

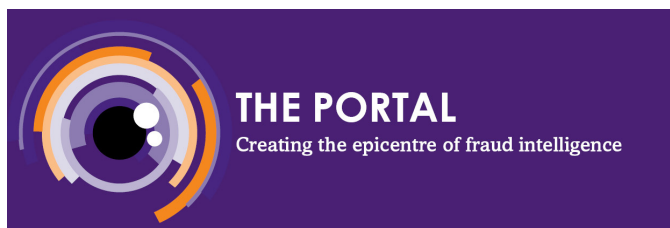


CHAIR'S INTRODUCTION

"Cifas has a clear mission to protect businesses and individuals from fraud and financial crime. We have done this successfully for over 30 years due to our commitment to delivering a first-rate service to our members, as well as continuing to strive for opportunities to innovate and be at the cutting edge of technology."

In my first year as Chairman, I am delighted that we have laid strong foundations to ensure we are 'fit for the future' and able to deliver innovative new products and services for our members.

We know that the world is changing, and so it is essential that we change with it. The 'digital revolution' is both a threat and an opportunity. Digital technology is enabling criminals to look for new and sophisticated ways to commit fraud more easily, but it is also providing us with an opportunity to enhance our products and services.



We have also worked to transform our IT platform to provide optimum efficiency and functionality for the future, and further develop our system so that it better supports delivery to our partners and members.

'We know that the world is changing, and so it is essential that we change with it. The 'digital revolution' is both a threat and an opportunity.'



Our commitment to the digital transformation of our core business processes means we can now more efficiently onboard new members as well as manage our member life cycle. It has also allowed us to improve and broaden our existing services to members.

The creation of our Member Experience Hub earlier this year is helping members identify and more effectively tackle fraud by providing them with a single point of contact within the organisation. In addition, improvements made to our Member Portal are helping to drive even greater member engagement, meaning users can share even more intelligence on methods being used to target organisations and consumers.

Our continued investment in digital solutions has also helped to create a more effective consumer journey using the Cifas website, meaning that hundreds of consumers can now more efficiently self-serve their requests through web-based contact channels. These enhancements are also helping us to reduce costs to the organisation which can then be reinvested so our members can prevent even more fraud.

We have ambitious plans for the coming year, but I am confident that we have built a strong framework with which to help our members and partners quickly identify and prevent even more fraud and financial crime.

John Browett

Chair, Cifas

“Cifas has a clear and ambitious vision. We will take the fight to fraud by creating the largest data, intelligence and knowledge sharing community in the UK, and then use the power of this community to protect organisations and individuals from the harm caused by fraud.”



Over the last two years we have supported our members, stakeholders, and public sector organisations as they faced the tsunami of fraud that accompanied the Covid pandemic. We now face a fresh challenge – to combat the fraud that will arise to take advantage of the cost-of-living crisis and economic recession. These factors will no doubt provide criminals with new opportunities to commit fraud and I am under no illusion that once again our members will be targeted by both organised and opportunistic fraudsters, meaning our role in supporting them to prevent fraud remains as important as ever.



To respond to new and emerging fraud threats we need to keep pace with the ever-evolving methods of fraudsters and be responsive and agile in creating new data sharing solutions and products for our members. To that end, over the last twelve months we have made a significant investment in product development and our members will start to see the benefits of this over the coming year.

Our members remain at the heart of everything we do, and so we continue to strive to better support them and deliver our core services in an efficient and effective manner. The feedback received from our Member Survey will spur us on to further improve our user interface and Digital Fraud Check scheme. I am delighted that nearly 9 out of 10 of our members say that they are satisfied or very satisfied with Cifas, but I recognise that this is no time for complacency and that we must continue to prioritise providing our members with a value for money service. To that end, we will continue to drive efficiencies across the business, with money saved being reinvested in new products and services to support our members and to keep subscription increases below inflation.

In the last 12 months we have opened our doors to more organisations, reaching out to sectors new to Cifas, including cryptocurrency and gaming. By expanding the data and intelligence sharing community that is Cifas, we not only put a protective arm around new sectors but also strengthen our common defences for existing members.

