large, are doing this well but I would like to see more commitment across the sector to ensure the scheme's long term success and I ask our members for their full support in this shared marketing responsibility.

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 continues to be made. I would encourage those many charities that remain undecided about the FRSB to join with their colleagues and demonstrate to the giving public their commitment to the highest possible standards in fundraising and their support of best practice in the sector as the best form of regulation.

FUNDRAISING STANDARDS BOARD CIC

Chairman's Statement for the year ended 30 June 2009

At the end of 2008 Jon Scourse the FRSB's inaugural Chief Executive stood down from this position and left the FRSB. I would personally like to thank John for his dedication and commitment to steering the FRSB through its first three years of operation. In January Alistair Mclean joined the organisation as Chief Executive to replace Jon. Alistair, having only been in post for a few months, has made a major impact and I am delighted with the progress that he is making particularly in engaging with the many FRSB stakeholders.

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

Colin Lloyd
Chairman

FUNDRAISING STANDARDS BOARD CIC

Directors' Report for the year ended 30 June 2009

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 2009. This report should be read in conjunction with the Community Interest Report, submitted to the CIC Regulator, and the Chairman's statement on pages 2 and 3.

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	
Lindsay Boswell	(Resigned 3/11/2008)
Anna Butterworth	
Richard Crossley	
Colin Lloyd	
Andrew Nebel	(Appointed 3/11/2008)
Paula Reynolds	
Lawrence Simanowitz	
Elaine Stallard	
Roy Thompson	
John Wenger	
Zoe Willems	
Richard Williams	

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 2009

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 pages 2 and 3.

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 2006, 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.

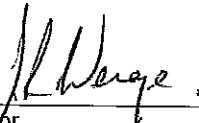
The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the 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 *9 September* 2009 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 for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities Effective April 2008 (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Company's members, as a body, in accordance with section 495 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or



Sally Jayne Bonner, Senior Statutory Auditor
For and on behalf of

CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

Date: 9/9/09

FUNDRAISING STANDARDS BOARD CIC

Income and Expenditure Account For the year ended 30 June 2009

	Notes	2009 £	2008 £
Income			
Subscriptions		256,766	172,757
Grants receivable	2	306,415	331,395
		<u>563,181</u>	<u>504,152</u>
Administration expenses		(559,663)	(647,445)
Operating surplus/(deficit)	3	<u>3,518</u>	<u>(143,293)</u>
Interest receivable		2,830	11,137
Surplus/ (deficit)/before tax		<u>6,348</u>	<u>(132,156)</u>
Taxation	5	(594)	(2,255)
Retained surplus/(deficit) for the year		<u><u>5,754</u></u>	<u><u>(134,411)</u></u>

Chantrey Vellacott DFK LLP

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 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible fixed assets	6	<u>7,337</u>	<u>18,481</u>
Current assets			
Debtors	7	20,040	37,512
Cash at bank		<u>249,490</u>	<u>153,419</u>
		269,530	190,931
Creditors: amounts falling due within one year	8	<u>266,702</u>	<u>205,001</u>
Net current assets/(liabilities)		<u>2,828</u>	<u>(14,070)</u>
Net assets		<u>10,165</u>	<u>4,411</u>
Reserves			
Income and expenditure account	10	<u>10,165</u>	<u>4,411</u>

Approved by the Board and authorised for issue on

9 Sept

2009 and signed on its behalf by:

Director

Director

Chantrey Vellacott DFK LLP

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 2009

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

	2009	2008
	£	£
Cabinet Office	255,842	292,660
Scottish Government	40,648	38,735
Welsh Government	9,925	-
	<u>306,415</u>	<u>331,395</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2009

