

Company registration number: 05842626

FUNDRAISING STANDARDS BOARD CIC

**Financial statements
Year to 30 June 2010**

FUNDRAISING STANDARDS BOARD CIC

Financial statements for the year ended 30 June 2010

Contents	Page
Company Information	1
Chairman's Statement	2-3
Directors' Report	4-5
Independent Auditor's Report	6
Income and Expenditure Account	7
Balance Sheet	8
Notes to the Financial Statements	9-12

FUNDRAISING STANDARDS BOARD CIC

Company Information

Directors

Colin Lloyd - Chairman
Michael Aldridge – representing Public Fundraising Regulatory Association
Richard Crossley
Tim Hencher – representing Scottish Council for Voluntary Organisations
Eileen Hunter Kinsman – representing Wales Council for Voluntary Associations
Gill Raikes – representing Institute of Fundraising
Lawrence Simanowitz – representing Charity Law Association
Elaine Stallard
Roy Thompson
John Wenger
Zoe Williams

Secretary

Barbara Arnold

Registered office

61 London Fruit Exchange
Brushfield Street
London
E1 6EP

Registered number

05842626

Statutory 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 2010

The fourth 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 1247 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 to ensure that we have membership across the diverse interests of fundraising in the UK.

The year 2009/10 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 initial development 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, something that has been widely supported. In the majority of membership categories membership fee levels have remained at the level set when the scheme started.

Our members completed their third 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 2009. The number of complaints reported to us by our members was recorded at 12,945. 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 19 were referred to FRSB to handle at Stage 2 of the Complaints process and of those, not one of those complaints were elevated to Stage 3 requiring adjudication by the Board of Directors. As with last year, we also asked members to tell us the level of activity they carried out so we could put their complaints into context. This allowed us to show that of the 2.7 billion contacts made by our members in the year, less than 0.00001% were complained about. We intend to continue 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 them.

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. I would like to thank the Advisory Forum members for their invaluable contribution to our continuing success.

We are now in the second year of our three-year grant which we received from the Welsh Assembly Government to assist with the growth of the FRSB in Wales. In our first year of the grant we appointed a manager to represent the FRSB in Wales and he has successfully driven an increase in Welsh membership as well as increased awareness of the FRSB to the giving public.

The FRSB made a surplus of £3,454 after tax in the year to 30 June 2010. Expenditure during 2009/10 was kept under strict control and finished the year below the original budget.

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 by government 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.

I would like to take this opportunity to thank Lindsay Boswell who has recently stepped down as the CEO of the Institute of Fundraising and who has given me much support and wise counsel. Lindsay was tireless in his commitment to establish an effective self-regulatory regime for fundraising in the UK and was instrumental in the establishment of the FRSB and the Public Fundraising Regulatory Association.

FUNDRAISING STANDARDS BOARD CIC

Chairman's Statement for the year ended 30 June 2010

Finally, I would like to thank the executive team, led by Alistair McLean our Chief Executive for their support and excellent progress during the year particularly in these challenging economic times. Our membership continues to grow and the giving public are increasingly aware of the FRSB tick logo as a sign of trust and confidence. In addition, I would also wish to thank my colleagues on the Board for their continued support throughout the year and their determination to ensure that self-regulation of the sector is a real and lasting success.

Colin Lloyd
Chairman

FUNDRAISING STANDARDS BOARD CIC

Directors' Report for the year ended 30 June 2010

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 2010. 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	
Anna Butterworth	(Resigned 24/05/10)
Richard Crossley	
Tim Hencher	(Appointed 23/06/10)
Eileen Hunter Kinsmand	(Appointed 10/06/10)
Neil Irwin	(Appointed 09/12/09, Resigned 10/06/10)
Colin Lloyd	
Andrew Nebel	(Resigned 02/03/10)
Gill Raikes	(Appointed 02/03/10)
Paula Reynolds	(Resigned 09/12/09)
Lawrence Simanowitz	
Elaine Stallard	
Roy Thompson	
John Wenger	
Zoe Willems	
Richard Williams	(Resigned 10/06/10)

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 2010

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

The directors are responsible for preparing the directors' 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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. 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.

Insofar as the directors are aware:

- there is no relevant audit information 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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the directors on 1 DECEMBER 2010 and signed on their behalf by:


(Colin Lloyd)
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 2010 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 2010 and of its surplus 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.

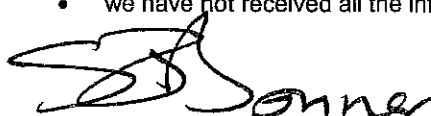
Opinion on other matter prescribed by the Companies Act 2006

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.



Sally Jayne Bonner, Senior Statutory Auditor
For and on behalf of
CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

Date: 1 Dec 2010

FUNDRAISING STANDARDS BOARD CIC

Income and Expenditure Account For the year ended 30 June 2010

	Notes	2010 £	2009 £
Income			
Subscriptions		377,324	256,766
Grants	2	39,048	306,415
		<hr/>	<hr/>
		416,372	563,181
Administration expenses		(412,918)	(559,663)
Operating surplus	3	<hr/> 3,454	<hr/> 3,518
Interest receivable		-	2,830
Surplus before tax		<hr/> 3,454	<hr/> 6,348
Taxation	5	-	(594)
Retained surplus for the year		<hr/> 3,454	<hr/> 5,754
		<hr/> <hr/>	<hr/> <hr/>

All recognised gains and losses are reflected in the Income and Expenditure Account.

All of the company's activities are continuing.

The notes on pages 9 to 12 form part of these financial statements.