I believe that last year we made good progress against our five-year Business Strategy and because we have invested in our digital transformation, transformative new products and our training Academy, we are well-equipped to take on the challenges that the coming year will bring.

In addition to the sharing of data, intelligence and learning amongst our members and stakeholders, Cifas, representing the largest counter fraud community in the UK, also has an important role to play in helping shape the UK's overarching response to the growing fraud and financial crime problem. We will continue to work with the Joint Fraud Taskforce, law enforcement partners including the City of London Police and the National Economic Crime Command of the NCA, and other stakeholders such as UK Finance and Stop Scams UK to develop a holistic response to fraud and financial crime to protect the UK.

Cifas is nothing without its people, and I am privileged to lead a workforce of professional and dedicated staff that are motivated by our vision and mission to eradicate fraud. Every day they undertake the critical activity to keep our databases operating and secure, protect the integrity of our data, support our members access and use of our services, and grow our membership community. Their work not only delivers fraud prevention and loss reduction, but also reduces harm to the public, organisations, and wider society. I remain committed to our ambition of making Cifas amongst the very best workplace cultures in the UK, so we retain our excellent staff, recruit the best fraud fighters to our ranks, and work collaboratively with our members and stakeholders to deliver our vision and turn the tide on fraud.

Mike Haley
CEO, Cifas



THE FRAUD THREAT

In 2021 the risk of fraud and financial crime continued to evolve and intensify, with instances of fraudulent conduct returning to almost pre-pandemic levels.



Between April 2021-March 2022 our members recorded over 371,000 cases to the National Fraud Database - up 18% when compared to the same period the previous year.

Identity fraud continued to remain a key threat for our members, with 226,000 cases recorded in 2021 – an increase of 22% over the previous year. The overwhelming majority of these frauds occurred via the online channel, with plastic cards and the banking sector heavily impacted. The online retail and loans sectors were also targeted.

But it wasn't just individuals that were impacted by identity fraud, businesses were targeted too, with a 7% rise in companies being impersonated - predominantly for telecoms or loan products.

Facility takeover accounted for 11% of cases filed to the National Fraud Database, and we saw a significant rise in filings involving plastic cards and bank accounts.

Attempts to access loan products saw a 39% increase, with unsecured personal loans heavily targeted. Although two thirds of attempts were not granted, it is almost certainly the case that loans will continue to be a target as a result of the current rise in living costs.

We know that the next twelve months will bring about fresh challenges, with a likely increase in scams taking advantage of hard economic times and a probable increase in first party fraud. We remain committed to supporting our members and the wider fraud prevention community by helping them detect and prevent fraud with improved products and services, as well as sharing fraud intelligence to ensure they are kept well-informed about new and emerging threats and prevention measures.

Cifas membership

In 2021, Cifas members recorded a case to the National Fraud Database every 90 seconds and using the National Fraud Database saved over £1.3bn through prevented fraud losses.

The more organisations that we have in membership, the more data and intelligence we have to share in order to prevent fraudulent activity. Between 2021-2022, we attracted an additional 64 new members, meaning we could further increase the pool of data and intelligence available to our members. These new members came from a wide range of sectors and included organisations such as Virgin Media, BDO, SumUp Payments, Blackthorn Finance, Police Credit Union and crypto exchange Ziglu.

We continue to focus on growing our membership which will allow us to enrich the data, intelligence, and learning our members can access and share.



Increasing value for Cifas members

Cifas members are at the heart of our organisation, and our priority is to ensure that they continue to see exceptional value in their membership, as well as take pride in being part of the UK's largest fraud prevention community.

We are taking on board the Feedback from our recent Member Survey to ensure that we continue to deliver a high-quality service to our members, as well as being able to respond to their changing needs.

The results of the survey were largely positive with nearly 9 in 10 members telling us that they were satisfied or very satisfied with Cifas, and almost 8 in 10 agreeing that Cifas is the most comprehensive database of fraud risk data in the UK.

Our Member Experience Hub is giving further support to our members by providing them with a single point of contact to help them tackle and prevent fraud more quickly and efficiently. Following a soft launch of the service to a small group of members at the end of 2021, the Member Experience Hub has now successfully been rolled out and now helping to support all our members.



