



CHAIR'S INTRODUCTION

“Joining Cifas as Chair in the middle of the COVID-19 pandemic gave me the opportunity to witness first-hand how Cifas became an invaluable resource for their members, stakeholders and public sector organisations in the fight against fraud.”

We know that fraudsters were relentless in their pursuit of stealing money and information from businesses and individuals during the pandemic. The mass vaccination of the UK public, and the stimulus packages and relief funds being offered to businesses and individuals offered a rich stream of opportunity for criminals to commit fraud.

I saw how Cifas worked quickly to spot this sudden rise in COVID-19 related fraud, continually updating its members and the wider fraud prevention community, and potentially saving many UK businesses and the public from the devastating consequences of fraud. I was proud to see how Cifas also played an important role in carrying out fraud checks for the government's stimulus payments, and supported Local Authorities across the UK that were suddenly tasked with administering funds to help businesses struggling during lockdown.

Cifas members remain at the heart of the organisation, and throughout lockdown I saw how staff remained committed and worked hard to protect their members and the public from fraud. Staff are the backbone of any organisation, and having such a dedicated and passionate workforce makes me confident about how Cifas will continue to innovate and support its members as the world adapts to the new 'normal'.

Changes to the world post-pandemic will bring about new challenges in fraud prevention, and I see opportunities for Cifas to trail-blaze new services and products that will significantly improve the way we tackle fraud.

I'm looking forward to beginning this exciting journey.

John Browett

Chair, Cifas

We know that fraudsters were relentless in their pursuit of stealing money and information from businesses and individuals during the pandemic.

Fraud has presented a serious and significant threat to the UK economy, and the increasing use of digital services has meant even greater opportunities for fraudsters.

In 2020, Cifas members filed a case to the National Fraud Database every two minutes, and the sheer scale and catastrophic consequences of fraud means Cifas services and resources must continue to be an essential part of any organisation's fraud prevention toolkit.



“The last eighteen months has brought about challenges to our organisation that no-one could have foreseen. Like many other businesses, the COVID-19 pandemic saw our staff rapidly move from an office environment to working from home, ensuring that we continued to deliver an uninterrupted service to our members and stakeholders.”



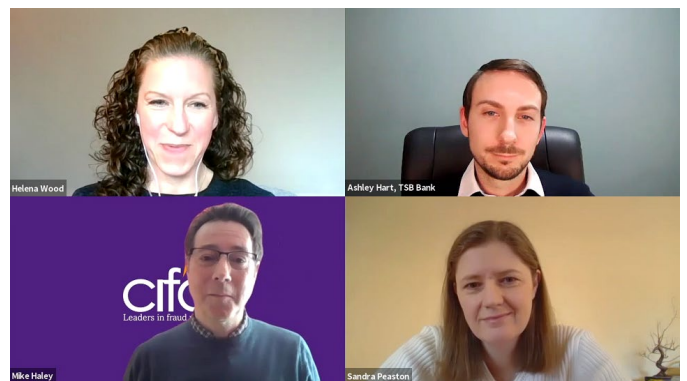
We quickly recognised that the pandemic would provide a fertile ground for fraudsters, and that as the UK's leading fraud prevention service, we had an important role in protecting members, stakeholders and the wider public. Our staff worked tirelessly to support public sector organisations and law enforcement by sharing intelligence about new and emerging frauds on a daily basis, helping them to protect the public and the economy from the adverse effects of financial fraud.

We also supported the government by conducting fraud checks for the Bounce Back Loan Scheme and grants being administered by local authorities, helping to ensure that funds intended to support businesses and individuals did not find their way into the pockets of fraudsters.

I am very proud of the way that our staff have responded to the ongoing challenges of the last twelve months. Despite the disruption that the pandemic caused to their working and personal lives, they constantly upheld the Cifas values of collaboration, expertise, innovation, integrity and respect.

The Cifas Fraud & Cyber Academy quickly moved to delivering courses online, ensuring front line staff were better equipped to identify and combat fraud and financial crime at a time when many businesses were being targeted by fraudsters.

But despite the impact of the pandemic on our business, we continued to deliver new and existing services to members. We successfully launched our Digital Fraud Checks service and enhanced our internal threat proposition, meaning that employers can now more effectively identify potential threats to their business. In 2020, we also welcomed a further 99 organisations into Cifas membership from a wide range of sectors.



Our members rightly expect value for their membership, and we recognise the importance of this – especially at a time when many organisations are reviewing their business operations in light of the pandemic. We took advantage of the lockdown to accelerate our programme to introduce digital solutions to improve our processes and help make our services more efficient, while reducing cost and overheads for our members. Our investment in data science work also helped us to ensure that we could recognise new and emerging fraud threats, meaning we continued to create effective solutions to further protect our members and the wider public from fraud.

In 2020 we also undertook an ambitious programme to roll-out new laptops to all our staff, migrate the business to a new IT service, and launch a new internal communications system. While there is still some debate as to how new ways of working will affect the UK workforce, we can be assured that our staff are able to work effectively and efficiently wherever they are.

Finally, following the passing of Lady Barbara Judge, we appointed John Browett as Chair in September 2020. In a career spanning thirty years, he has held the position of Chief Executive within major UK businesses including Tesco.com, Dixons Retail, Monsoon-Accessorize, and Dunelm Group. The depth of knowledge and experience that John has brought to the Cifas Board has been very welcome. He has provided clear guidance and support to myself and the rest of the executive on the strategic decisions we need to take, to not only ensure we remain a key component of our members' fraud defences now, but to also remain focussed on ambitious solutions to address the emerging fraud and financial crime problems faced by our members.

Their passion for preventing fraud and protecting our members from fraudulent activity demonstrates that they can confidently take on whatever challenges and opportunities the post-pandemic world brings.