3.	Operating surplus	2009	2008
		£	£
	This is stated after charging:		
	Auditor's remuneration - audit	4,100	4,100
	- other	-	3,066
	Depreciation	11,933	11,673
	Operating Leases - land and buildings	20,181	20,181
	Plant and machinery	4,000	4,000
		<u><u> </u></u>	<u><u> </u></u>
4.	Staff costs	2009	2008
		£	£
	Wages and salaries	209,544	223,348
	Social security costs	19,169	20,363
	Pension costs	5,437	6,526
		<u><u> </u></u>	<u><u> </u></u>
		234,150	250,237
		<u><u> </u></u>	<u><u> </u></u>
	The average number of employees (excluding directors) during the year was 6 (2008: 6).		
	Staff costs include the following amounts:		
	Directors' remuneration	35,250	30,000
		<u><u> </u></u>	<u><u> </u></u>
5.	Tax on surplus/(deficit) on ordinary activities	2009	2008
		£	£
	(a) Analysis of tax charge for the year		
	Current tax		
	UK corporation tax on income of the year	594	2,255
		<u><u> </u></u>	<u><u> </u></u>
	Total current tax charge	594	2,255
		<u><u> </u></u>	<u><u> </u></u>
		594	2,255
		<u><u> </u></u>	<u><u> </u></u>
	Tax on surplus/(deficit) on ordinary activities	594	2,255
		<u><u> </u></u>	<u><u> </u></u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2009

5.	Tax on surplus on ordinary activities (continued)	2009	2008
		£	
	(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:		
	Surplus/(deficit) on ordinary activities before tax	<u>6,348</u>	<u>(132,156)</u>
	Tax on surplus/(deficit) on ordinary activities at standard corporation tax rate of 21% (2008:20.25%)	<u>1,333</u>	<u>(26,762)</u>
	Effects of:		
	Net income not taxable due to mutual trading and expenditure not deductible	<u>(739)</u>	<u>29,017</u>
	Current tax charge for the year	<u><u>594</u></u>	<u><u>2,255</u></u>
6.	Tangible fixed assets	Fixtures & fittings	Computer equipment
		£	£
	At 1 July 2008	2,249	33,123
	Additions	-	788
	As at 30 June 2009	<u>2,249</u>	<u>33,911</u>
	Depreciation		
	At 1 July 2008	1,113	15,777
	Charge for the year	742	11,191
	As at 30 June 2009	<u>1,855</u>	<u>26,968</u>
	Net book value		
	At 30 June 2009	<u>394</u>	<u>6,943</u>
	At 30 June 2008	<u>1,136</u>	<u>17,345</u>
7.	Debtors	2009	2008
		£	£
	Trade debtors	1,306	9,461
	Prepayments and accrued income	15,180	17,574
	Other debtors	3,554	10,477
		<u><u>20,040</u></u>	<u><u>37,512</u></u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2009

8.	Creditors: amounts falling due within one year	2009	2008
		£	£
	Trade creditors	30,844	44,700
	Corporation tax payable	594	2,255
	Other taxation and social security	5,280	6,275
	Accruals and deferred income	228,232	150,822
	Other creditors	1,752	949
		<u>266,702</u>	<u>205,001</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 2009.

10.	Reserves	Income and expenditure account
		£
	At 1 July 2008	4,411
	Retained profit for the year	5,754
	As at 30 June 2009	<u>10,165</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2009

11. Operating leases

At 30 June 2009, 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 2009.

13. Related party transactions

Lindsay Boswell, a director of the company until 3 November 2008, is also the Chief Executive of the Institute of Fundraising. During the year The Institute of Fundraising paid subscription fees to the company of £200, and invoiced for a share of salaries to a value of £15,000.

FUNDRAISING STANDARDS BOARD

Detailed income and expenditure account year ended 30 June 2009

	2009 £	2008 £
Income		
Subscriptions	256,766	172,757
Grants	306,415	331,395
Bank and other interest receivable	2,830	11,137
	<u>566,011</u>	<u>515,289</u>
Expenditure		
Directors remuneration	35,848	34,513
Salaries and NI	200,902	215,724
Fees Payable	35,132	39,844
Travel and subsistence	4,420	12,512
Temporary staff	244	-
Recruitment & Training	16,618	3,983
Establishment Costs	22,535	46,608
Administration Costs	56,054	58,484
Marketing Costs	171,978	213,219
Legal and Professional	13,902	22,558
Bad debt provision	2,030	-
	<u>559,663</u>	<u>647,445</u>
Surplus/(deficit) before taxation	6,348	(132,156)
Taxation	(594)	(2,255)
Surplus/(deficit) after taxation	<u>5,754</u>	<u>(134,411)</u>

This page does not form part of the financial statements.