The introduction of our Digital Fraud Check service is helping members to quickly identify potential threats to their business. By the end of March 2022, Cifas members had carried out more than 7,500 Digital Fraud Checks and recorded almost 1500 cases of suspected fraudulent conduct amounting to £87m in identified fraudulent payments. There are currently 118 members from a wide range of sectors using the service, with many more currently in the pipeline.

Members continue to find value in the Cifas Portal, using it to share intelligence and information on methods being used by fraudsters to target organisations and consumers. Recent improvements made to the Portal are helping to drive greater member engagement and value, and we have further improved efficiency for users by establishing a single sign-in for access to Cifas data and intelligence, services.

Feedback from our recent Member Survey has revealed that 93% of our members use the Portal, with three-quarters saying they use it at least once a week.

We have also improved our communications to members by implementing a centralised process that ensures greater consistency to deliver more effective messages. In addition, we are now utilising the Portal as a communication tool, for example introducing screen pop-ups to ensure that our members are aware of important information.

In November 2021 we held our annual Member Forum online, attracting 436 attendees - higher than in previous years. Then in March 2022, we welcomed our members back to Millennium Point in Birmingham for our first in-person event for three years. Nearly 130 members from across the UK attended to hear insights and intelligence around new and existing fraud threats, as well as network with other members and Cifas representatives. Feedback on the event was extremely positive, with attendees rating it, on average, 4.4/5.



‘For the last three years our Intelligence Team has produced our annual Strategic Intelligence Assessment. This is specifically designed for Cifas members and combines data from all our databases as well as intelligence from our members, partners, and law enforcement.’



Cifas Intelligence

Our Intelligence Team continues to play a crucial role in keeping our members and stakeholders updated with the latest fraud intelligence. The team regularly share detailed and comprehensive analysis of the latest filings made to the Cifas databases, keeping our members and stakeholders informed of new and emerging fraud activity.

Between 2021-2022, the team posted over 50 weekly intelligence briefings on our Member Portal. They also shared details of over 300 fraud threats to ensure our members could quickly identify and respond to emerging fraud threats.

For the last three years our Intelligence Team has produced our annual Strategic Intelligence Assessment. This is specifically designed for Cifas members and combines data from all our databases as well as intelligence from our members, partners, and law enforcement. This document is key to understanding current and future fraud threats our members face, and this, along with our regular Intelligence Briefings and Threat Assessments, is helping our members by providing a timely picture of key threats and enablers.

FRAUDSCAPE 2022

Full report launching on the **28th April 2022**

www.fraudscape.co.uk



Using the information from our databases, in April 2022 we published our annual Fraudscape report to help inform the wider public of the extent of the fraud threat in the UK. This was heavily promoted across social media, with over 11,000 people viewing our launch activity on Twitter, with a further 26,000 on LinkedIn. We also achieved a great deal of national press coverage including articles in The Telegraph, The Guardian, The Times, as well as being interviewed on a number of BBC radio and TV programmes – including Panorama. To further promote Fraudscape amongst our target audience, we also organised a webinar to discuss the findings of the report with spokespeople from Action Fraud, NFIB, RiskScreen and Pindrop. This attracted nearly 150 viewers, with many more watching the post-event recording.



We recognise the important role that sharing intelligence and data with other organisations and the wider fraud prevention community plays in preventing fraud and financial crime. Key to this are the Organised Fraud and Intelligence Group (OFIG) meetings, where intelligence and investigation professionals from the private and public sectors, as well as law enforcement come together to exchange information.

Our Intelligence Team held 24 OFIG meetings between 2021-2022, attracting over 450 attendees across 211 separate organisations. Our OFIG network now comprises of over 1,300 contacts and 480 organisations, with a quarter of these from key partners and law enforcement agencies.

The intelligence shared at these meetings is helping our members and stakeholders stay one step ahead of fraudsters, as well as protect the public and the UK economy from the adverse effects of fraud and financial crime.

In our recent Member Survey, our members told us that they believed our intelligence offering had improved over the last year, with OFIGs and intelligence briefings rated the most useful.