Mike Haley

CEO, Cifas

THE FRAUD THREAT IN 2020

“Sharing fraud intelligence to protect our members and wider society from fraud and fraud-related crime is at the heart of what we do.”

310,000

cases of fraudulent conduct recorded by Cifas members.

In 2020 the COVID-19 pandemic brought a wealth of challenges to UK businesses as well as the wider economy. Despite this, Cifas member organisations recorded nearly 310,000 cases of fraudulent conduct to the National Fraud Database by the end of the year.

Identity fraud and misuse of facility remained key challenges for our members, accounting for 82% of the total cases recorded to the National Fraud Database in 2020. Key to this was fraudsters using the pandemic as an opportunity to steal personal and financial information from the public. 2020 also saw a 23% increase in companies being impersonated, while misuse of company accounts rose by 26%. Both of these were most likely due to the abuse of stimulus packages being offered to UK businesses.

We recognise that much of the impact on fraud as a result of COVID-19 is still to be seen, and that uncertainty around the economy and new ways of working will continue to provide a challenge to our members and the wider fraud prevention community.

Cifas membership

One of our biggest strengths is the growing number and breadth of organisations that share their fraud risk data and intelligence through our databases. Many organisations get value from matching outside of their own sector, and so it is critical that we continue to focus on growing our membership so we are able to enrich and expand the data, knowledge and intelligence our members can access.

Despite the challenges brought about by COVID-19 to our business and the wider economy, we still achieved our target of bringing 99 additional organisations into Cifas membership. These new members came from a wide range of sectors and included high profile businesses such as PricewaterhouseCoopers, NFU Mutual, Freemans, Grattan, Scottish Widows Schroders, BetVictor and Monzo.

By the end of 2020 Cifas had a total of 577 members, generating an additional income of approximately £900,000.

23% increase in companies being impersonated.



2020

99

organisations into membership.

577

Ensuring Value for Cifas Members

In 2020, Cifas members prevented fraud totalling £1.4bn, meaning that on average members saw a return of £169 for every £1 spent on membership.

Our priority continues to be ensuring that Cifas members get exceptional value from their membership and are proud to be part of the UK's largest fraud prevention community.

We recognise that to increase the value of Cifas to our members, we must work to refine our core products and services as well as improve the way these are delivered.

As a result, we continue to invest in digital solutions to make our processes more efficient for members, while reducing the overheads and costs incurred as a result of accessing our systems and data.

The pandemic accelerated some of this work, with Data Subject Access Requests (DSARs) becoming more automated, and improvements and efficiencies made to improve the way users interact with our website or contacting us by phone.

1.4bn fraud prevention

£169



“In 2020, 290 individuals were recorded to the Cifas Internal Fraud Database, and as organisations increasingly adopt remote working we recognise that the insider threat will continue to be a concern.”

Our Digital Fraud Checks scheme is enabling members to identify fraudulent activity more efficiently, with checks carried out via our member portal and results usually delivered within 24 hours. This means members not only save time and cost, but can act more quickly on the information they receive. Already over 1,000 checks have been carried out from a small number of our members who helped develop and launch the scheme, resulting in over £12m of suspicious conduct being identified on products.

As a result of enhancing our internal fraud service, members using our Internal Fraud Database can now broaden their search to include data from the National Fraud Database. This means employers and recruiters can more effectively identify potential threats to their organisation.

We also continued to expand our community creating new membership options, enabling more organisations to be part of the UK’s fraud prevention community. By sharing their intelligence, knowledge and expertise they will provide value to our existing members and benefit from being part of the largest cross sector fraud intelligence sharing consortium. Going forward, our priority remains helping member organisations identify fraud more quickly and accurately. The continuing growth in identity fraud means we will invest in innovative new products and services in order to reduce the risk that this presents to our members.

In addition, our Research & Development Team continue to explore ways to drive more value from the wealth of intelligence and data we hold through deploying Data Science techniques, as well as working closely with partners such as Open Identity Exchange (OIX) and Open Banking Implementation Entity to ensure fraud prevention is built into Digital Identity frameworks. This will ensure that we are prepared for the ever-changing fraud landscape and can support our members to identify and mitigate the risks of these new ecosystems.



Responding to COVID-19

The COVID-19 pandemic made 2020 one of the most challenging years the fraud prevention community has ever faced. Fraudsters were quick to identify ways to take advantage as businesses and the public increasingly worked and transacted online. As the UK’s leader in fraud prevention, our role in protecting Cifas members, stakeholders and the public from fraud became more important than ever before.

We moved quickly to remote working in order to continue delivering our services to members and stakeholders, collaborating with the wider fraud prevention community to share intelligence and data around the growing threat of fraud.

Our Member Relationship Managers continued to support our member organisations by providing support, guidance and online training to ensure that members were able to use our services and products effectively while working from home.

Requests for Data Subject Access Requests (DSARs) rose sharply during this period meaning we had to move quickly to ensure that the public could self-serve when making requests using our website. Call volumes also increased, and so we quickly established a more effective consumer journey using our website, and a voice response system for incoming calls with the aim of helping hundreds of consumers self-serve their requests.

Aware that fraudsters were increasingly using the pandemic to commit fraud and that lockdown may leave victims feeling increasingly vulnerable, we partnered with Citizens Advice to help people quickly connect with the Citizens Advice Scams Action Service. This service provides invaluable support for the victims of fraud by offering help and advice from Scams Action advisers.

Aware that fraudsters were increasingly using the pandemic to commit fraud and that lockdown may leave victims feeling increasingly vulnerable, we partnered with Citizens Advice to help people quickly connect with the Citizens Advice Scams Action Service.

“At a time when the government was focused on supporting business through the pandemic, we wanted to play our part in making sure that stimulus funding reached the right people.”

