

Company registration number: 05842626

FUNDRAISING STANDARDS BOARD CIC

**Financial statements
Period to 30 June 2007**

FUNDRAISING STANDARDS BOARD CIC

Financial statements for the period ended 30 June 2007

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FUNDRAISING STANDARDS BOARD CIC

Company Information

Directors

Colin Lloyd - Chairman

Michael Aldridge – representing Public Fundraising Regulatory Association

Graham Benfield – representing Wales Council for Voluntary Action

Lindsay Boswell – representing Institute of Fundraising

Richard Crossley

Stephen Maxwell – representing Scottish Council for Voluntary Organisations

Lawrence Simanowitz – representing Charity Law Association

Elaine Stallard

Roy Thompson

Peter Vicary-Smith – 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 period ended 30 June 2007

This is the first annual report for the Fundraising Standards Board ("FRSB"). The period represented a complex stage in our development. At the time of our registration as a community interest company in June 2006, we were in a period of transition and were then hosted and funded by the Institute of Fundraising ("IOF") through their previous funding arrangements with the Home Office and the Scottish Executive. We disengaged from this arrangement in December 2006 and the Board then took over full financial control of the operation. This Annual Report and Accounts therefore covers the activities of the FRSB for only the period of seven months ending in June 2007.

For the sake of completeness, the total Income and Expenditure for the Fundraising Standards Board since its creation by the Institute of Fundraising is summarised below:

	Accounted for by IOF (£)	Accounted for by FRSB cic (£)	Total (£)
Income	840,626	687,790	1,528,416
Expenditure	840,626	547,349	1,387,975
Surplus	-	140,441	140,441

With the support of the Board, the executive team has achieved much in a short space of time: the terms and conditions of membership were finalised after extensive discussion with the sector and the Fundraising Promise was agreed. The scheme was launched to the public in February 2007 and the Chief Executive and a Director were interviewed extensively on the radio and television. A steady growth in membership has been achieved in the period and by the end of June 2007, more than 500 Fundraising organisations had joined the scheme. Queries from the public have been answered and complaints received have been dealt with through liaison with the charities concerned.

I would like to offer my sincere thanks to the chief executive Jon Scourse and his team for their unstinting efforts in achieving the successful launch of the scheme. I would also like to thank all those who have helped us with their advice and input during a challenging year. In particular, I would like to thank the Office for the Third Sector and the Scottish Executive for their financial support in helping to launch self-regulation in the UK.

I am heartened by the level of commitment to the Fundraising Standards Board across the sector. So far, 745 organisations have joined the scheme and we estimate that members now account for nearly 30% of all voluntary giving in the UK. This is a great achievement and augurs well for the years ahead.

Self-regulation is a privilege, not a right. The charity sector has been given the opportunity, owing to the passage of the new Charities Act, to launch and make self-regulation work. The next few years will be our opportunity to demonstrate that we can deliver a scheme that has the power to command public confidence in fundraising for the longer term. We are relishing that challenge.

We can now envisage a longer term future where membership of the Fundraising Standards Board scheme will be a pre-requisite for the donation of funds from a wide range of sources. As this is backed up by an independent complaints process, public confidence can be strengthened.

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

Colin Lloyd
Chairman

FUNDRAISING STANDARDS BOARD CIC

Directors' Report for the period ended 30 June 2007

The directors present their report, together with the audited financial statements of the Fundraising Standards Board ("the company" or "the FRSB") for the period ended 30 June 2007. 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 period are as follows:

Michael Aldridge	(Appointed 26/06/2006)
Graham Benfield	(Appointed 10/07/2006)
Lindsay Boswell	(Appointed 26/06/2006)
Richard Crossley	(Appointed 26/06/2006)
Colin Lloyd	(Appointed 9/06/2006)
Stephen Maxwell	(Appointed 26/06/2006)
Lawrence Simanowitz	(Appointed 10/07/2006)
Elaine Stallard	(Appointed 26/06/2006)
Roy Thompson	(Appointed 26/06/2006)
Peter Vicary-Smith	(Appointed 26/06/2006)
John Wenger	(Appointed 26/06/2006)
Zoe Willems	(Appointed 26/06/2006)
Anne Piper	(Appointed 09/06/2006, Resigned 27/07/2006)

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

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 period ended 30 June 2007

Review of Activities

The company was registered as a Community Interest Company on 9 June 2006.

The principal activity of the company in the period was the operation of a self-regulatory scheme for fundraising in the UK. A full review of the activities of the company in the period 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 period 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

Chantrey Vellacott DFK LLP was appointed as auditor during the period.