‘We advocate on behalf of our membership community on key issues such as the exploitation of online platforms to facilitate fraud.’

Supporting the work of the Government and public sector

Over the last 18 months we have actively collaborated with key public and private partners such as the Home Office, National Economic Crime Centre, City of London Police, RUSI, Fraud Advisory Panel, UK Finance and Stop Scams UK. Working with these organisations and more, we know that we can add even greater value and more effectively tackle the fraud crimes which hurt organisations, the public and wider society.

We advocate on behalf of our membership community on key issues such as the exploitation of online platforms to facilitate fraud. We, along with our partners, strongly advocated for fraud to be included in the Online Safety Bill, resulting in the inclusion of user-generated and paid-for-adverts in the Bill.

In addition, we have also responded to the Online Advertising Programme consultation, which is crucial to combatting frauds facilitated through online adverts that fall outside of major search engines and social media platforms.

Throughout the pandemic, we played an important part in helping UK Local Authorities and public sector organisations conduct fraud checks for loans being applied for as part of the Coronavirus Business Interruption Loans and Bounce Back Loan Schemes. We continued to support organisations throughout 2021 and 2022, co-ordinating cross-sector meetings to discuss Covid-19 and wider fraud issues, which were attended by Local Authorities across the UK, as well as representatives from the NECC, City of London Police, UK Finance, Department for Business, Energy and Industrial Strategy (BEIS), Local Government Association and major banks. In January 2022 we also partnered with the Local Government Association and Barclays to give fraud prevention advice and guidance to 262 Local Authorities administering grants during the Omicron outbreak.



SLIPPING THROUGH THE NET

A FREE GUIDE FOR THE FFCL INITIATIVE BY



We also recognise the ongoing risk of fraud to the public purse as a result of economic uncertainty. To help our Local Authority members better identify and take action against the threat of internal fraud, we produced 'Slipping Through The Net' in partnership with the Better Hiring Institute, SAFERjobs, and Reed. We also continue to share and promote our intelligence amongst public sector organisations to help them identify new and existing fraud threats, attracting over 80 Local Authorities to attend our Organised Fraud Intelligence Groups.

Between 2021-2022, we attracted a further 30 public sector organisations into Cifas membership, of which 21 were Local Authorities.

There are a number of key developments within the landscape planned for the next twelve months, from changes to data protection legislation to the second Economic Crime Plan. We will continue to remain close to these developments whilst carefully navigating the current political uncertainty.



'As a result of using our Internal Fraud Database, the London Borough of Lambeth prevented 20 potentially dishonest job applicants. This led to further conversations with Local Authorities about the benefit of the database, resulting in a further 13 authorities applying to join.'

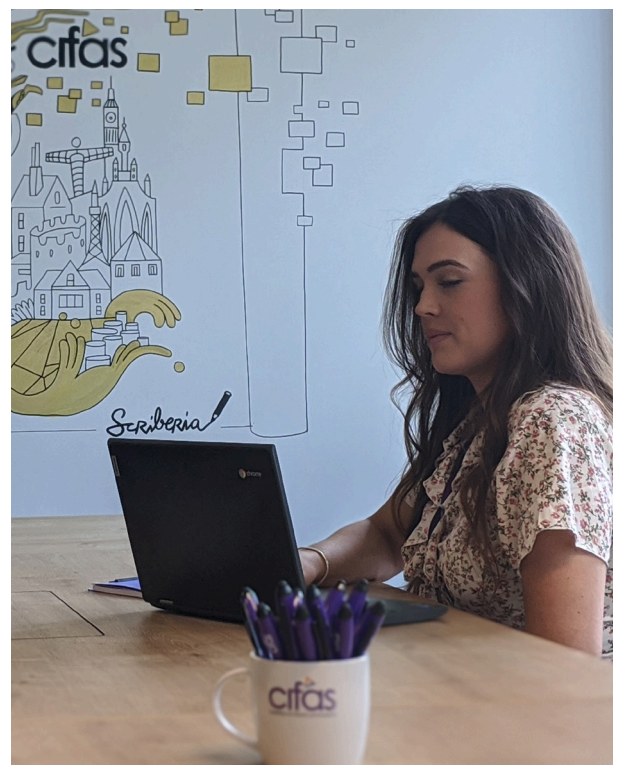


The Academy has been awarded its first formal qualifications and received approval from Skills for Justice for its Professional Certificate in Bribery and Anti-Corruption. In addition to this, the Academy also launched the Accredited Counter Fraud Specialist (ACFS) programme, as well as developing bespoke training for financial institutions, including Barclays and Monzo banks.