Supporting the Government and public sector

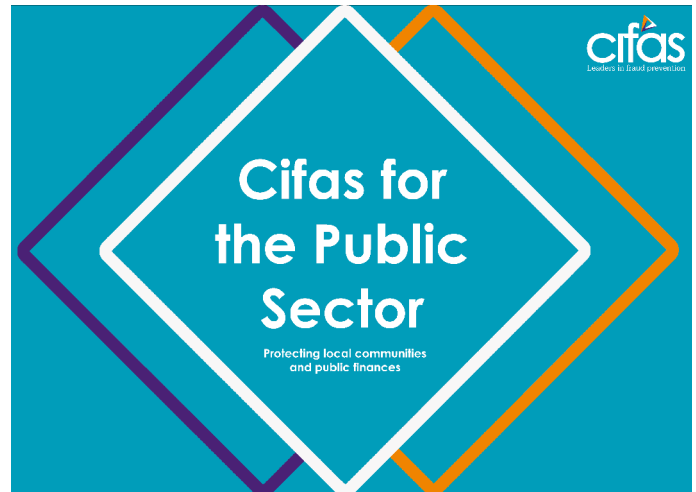
In addition to conducting fraud checks for loans being applied for as part of the Coronavirus Business Interruption Loans and Bounce Back Loan Schemes, we also extended our support to Local Authorities by creating a bespoke service to enable them to carry out fraud checks for grant applications against the Cifas National Fraud Database. In total, 31 Local Authorities used the service to complete over 67,000 searches against the National Fraud Database, resulting in 411 matches – with 62% of these relating to identity fraud.

In addition, we extended our data and intelligence sharing capabilities with key government departments including the Home Office and HMRC, as well as the wider fraud prevention community and law enforcement agencies to help protect the public and business from the growing and changing threat of fraud.

We continue to expand our presence within the public sector and following the success of our pilot scheme for Local Authorities in September 2020, we now have 27 authorities in Cifas membership.

We also played an important role in encouraging collaboration across the fraud prevention community through our membership of the Cabinet Office Cross Sector Advisory Group, the Joint Fraud Taskforce, the London Fraud Forum and the local government fraud and corruption steering group.

Looking ahead, we are starting to work closely with the NHS and housing associations to see where Cifas data can help them identify fraudulent applications and instances of fraudulent conduct more effectively.



DAILY INTELLIGENCE BRIEFING
Only on the Portal

- **Fraud intelligence to inform your day**
- **Latest filing data and statistics**
- **Current scams and fraud alerts**

Published at 12pm, Monday - Friday

The graphic features a green header with white text, a white bar with black text, and a white box with black text. It includes icons of a document, a bar chart, and a credit card.

During the pandemic, details of nearly 500 fraud threats were shared with members and key partners, with over 50 of these relating to COVID-19 fraud.

Cifas Intelligence

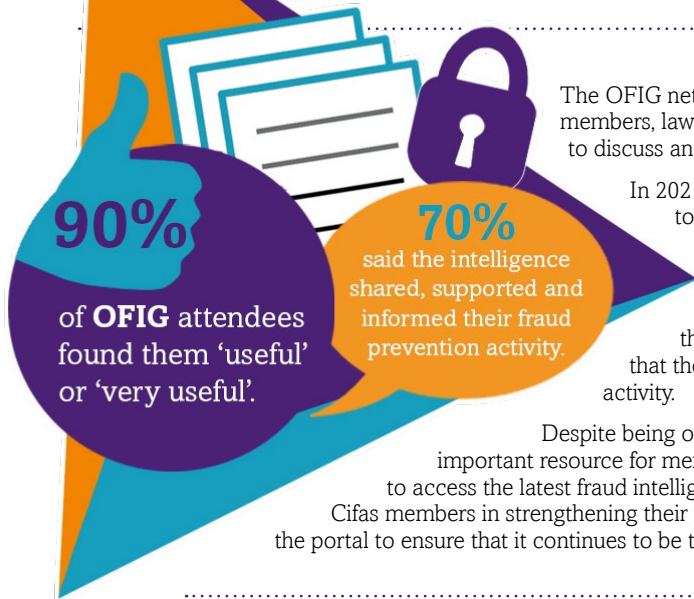
Our Intelligence Team played an important role throughout 2020, keeping our members updated with the latest intelligence to help them respond to the growing and ever-changing nature of the pandemic fraud threat.

On a daily basis, the team provided a comprehensive analysis of the latest filings to the Cifas databases, helping members to quickly identify and act on new and emerging fraud activity. During the pandemic, details of nearly 500 fraud threats were shared with members and key partners, with over 50 of these relating to COVID-19 fraud.

This intelligence also helped inform and educate the wider public of new and emerging fraud during the pandemic, with details and advice posted on a daily basis on the Cifas website. Using this intelligence, our Communications Team also achieved over 200 media mentions warning of fraud threats and giving advice to the public, with members of the Intelligence Team also featuring on BBC Panorama and consumer programmes.



“To help better support organisations during the pandemic, the team also increased the number of Organised Fraud and Intelligence Group (OFIG) sessions, including over 40 meetings since Feb 2020.”



The OFIG network now comprises over 1,000 individuals from 400 organisations and sees members, law enforcement and other key stakeholders from across the UK come together to discuss and share the latest fraud threats, trends and enablers.

In 2021 meeting attendance almost doubled from around 80 attendees per meeting to around 150. Increased attendance by law enforcement and local authorities as a result of the pandemic has also helped to bridge the intelligence gap between the public and private sectors.

In a recent survey carried out amongst OFIG attendees, 90% said that they found the meetings 'very useful' or 'extremely useful', with 70% saying that the intelligence shared both supported and informed their fraud prevention activity.