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 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 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

2007 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 period ended 30 June 2007 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 2007 and of its result for the period 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

**Chartered Accountants
Registered Auditor**

LONDON

FUNDRAISING STANDARDS BOARD CIC

Income and Expenditure Account For the period ended 30 June 2007

	Notes	2007 £
Income		
Subscriptions		38,696
Grants receivable	2	627,176
Donations		13,500
		<hr/>
		679,372
Administration expenses		<hr/>
		(547,349)
Operating surplus	3	<hr/>
		132,023
Interest receivable		<hr/>
		8,418
Surplus before tax		<hr/>
		140,441
Taxation	5	<hr/>
		(1,619)
Retained surplus for the period		<hr/> <hr/>
		138,822

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 2007

	Note	2007 £
Fixed assets		
Tangible fixed assets	6	<u>26,405</u>
Current assets		
Debtors	7	43,135
Cash at bank		<u>266,842</u>
		309,977
Creditors: amounts falling due within one year	8	<u>197,560</u>
Net current assets		<u>112,417</u>
Net assets		<u><u>138,822</u></u>
Reserves		
Income and expenditure account	10	<u><u>138,822</u></u>

Approved by the Board and authorised for issue on

2007 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 period ended 30 June 2007

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 period 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 periods is deferred.

Membership subscriptions are accounted for on a rolling annual basis. Income attributable to future periods 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 period 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

	2007 £
Cabinet Office	522,124
Scottish Executive	105,052
	<hr/>
	627,176
	<hr/> <hr/>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the period ended 30 June 2007

3.	Operating surplus	2007
		£
	This is stated after charging:	
	Auditor's remuneration - audit	3,950
	- other services	1,000
	Depreciation	5,218
	Operating Leases – land and buildings	20,862
	Plant and machinery	3,055
		<u><u> </u></u>

4.	Staff Costs	2007
		£
	Wages and salaries	118,391
	Social security costs	11,044
	Pension costs	7,486
		<u><u> </u></u>
		136,921
		<u><u> </u></u>

The average number of employees (excluding directors) during the period was 5

Staff costs include the following amounts:

Directors' remuneration	19,252
	<u><u> </u></u>

5.	Tax on surplus on ordinary activities	2007
		£
(a)	Analysis of tax charge for the period	
	Current tax	
	UK corporation tax on surplus of the period	1,619
		<u><u> </u></u>
	Total current tax charge	1,619
		<u><u> </u></u>
	Tax on profit on ordinary activities	1,619
		<u><u> </u></u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the period ended 30 June 2007

5. **Tax on surplus on ordinary activities (continued)** **2007**
£

(b) **Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19.24%). The differences are explained below:

Surplus on ordinary activities before tax	140,441
	<u> </u>
Tax on surplus on ordinary activities at standard corporation tax rate of 19.24%	27,015
Effects of:	
Income not taxable due to mutual trading	(25,396)
	<u> </u>
Current tax charge for the period	1,619
	<u> </u>

6. Tangible fixed assets	Fixtures & fittings	Computer equipment	Total
	£	£	£
Additions	2,249	29,374	31,623
	<u> </u>	<u> </u>	<u> </u>
As at 30 June 2007	2,249	29,374	31,623
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
Charge for the period	371	4,847	5,218
	<u> </u>	<u> </u>	<u> </u>
As at 30 June 2007	371	4,847	5,218
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 30 June 2007	1,878	24,527	26,405
	<u> </u>	<u> </u>	<u> </u>

7. Debtors	2007 £
Trade debtors	16,123
Prepayments and accrued income	16,684
Other debtors	10,328
	<u> </u>
	43,135
	<u> </u>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the period ended 30 June 2007

8.	Creditors: amounts falling due within one year	2007
		£
	Trade creditors	66,916
	Corporation tax payable	1,619
	Other taxation and social security	6,191
	Accruals and deferred income	119,479
	Other creditors	3,355
		<hr/>
		197,560
		<hr/> <hr/>

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 2007.

10.	Reserves	Income and expenditure account
		£
	Surplus for the period	138,822
		<hr/>
	As at 30 June 2007	138,822
		<hr/> <hr/>

FUNDRAISING STANDARDS BOARD CIC

Notes to the financial statements For the period ended 30 June 2007

11. Operating leases

At 30 June 2007, 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	-	3,000
	<u>20,181</u>	<u>3,000</u>

12. Capital commitments

There were no capital commitments as at 30 June 2007.

13. Related Party Transactions

A director of the company is also the Chief Executive of the Institute of Fundraising. During the period, the company received a donation of £13,500 from the Institute of Fundraising and made payments to it of £13,856 for rent and associated services. The Institute of Fundraising also subsidised subscription fees to the company to a value of £13,508.

FUNDRAISING STANDARDS BOARD**Detailed income and expenditure account period ended 30 June 2007**

	2007 £
Income	
Subscriptions	38,696
Grants	627,176
Bank and other interest receivable	8,418
Other income	13,500
	<hr/>
	687,790
	<hr/>
Expenditure	
Directors remuneration	19,252
Salaries & NI	117,670
Fees Payable	15,165
Travel and subsistence	9,723
Temporary Staff	7,600
Recruitment & Training	5,424
Establishment Costs	29,399
Administration Costs	35,218
Marketing Costs	255,675
Legal & Professional	52,223
	<hr/>
	547,349
	<hr/>
Surplus before taxation	140,441
	<hr/>
Taxation	(1,619)
	<hr/>
Surplus after taxation	138,822
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This page does not form part of the financial statements.