FUNDRAISING STANDARDS BOARD CIC

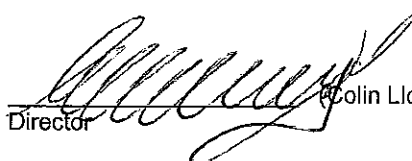
Balance Sheet as at 30 June 2010

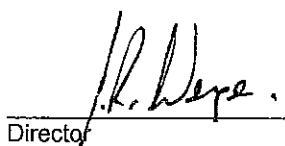
	Note	2010 £	2009 £
Fixed assets			
Tangible fixed assets	6	2,163	7,337
Current assets			
Debtors	7	15,789	20,040
Cash at bank		262,877	249,490
		<u>278,666</u>	<u>269,530</u>
Creditors: amounts falling due within one year	8	<u>(267,210)</u>	<u>(266,702)</u>
Net current assets		<u>11,456</u>	<u>2,828</u>
Net assets		<u><u>13,619</u></u>	<u><u>10,165</u></u>
Reserves			
Income and expenditure account	10	<u><u>13,619</u></u>	<u><u>10,165</u></u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 1 DECEMBER 2010 and signed on its behalf by:


Director (Colin Lloyd)


Director (John Wenger)

The notes on pages 9 to 12 form part of these financial statements.

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2010

1. Accounting policies

The financial statements are prepared under the historical cost convention, in accordance with the requirements of the Companies Act 2006, 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 months 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	2010	2009
	£	£
Cabinet Office	-	255,842
Scottish Government	-	40,648
Welsh Government	39,048	9,925
	<u>39,048</u>	<u>306,415</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2010

3.	Operating surplus	2010	2009
		£	£
	This is stated after charging:		
	Auditor's remuneration - audit	4,100	4,100
	Depreciation	7,946	11,933
	Operating Leases - land and buildings	28,974	20,181
	Plant and machinery	3,814	4,000
		<u>44,834</u>	<u>40,214</u>
4.	Staff costs	2010	2009
		£	£
	Wages and salaries	216,751	209,544
	Social security costs	19,579	19,169
	Pension costs	5,054	5,437
		<u>241,384</u>	<u>234,150</u>
	The average number of employees (excluding directors) during the year was 6 (2009: 6).		
	Staff costs include the following amounts:		
	Directors' remuneration	30,000	35,250
		<u>30,000</u>	<u>35,250</u>
5.	Tax on surplus on ordinary activities	2010	2009
		£	£
	(a) Analysis of tax charge for the year		
	Current tax		
	UK corporation tax on income of the year	-	594
	Total current tax charge	<u>-</u>	<u>594</u>
	Tax on surplus on ordinary activities	<u>-</u>	<u>594</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2010

5.	Tax on surplus on ordinary activities (continued)	2010	2009
		£	
	(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 on ordinary activities before tax	<u>3,454</u>	<u>6,348</u>
	Tax on surplus on ordinary activities at standard corporation tax rate of 21% (2009:21%)	725	1,333
	Effects of:		
	Net income not taxable due to mutual trading and expenditure not deductible	<u>(725)</u>	<u>(739)</u>
	Current tax charge for the year	<u>-</u>	<u>594</u>
6.	Tangible fixed assets	Fixtures & fittings	Computer equipment
		£	£
	At 1 July 2009	2,249	33,911
	Additions	1,443	1,329
	As at 30 June 2010	<u>3,692</u>	<u>35,240</u>
	Depreciation		
	At 1 July 2009	1,855	26,968
	Charge for the year	870	7,076
	As at 30 June 2010	<u>2,725</u>	<u>34,044</u>
	Net book value		
	At 30 June 2010	<u>967</u>	<u>1,196</u>
	At 30 June 2009	<u>394</u>	<u>6,943</u>
7.	Debtors	2010	2009
		£	£
	Trade debtors	75	1,306
	Prepayments and accrued income	8,450	15,180
	Other debtors	7,264	3,554
		<u>15,789</u>	<u>20,040</u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the year ended 30 June 2010

8.	Creditors: amounts falling due within one year	2010	2009
		£	£
	Trade creditors	17,355	30,844
	Corporation tax payable	-	594
	Other taxation and social security	5,649	5,280
	Accruals and deferred income	242,246	228,232
	Other creditors	1,960	1,752
		<u>267,210</u>	<u>266,702</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 11 members at 30 June 2010.

10.	Reserves	Income and expenditure account
		£
	At 1 July 2009	10,165
	Retained profit for the year	3,454
	As at 30 June 2010	<u>13,619</u>

11. Operating Leases

At 30 June 2010, the company had the following annual commitments under operating lease expiring:

	Land and Buildings	Equipment
	£	£
In less than one year	-	1,052
Between one and five years	11,078	-
	<u>11,078</u>	<u>1,052</u>

12. Capital commitments

There were no capital commitments as at 30 June 2010.

13. Related party transactions

Some of the Directors of FRSB are also Trustees of membership charities.

FUNDRAISING STANDARDS BOARD**Detailed income and expenditure account year ended 30 June 2010**

	2010 £	2009 £
Income		
Subscriptions	377,324	256,766
Grants	39,048	306,415
Bank and other interest receivable	-	2,830
	<hr/>	<hr/>
	416,372	566,011
	<hr/>	<hr/>
Expenditure		
Directors remuneration	30,000	35,848
Salaries and NI	211,384	200,902
Fees payable	38,568	35,132
Travel and subsistence	5,817	4,420
Temporary staff	-	244
Recruitment & Training	(692)	16,618
Establishment costs	47,617	22,535
Administration Costs	44,529	56,054
Marketing costs	27,326	171,978
Legal and professional	8,369	13,902
Bad debt provision	-	2,030
	<hr/>	<hr/>
	412,918	559,663
	<hr/>	<hr/>
Surplus before taxation	3,454	6,348
Taxation	-	(594)
	<hr/>	<hr/>
Surplus after taxation	3,454	5,754
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the financial statements.