Despite being operational for just over a year, our member portal has also become an important resource for members to share crucial data and intelligence during the pandemic. Being able to access the latest fraud intelligence and interact with others member organisations has greatly assisted Cifas members in strengthening their fight against fraud. In 2021 work is underway to add further functionality to the portal to ensure that it continues to be the epicentre of fraud intelligence for our members.

Despite being operational for just over a year, our member portal has also become an important resource for members to share important data and intelligence during the pandemic.



The Cifas Fraud and Cyber Academy, with a mission to professionalise counter fraud learning and training and be the leading provider of education in cyber and fraud prevention and investigation, was launched in 2020. Its qualifications, certificates and certified courses are developed in collaboration with leading educational organisations, awarding bodies and member organisations, including Coventry University, Ofqual and Skills for Justice (SFJ) Awards.

The Academy has also established the Cifas Learning Advisory Board which is drawn from the Cifas member community. This ensures our courses are relevant and provide organisations with the practical skills and expert knowledge they need in their workforce.

Despite launching in a challenging year the Academy has achieved significant success. Over the course of 2020, it has delivered courses to:

- 47 Cifas member organisations;
- 12 regional police forces; and
- 18 non-member organisations, including an international news and media outlet and a global internet provider.

Bespoke training packages have been developed for global brands, including a tailored version of our Professional Certificate in Fraud Prevention: up to 48 Regional Organised Crime Unit (ROCU) officers from across the country will receive funding via the City of London Police to undertake the course in 2021 and 2022.

Post-pandemic, the Academy looks to extend its reach and increase the number of learners going through its courses. It will also look to establish further partnerships and collaborations with key organisations and figures in the field of counter fraud, and has ambitious plans to expand its digital learning offer.



To find out more about Cifas and our research go to www.cifas.org.uk

Company Registration No. 02584687 (England and Wales)

CIFAS (LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

CIFAS (LIMITED BY GUARANTEE)

COMPANY INFORMATION

Directors	J J Browett (appointed Chair 22 September 2020) Lady B S T Judge (Chair deceased 31 August 2020) A Wagner (Acting Chair from 2 to 22 September 2020; Senior Independent Director; reappointed 1 February 2020) P J Avis (reappointed 1 February 2020) A A Dolan (resigned 31 January 2020) R C F Fraser M D Haley Z Wimborne (interim from 24 March 2020; appointed 8 December 2020)
Secretary	R J Freedman
Company number	02584687
Registered office	6th Floor Lynton House 7-12 Tavistock Square London WC1H 9LT
Auditor	Crowe U.K. LLP 55 Ludgate Hill LONDON EC4M 7JW UK
Bankers	Lloyds TSB Bank Plc PO Box 1000 Andover BX1 1LT

CIFAS (LIMITED BY GUARANTEE)

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CIFAS (LIMITED BY GUARANTEE)

STRATEGIC REPORT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

The directors present the strategic report for the 15 months ended 31 March 2021.

Review of the business

Cifas exists to protect its members and wider society from fraud and financial crime. We do this by sharing fraud data and intelligence and building close and productive partnerships across the private, public and third sectors, as well as with law enforcement.

In 2020, we brought 99 organisations into Cifas membership, bringing our total number of members to 577 by the end of the year. These new members came from a wide range of sectors and include high profile businesses such as PWC, Monzo, NFU Mutual, Grattan and Liverpool Victoria.

Expanding our membership into previously uncharted areas has given us greater opportunities to extend our influence and share fraud prevention data across a much wider number of sectors.

But like most businesses, 2020 brought challenges that we could not have possibly foreseen. The COVID-19 pandemic impacted not just the type of work we carry out, but the way we work too. At the beginning of lockdown in March 2020, we moved to remote working quickly and without any interruption to our service, and have continued to deliver our services to members and stakeholders while our staff remain working from home.

During lockdown we also undertook an ambitious programme to roll-out new laptops to all our staff, migrate the business to a new IT service, and launch a new internal communications system. This was successfully completed at the end of 2020, and while there is still some debate and uncertainty as to how new ways of working will affect the UK workforce, we can be assured that we have the capability to remain fully-functional and that our staff are able to work effectively and efficiently – whether at home or in the office.

The number of Data Subject Access Requests (DSARs) rose sharply during lockdown, and we moved quickly to ensure that the public could self-serve when making requests by using our website. Call volumes also increased and as a result, we have now established a more effective consumer journey and voice response system on incoming calls with the aim of helping hundreds of consumers self-serve their requests.

2020 was clearly one of the most challenging years the fraud prevention industry has faced. As the UK's leading fraud prevention service, our role in protecting Cifas members, stakeholders and the public from fraud was more important than ever.

Our Intelligence Team played an important role throughout this period, keeping our members updated with the latest intelligence to help them respond to the growing threat of fraud and the ever-changing nature of fraudulent activity. Our member Portal also became an invaluable resource for members to share important data and intelligence to ensure they were one-step ahead of the fraudsters. Despite being one of the most challenging years our industry has faced, Cifas members filed nearly 310,000 cases of fraudulent conduct to the Cifas National Fraud Database in 2020. By successfully matching against Cifas data, members reported preventing over £1.4bn in potential fraud losses.

At a time when government resources and funding were stretched to capacity, we wanted to play our part in supporting them during this difficult period. In addition to overseeing fraud checks for loans being applied for as part of the Bounce Back Loan Scheme, we also extended our support to Local Authorities by creating a bespoke service to enable councils to carry out fraud checks for grant applications against the Cifas National Fraud Database.

We also extended our data and intelligence sharing capabilities with key government departments including the Home Office and HMRC, as well as with the wider fraud prevention community and law enforcement agencies to protect the public from the evolving threat of fraud. We also continued to play an important role in influencing the fraud prevention landscape through our membership of the government's Joint Fraud Taskforce and the local government fraud and corruption steering group.