Last year the Academy successfully delivered its Fraud Prevention Professional Certificate course on behalf of the City of London Police to 33 police forces across England and Wales, with further courses planned.

In 2022, the Academy entered into a partnership with specialist apprenticeship training provider, Intelligencia Training, to help apprentices benefit from a range of added value activities whilst undertaking the Counter Fraud Investigator apprenticeship. This agreement will see Cifas provide briefing sessions to add even further value to the training curriculum, including sessions on the current fraud landscape, data and intelligence, and guest speakers.

In the financial year ending 2022, the Academy trained 255 delegates from 120 organisations from around the world.



Digital Learning

In September 2021, work started on expanding our learning provision even further to include digital learning. This will take a transformational approach to learning, prioritising behavioural change over 'traditional learning', immersing learners in a realistic environment, brought to life with state-of-the-art animation, graphics and film. Each five-minute episode will teach entire workforces – from front line staff to specialist roles – how to protect themselves and their organisation from fraud and financial crime. These resources will be sector-specific and regularly updated with Cifas' unique data and intelligence to ensure they remain fresh and relevant. Our digital learning service is set to be launched by the end of 2022.

Looking to the future

We remain dedicated to our commitment made in the Cifas 2020-25 Business Strategy, to take the fight to fraud through more effectively sharing data, intelligence and learning.

We continue to improve our existing services and the way we deliver our data, meaning that by the end of the year our members will benefit from a range of new products. By the end of 2022, we will have completed the development of phase one of our customer monitoring solution which will enable our members to identify risk across their customer base in real time – not just at the point of application. This proof of value testing has already proved to be of huge value to our members.

In addition, work is currently underway to create a new identity protection product with our members. This product will potentially safeguard hundreds of thousands of UK consumers from identity fraud and help protect our members from fraudulent applications for products, facilities and services.

As well as developing new products and services, we will continue to concentrate on growing our membership, attracting new members in new sectors in order to increase the breadth of organisations accessing our data, intelligence and learning.

We have also created an Influencing Strategy to ensure that our lobbying and relationship management resource is focussed to deliver strategic value and maximise impact. Our ongoing work with fraud prevention partners such as the Home Office, NECC, City of London Police, RUSI, Fraud Advisory Panel, UK Finance and Stop Scams UK is adding greater value and helping us to more effectively tackle the fraud crimes which hurt organisations, the public and wider society.



'We are genuinely innovative and there is plenty of opportunity to show initiative and bring new ideas to the table'- Cifas employee feedback



Our People

We strive to make Cifas a friendly, enjoyable place to work, with our core values of collaboration, expertise, innovation and integrity at the heart of everything we do.

With ambitious plans for the coming year, it is clear that we must continue to invest to ensure we recruit and retain employees who are motivated and engaged and have the right skills to deliver on these ambitions.

Our Employee Engagement Survey carried out in early 2022 provided valuable feedback that we will use to further improve the opportunities to help develop our employees. The vast majority of this feedback was extremely positive, with 97% of our employees agreeing that they were proud to tell people they worked for Cifas, and 94% saying they intend to still be working for the organisation in 12 months time.

Through our People Strategy we remain committed to our ambition of making Cifas amongst the very best workplace cultures in the UK.

In 2021, we were delighted to be placed in three categories in 'The Sunday Times Best Companies' survey which acknowledges an organisation's commitment to its employees and the role that cultural engagement plays in their success. This reflects the hard work and expertise of our people, and their commitment to working by our five core values of collaboration, expertise, integrity, innovation and respect that makes Cifas a great place to work.