Continuing to enhance and deliver new products and services to our members is at the heart of what we do. In 2020 we successfully launched the Enhanced Internal Fraud Database and Community Membership, and the Cifas Fraud and Cyber Academy continued to deliver a wide range of accredited courses in fraud prevention, investigation and cybercrime throughout lockdown. Rapidly and seamlessly moving the delivery of our courses online gave organisations the assurance that their staff could continue to receive first-class fraud prevention training at a time when many UK businesses were vulnerable to fraud.

Finally, following the passing of our Chair, Lady Barbara Judge, in 2020, we appointed John Browett as Chair in September. In a career spanning thirty years, he has held the position of Chief Executive within major UK businesses including Tesco.com, Dixons Retail, Monsoon-Accessorize, and Dunelm Group. John has brought an injection of new energy to Cifas, and already his depth of knowledge and experience within the retail and technology sectors is helping us to grow our presence and strengthen our offering to new and existing members.

CIFAS (LIMITED BY GUARANTEE)

STRATEGIC REPORT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

Financial performance

2020 saw economic uncertainty with regard to the continuing impact of Covid and the potential impact of further waves of the virus and further lockdowns; as well as uncertainty with regard to the impact of Brexit. Against this background, Cifas performed well from a financial perspective, with turnover for 15 months of £11,443,504 (12 months 2019: £8,309,082), increasing by £3,134,422 over the period. For the period, Cifas saw a reduction of the general reserve by £657,166 after development expenditure and planned project spend was funded from specific reserves.

At 31 March 2021, there were reserves of £5,303,191 (2019: £6,692,908). This represents an accumulated operating surplus to fund working capital requirements, reserves created to meet ongoing contractual financial obligations, funds for investment in future developments and a general reserve.

Overall, the 15 months to March 2021 saw a strong financial performance, minimising financial risk to the Company.

The Covid-19 pandemic has not had a significant, immediate impact on the company's operations but the directors are aware that if the current situation becomes prolonged then this may change. The pandemic has not impacted results included in these financial statements and its effects are considered to be non-adjusting post balance sheet events. Our working practices and operations have been amended so that the risk of coronavirus to both employees and those we work with are reduced. Budgets have been prepared up to March 2023 which consider sensitivities around key assumptions. Financial performance continues to be monitored closely by the senior management team and board. In view of these forecasts, current performance and the current level of free reserves which are predominantly represented by cash assets, the board have concluded that there are no material uncertainties surrounding Cifas ability to continue as a going concern and it is therefore appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Risks and uncertainties

With a healthy balance sheet, and reserve levels in line with our strategic goals, short term financial risk to Cifas is limited. In addition to a central risk register, each business area within the organisation has their own separate risk register which is updated on a regular basis. Current key risks include:

- Operational risks as a result of COVID-19: The roll-out of new technology to all Cifas staff and a new internal communications network means that our people can continue to work effectively and efficiently from home, without interruption to our service.
- Data loss or data breach from either of the core Cifas databases, and associated adverse publicity: This continues to be mitigated by a wide range of technical and physical security measures and audits.
- Loss of income through a loss of members as a result of a downturn in the economy or through development of a viable alternative to Cifas by a competitor. The latest subscription renewal round was highly successful with a low attrition rate: 98% of members renewed their subscription at the end of 2020.
- Regulatory action as a result of compliance failures by Cifas members. There were no regulatory actions raised during 2020.

All risks to the organisation are actively monitored and mitigated by the Executive, with residual risk being reviewed by the Board quarterly.

Looking ahead

In 2020 we launched our five-year Business Strategy, and this spell out how we would more effectively share our data, intelligence and knowledge to an expanded community, with the aim of saving the UK economy £5bn per year by 2025. We will do this by focussing on four strategic objectives:

To reduce the cost of ownership and increase value to members

Members remain at the heart of Cifas - without them and their data and intelligence we couldn't fulfil our purpose of helping to protect them from the risk of fraud. Although our members recognise the value in being part of our community, it is important that we ensure that the overheads and costs they incur as a result of accessing our systems and data is reduced. We also want to ensure that we increase the value members obtain from Cifas and that they gain more at a lower cost. We will do this by refining our core products and services, and improving the ways those products and services are delivered.

CIFAS (LIMITED BY GUARANTEE)

STRATEGIC REPORT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

To grow our membership community

One of our biggest strengths is the growing number and breadth of organisations that share their data through our databases. Organisations often get most value from matching outside of their own sector, and so it is critical that we continue to focus on growing our membership, to enrich and expand the data, knowledge and intelligence our members can access. In 2020 we attracted 99 new members, and this included 15 Local Authorities, four Community Members, and two gaming companies.

Our Cifas Portal has been operational for just over a year, and in that time, it has become a valuable resource where members can interact with each other, as well as share intelligence and resources to strengthen the fight against fraud. In 2021 work is underway to add further functionality to the Portal to ensure it becomes the epicentre of fraud intelligence.

To advocate on behalf of our membership community

As a trusted not-for-profit with a clear focus on tackling fraud, our members see us as being ideally placed to advocate on their behalf, and positively influence the fraud prevention community.

Our 2021 Influencing Strategy sets out how we will deepen relationships and collaborate across the fraud prevention community, including our members, the wider public, government, third sector and business stakeholders, to aid the delivery of our business plan and our longer term ambitions to reduce fraud in the UK.

In support of our Influencing Strategy, we have established a Campaign Plan which details a series of communications activities where we partner with others from the wider fraud prevention community. The plan also includes a Business Development Dashboard, which details the relationship and influencing activity being undertaken to increase membership, uptake of our services and revenue growth.

To secure our long-term future and relevance

In 2020 our members recorded nearly 310,000 cases of fraudulent conduct to the National Fraud Database, with identity fraud and misuse of facility accounting for 82% of the cases recorded.

Cifas has the ambition to turn the tide on ever-increasing levels of fraud through creating new products and services to protect our members and the public from fraud. Already work is underway on a new identity protection product, and we are currently working on initiatives to reduce the impact of Authorised Push Payment fraud.

We work to an annual Business Plan to ensure that we make best use of our resources, and that our work is aligned with and delivering to our five-year Business Strategy.

By order of the board



R J Freedman
Secretary

Date: 14/09/21

CIFAS (LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

Principal activities

The company is principally engaged in the provision of an information exchange between its Members in order to limit fraud.

Directors

The directors who are considered to be the key management, who served during the year were as follows:

Lady B S T Judge (Chairman)

J J Browett (Chairman)

A Wagner (Senior Independent Director)

P J Avis

A A Dolan

Z Wimbome

R C F Fraser

M D Haley

No directors had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business, except as disclosed in note 15 to the financial statements.

Auditor

Crowe U.K. LLP, has expressed its willingness to be reappointed as statutory auditor in accordance with Section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 surplus or deficit 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

CIFAS (LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each of the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



R J Freedman
Secretary

Date: 14/09/21

CIFAS (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIFAS (LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Cifas (Limited by Guarantee) for the period ended 31 March 2021 which comprise Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate and proper accounting records have not been kept; 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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

CIFAS (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CIFAS (LIMITED BY GUARANTEE)

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), health and safety legislation, employment legislation, and tax legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within income recognition, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the 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 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.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 22 October 2021

CIFAS (LIMITED BY GUARANTEE)

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

	Notes	15 months to 31 Mar 2021 £	12 months to 31 Dec 2019 £
Income	3	11,443,503	8,309,082
Administrative expenses		(12,817,062)	(9,617,968)
Deficit before taxation		<u>(1,373,559)</u>	<u>(1,308,886)</u>
Tax on deficit	7	(16,158)	(19,444)
Deficit for the financial year	13	<u>(1,389,717)</u>	<u>(1,328,330)</u>
Retained earnings brought forward		6,692,908	8,021,238
Retained earnings carried forward		<u>5,303,191</u>	<u>6,692,908</u>

CIFAS (LIMITED BY GUARANTEE)

BALANCE SHEET

As at 31 MARCH 2021

	Notes	31 March 2021		31 December 2019	
		£	£	£	£
Fixed assets					
Tangible assets			387,333		145,652
Intangible assets			512,257		214,097
Total fixed assets	8		<u>899,590</u>		<u>359,749</u>
Current assets					
Debtors	9	1,057,516		863,198	
Cash at bank and in hand		11,332,468		9,921,608	
			<u>12,389,984</u>		<u>10,784,806</u>
Creditors: amounts falling due within one year	10	(7,818,978)		(4,366,068)	
Net current assets			<u>4,571,006</u>		<u>6,418,738</u>
Total assets less current liabilities			5,470,596		6,778,487
Creditors: amounts falling due after one year			(81,826)		-
Provisions for liabilities	11		(85,579)		(85,579)
Net assets			<u>5,303,191</u>		<u>6,692,908</u>
Reserves					
Other reserves	13	2,034,618		2,767,169	
Income and expenditure account		3,268,573		3,925,739	
Members' funds			<u>5,303,191</u>		<u>6,692,908</u>

The financial statements were approved by the Board of directors, authorised for issue and signed on its behalf by:

M Haley
Director

Date: 14/9/2021

CIFAS (LIMITED BY GUARANTEE)**STATEMENT OF CASH FLOWS****FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021**

	Notes	15 months to 31 Mar 2021		12 months to 31 Dec 2019	
		£	£	£	£
Cash flows from operating activities					
Cash created by operations	17		1,982,288		(3,097,582)
Income taxes paid			(20,524)		(16,981)
Net cash outflow from operating activities			<u>1,961,764</u>		<u>(3,114,563)</u>
Investing activities					
Purchase of tangible fixed assets		(293,870)		(17,900)	
Purchase of intangible fixed assets		(336,392)		(214,097)	
Interest received		79,357		108,024	
Net cash (used in)/generated from investing activities			<u>(550,905)</u>		<u>(123,973)</u>
Net cash used in financing activities			<u>-</u>		<u>-</u>
Net increase in cash and cash equivalents			<u>1,410,860</u>		<u>(3,238,536)</u>
Cash and cash equivalents at beginning of year			9,921,608		13,160,142
Cash and cash equivalents at end of year	18		<u><u>11,332,468</u></u>		<u><u>9,921,608</u></u>

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

1 Accounting policies

Company information

Cifas (Limited by Guarantee) is a private company limited by guarantee incorporated in England and Wales. The registered office is 6th Floor, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT.

1.1 Basis of preparation

The reporting period has been changed from 31st December to 31st March in line with the People and Culture annual cycle. Accordingly, the current financial statements are prepared for 15 months from 1st January 2020 to 31st March 2021 and as a result, the comparative figures stated in the statement of income and retained earnings, balance sheet, cash flow statements and the related notes are not comparable.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Covid-19 pandemic has not had a significant, immediate impact on the company's operations but the directors are aware that if the current situation becomes prolonged then this may change. The pandemic has not impacted results included in these financial statements and its effects are considered to be non-adjusting post balance sheet events. Our working practices and operations have been amended so that the risk of coronavirus to both employees and those we work with are reduced. Budgets have been prepared up to March 2023 which consider sensitivities around key assumptions. Financial performance continues to be monitored closely by the senior management team and board. In view of these forecasts, current performance and the current level of free reserves which are predominantly represented by cash assets, the board have concluded that there are no material uncertainties surrounding Cifas ability to continue as a going concern and it is therefore appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Income and expenditure

Membership income is recognised on the subscription period start date. Any income invoiced in advance of the subscription period start date is deferred and recognised in the relevant accounting year. Other income is recognised when Cifas is entitled to the funds, receipt is probable and income can be measured reliably. Expenses are included in the financial statements on an accruals basis and are stated exclusive of VAT.

1.3 Tangible and intangible fixed assets

Tangible and intangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation and amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease - 10 years
Office furniture	Over 5 or 10 years
Equipment, fixtures and fittings	Over 2, 3 or 5 years
Intangible fixed asset	Over 5 or 7 years

The assessment of the intangible asset is the predicted life of the technology before a significant rebuild would be required with reference to existing technology lifespan.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

1 Accounting policies

1.4 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.5 Employee benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.6 Retirement benefits

The pension costs charged against the profits represent the amount of the contributions payable to pension plans in respect of the accounting period.

1.7 Fund accounting

Designated funds are sums set aside out of subscriptions received to continue with the investment in future developments and to meet any possible contractual financial obligations under existing service contracts.

2 Judgements and key sources of estimation uncertainty

In application of the accounting policies described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in either the period of revision and/or in future periods if relevant.

The areas in the financial statements where estimations have been made include:

- Tangible Assets - the useful economic life of assets used in calculating depreciation
- Intangible Assets - the predicted life of the technology before a significant rebuild would be required with reference to existing technology lifespan and the decision as to that proportion of development costs incurred which should be capitalised.
- Provision for dilapidation costs - the estimated costs to revert the property to its original, pre-let state.

In the view of the Directors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date, are likely to result in a material adjustment to their carrying amounts in the next financial year.

3 Income

The turnover and surplus on ordinary activities before taxation are attributable to the provision of an information exchange between the company's members, in order to limit fraud. Turnover is confined to the UK.

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

4	Operating Deficit		
		15 months to 31 Mar 2021	12 months to 31 Dec 2019
	Operating deficit for the year is stated after charging/(crediting):	£	£
	Fees payable to the company's auditor for the audit of the company's financial statements	14,000	12,000
	Depreciation and amortisation of owned fixed assets	90,420	21,909
		<u>104,420</u>	<u>33,909</u>

5 **Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

15 months to 31 Mar 2021	12 months to 31 Dec 2019
Number	Number
<u>84</u>	<u>78</u>

Their aggregate remuneration comprised:

	15 months to 31 Mar 2021	12 months to 31 Dec 2019
	£	£
Wages & salaries	6,601,686	4,335,086
Social security costs	688,370	434,558
Pension Costs	809,484	558,598
	<u>8,099,540</u>	<u>5,328,242</u>

The total aggregate value of termination benefits recognised in the 15 months to March 2021 was £286,931 (2019: £226,288)

6 **Directors' remuneration**

	15 months to 31 Mar 2021	12 months to 31 Dec 2019
	£	£
Remuneration for qualifying services	466,499	415,489
Company pension contributions to defined contribution schemes	37,672	28,298
	<u>504,171</u>	<u>443,787</u>

The directors are considered to be the key management and their emoluments are disclosed above.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1). The highest paid director for the 15 months was paid £319,383 (2019: £246,093) of which £37,672 (2019: £28,298) related to contributions to the defined contribution pension scheme.

7 **Taxation**

	15 months to 31 Mar 2021	12 months to 31 Dec 2019
	£	£
UK corporation tax on profits for the current period	<u>16,158</u>	<u>19,444</u>

Factors affecting tax charge for the year

The company's primary activities do not give rise to a tax charge. Tax incurred by the company is charged at 19% of interest income (2019: 19%)

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

8.1 Tangible fixed assets

	Leasehold Improvements	Office furniture	Equipment, fixtures and fittings	Total Tangible Assets
	£	£	£	£
Cost				
At 1 January 2020	85,579	97,346	36,325	219,250
Disposals				
Additions		84,959	208,911	293,870
At 31 March 2021	<u>85,579</u>	<u>182,305</u>	<u>245,236</u>	<u>513,120</u>
Depreciation and Impairment				
At 1 January 2020	11,054	36,292	26,253	73,599
Disposals				
Depreciation charged in the period	10,697	23,122	18,369	52,188
At 31 March 2021	<u>21,751</u>	<u>59,414</u>	<u>44,622</u>	<u>125,787</u>
Carrying amount				
At 31 March 2021	<u>63,828</u>	<u>122,891</u>	<u>200,614</u>	<u>387,333</u>
At 31 December 2019	<u>74,525</u>	<u>61,054</u>	<u>10,073</u>	<u>145,652</u>

8.2 Intangible fixed assets

	Intangible Assets	Total
	£	£
Cost		
At 1 January 2020	214,097	214,097
Disposals	-	-
Additions	336,392	336,392
At 31 March 2021	<u>550,489</u>	<u>550,489</u>
Amortisation		
At 1 January 2020	-	-
Disposals		
Amortisation charged in the period	38,232	38,232
At 31 March 2021	<u>38,232</u>	<u>38,232</u>
Carrying amount		
At 31 March 2021	<u>512,257</u>	<u>512,257</u>
At 31 December 2019	<u>214,097</u>	<u>214,097</u>

Intangible assets includes capital costs of information systems, product development and intelligence tools

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

9 Debtors: Amounts falling due within one year

	31 March 2021	31 December
	£	2019 £
Trade Debtors	299,800	236,896
Other Debtors	7,722	35,466
Prepayments and accrued income	749,994	590,836
	<u>1,057,516</u>	<u>863,198</u>

10 Creditors: amounts falling due within one year

	31 March 2021	31 December
	£	2019 £
Trade Creditors	289,213	455,552
Corporation tax	15,078	19,444
Other taxation and social security	142,885	1,340,689
Deferred Income	6,216,096	1,841,575
Rent accrual	665,156	385,681
Amounts due under finance leases	20,587	-
Other Creditors	157,385	132,506
Accruals	312,578	190,621
	<u>7,818,978</u>	<u>4,366,068</u>

Creditors due in more than one year relate to obligations under finance leases.

11 Provisions for Liabilities

	31 March 2021	31 December
	£	2019 £
Provisions brought forward	85,579	85,579
Additional provisions in the year	-	-
	<u>85,579</u>	<u>85,579</u>

Provisions includes amounts required to meet obligations under operating leases.

12 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

13 Income and expenditure account

	15 months to 31 Mar 2021	12 months to 31 Dec 2019
	£	£
At the beginning of the year	6,692,908	8,021,238
Deficit for the year	(1,389,717)	(1,328,330)
At the end of the year	<u>5,303,191</u>	<u>6,692,908</u>

Analysis of Reserves

Cifas maintains a number of Reserves to cover a variety of situations. These reserves fall into 2 broad categories:

Allocated Reserves: Allocated Reserves are those where funds have been allocated against a specific purpose or item, and where there is an expectation that these funds will be spent in the short or medium term.

Unallocated Reserves: Unallocated Reserves are those where funds are being held in reserve for broad strategic contingencies. They have not yet been allocated for a specific purpose. Cifas aims to hold a minimum of 6 months operating costs with Unallocated Reserves to cover strategic contingencies.

	At 1 January 2020	Surplus/Deficit for the financial year	Transfer of Funds	At 31 March 2021
	£	£	£	£
Allocated Reserves				
Projects reserve	816,270	(4,500)	-	811,770
Premises reserve	855	-	27,500	28,355
Compliance reserve	500,000	-	-	500,000
Consumer reserve	163,907	(92,365)	-	71,542
Development reserve	1,286,137	(663,186)	-	622,951
	<u>2,767,169</u>	<u>(760,051)</u>	<u>27,500</u>	<u>2,034,618</u>
Unallocated reserves				
General accumulated fund	3,925,739	(629,666)	(27,500)	3,268,573
	<u>6,692,908</u>	<u>(1,389,717)</u>	<u>-</u>	<u>5,303,191</u>

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

14 Commitments Under Operating and Finance leases

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 March 2021	31 December 2019
	£	£
Land & Buildings (operating leases):		
Within one year	658,926	372,937
Between two and five years	2,983,496	2,719,814
In over five years	1,749,172	2,765,014
	<hr/> 5,391,594	<hr/> 5,857,765
Furniture and Equipment (finance leases):		
Within one year	37,499	-
Between two and five years	81,826	-
In over five years	-	-
	<hr/> 119,325	<hr/> -
Total Commitments under Operating and Finance Leases	<hr/> <hr/> 5,510,919	<hr/> <hr/> 5,857,765

15 Related party transactions

No advances, credits or guarantees have been made to or on behalf of any director or related party (31 December 2019: £Nil).

16 Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party as no member holds more than 50% of the voting rights of the company.

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

17 Cash generated from operations

	15 months to 31 Mar 2021	12 months to 31 Dec 2019
	£	£
Deficit for the year after tax	(1,389,717)	(1,328,330)
Adjustments for:		
Taxation charged	16,158	19,444
Investment income	(79,357)	(108,024)
Depreciation and impairment of tangible fixed assets	52,188	21,909
Amortisation of intangible fixed assets	38,232	-
Increase in provisions	-	-
Movements in working capital:		
(Increase)/decrease in debtors	(194,318)	(335,603)
Increase/(decrease) in creditors	(835,419)	585,068
Increase/(decrease) in deferred income	4,374,521	(1,952,046)
Cash created/(absorbed) by operations	1,982,288	(3,097,582)

18 Analysis of Cash and cash equivalents and net debt operations

	31 December 2019	Cash flows	31 March 2021
	£	£	£
Cash in Hand	6,351,695	828,838	7,180,533
Notice deposits (not less than 3 months)	3,569,913	582,023	4,151,935
Total cash and cash equivalents/net debts	9,921,608	1,410,861	11,332,468

CIFAS (LIMITED BY GUARANTEE)

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

This information does not form part of the statutory financial statements

	15 months to 31 Mar 2021		12 months to 31 Dec 2019	
	£	£	£	£
Income				
Subscriptions		10,320,302		7,585,091
Other Income		1,123,201		723,991
		<u>11,443,503</u>		<u>8,309,082</u>
Administrative expenses		(12,817,062)		(9,617,968)
		<u>(1,373,559)</u>		<u>(1,308,886)</u>
Operating deficit				

CIFAS (LIMITED BY GUARANTEE)

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2021

This information does not form part of the statutory financial statements

	15 months to 31 Mar 2021		12 months to 31 Dec 2019	
	£	£	£	£
Administrative expenses				
1. Employment Costs				
Salaries	6,162,898		3,810,317	
Employer's national insurance	655,996		411,552	
Staff benefits and welfare	1,057,382		895,035	
Staff recruitment and development	302,325		164,374	
Travel and subsistence	38,508		171,135	
2. Premises and office administration costs				
Fixed office costs	1,224,640		1,165,492	
Office maintenance and equipment	74,080		52,722	
Office IT and telecommunications	390,524		243,357	
Ancillary office costs	42,401		51,238	
Depreciation	52,188		21,909	
3. Company costs				
Board costs	291,294		208,482	
Corporate fees and subscriptions	195,595		110,509	
Contingency	-		0	
4. Member services				
FIND maintenance and development	1,578,158		1,169,477	
Training Courses Delivery Costs	79,521		0	
Projects and research	152,741		524,404	
Meetings, events and partnerships	8,511		26,419	
Amortisation	38,232			
5. Communications				
Public affairs	-		11,356	
PR and marketing	128,050		225,103	
Public telephone handling	323,996		276,485	
Entertaining	20,022		8,135	
Protecting the vulnerable	-		70,467	
		<u>12,817,062</u>		<u>9,617,968</u>