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

Registered number: 02584687

CIFAS
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CIFAS
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	J J Browett A Wagner (Senior Independent Director) P J Avis (resigned 19 October 2021) R C F Fraser M D Haley S-J Lennard (appointed 25 January 2022) Z Wimborne
Company secretary	R J Freedman
Registered number	02584687
Registered office	6th Floor Lynton House 7-12 Tavistock Square London WC1H 9LT
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors 24 Old Bond Street London W1S 4AP
Bankers	Lloyds TSB Bank Plc PO Box 1000 Andover BX1 1LT

CIFAS
(A Company Limited by Guarantee)

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 7
Independent Auditors' Report	8 - 11
Statement of Income and Retained Earnings	12
Balance Sheet	13
Statement of Cash Flows	14
Analysis of Net Debt	15
Notes to the Financial Statements	16 - 27
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	28 - 29

CIFAS
(A Company Limited by Guarantee)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Overview

Cifas exists to protect its members and wider society from fraud and to this end, we have continued to build strong and productive partnerships across the private, public, the third sector and law enforcement, as well as extend our influence across the fraud landscape.

Despite being nearly two years since the COVID-19 pandemic gripped the UK, the impact of fraud carried out against the government, businesses and individuals during this time continues to make an impact. The establishment of hybrid working coupled with rapid increases in the cost of living will almost certainly result in a rise in fraud, meaning our role in preventing fraud has never been more important.

Fraud is the crime that our members are most likely to be affected by, and in 2021 our members recorded over 360,000 cases of reported fraudulent conduct, meaning a case was recorded by Cifas members every 90 seconds. As a result, Cifas members saved over £1.3bn through prevented fraud losses in 2021.

As of 31 March 2022, we had 626 organisations in membership, and we continue to attract potential members from a wide range of sectors. Our aim is to create the largest fraud data sharing community in the world.

We continue to make good progress against this ambition and the objectives set out in our Business Plan. These ensure that we are 'fit for the future' by enabling the scaling of the business through digital transformation and the creation of new products. We remain focussed on taking the fight to fraud by more effectively sharing data, intelligence and learning to an expanded community in order to save the UK economy £5bn by 2025.

We have ambitious plans for the coming year, and crucial to delivering those plans is our people. We continue to invest to ensure that we recruit and retain a core of employees who are motivated and engaged and have the right skills to deliver on our ambitions.

In recognition of this, we were delighted to receive three awards in the Best Companies to Work For 2021. The awards acknowledge an organisation's commitment to its employees and the role that workplace engagement plays in their success. Winning these awards gives us the opportunity to share positive stories, attract new members and talent, and strengthen our brand awareness. They also reflect the hard work and expertise of our people, and their commitment to working by our five core values of collaboration, expertise, integrity, innovation and respect that makes Cifas a great place to work.

CIFAS
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial performance

2021 saw continuing economic uncertainty from the aftermath of Covid and Brexit, and the war in Ukraine and the hike in energy prices leading to a rise in inflation has further impacted on budget projections. Against this background, Cifas performed well from a financial perspective, with turnover for the year increasing to £10,253,790 (15 months 2021: £11,443,504) and as at 31 March 2022, reserves were healthy at a total of £4,675,753 (2021: £5,303,191) a reduction of £627,438 due to planned investment in new product development (2021: reduction of £1,389,717). 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 year to March 2022 saw a strong financial performance, and minimal financial risk to the Company.

Going concern and key performance indicators

The directors consider that Cifas continues to be a going concern. Retention of our existing membership base (from which we obtain over 90% of our income) is extremely strong with 98% of existing members (15 months 2021: 97%) renewing into 2022 and continued strong growth in new members. Overall, in the last financial year we achieved 12% growth in income (15 months 2021: 10%) in line with our plans and met our member growth targets. Over the last five years we have run a planned deficit against our operating income which has been funded from our reserves and invested into new and existing products and services for our members. We also continue to invest significantly in our digital transformation which will improve our efficiency and increase productivity. Due to our underlying growth in members and other income streams, we are on track to return to a surplus position in the next two years and it is anticipated that we will then allocate part of the surplus to replenish our reserves. Despite this investment we maintain a healthy level of reserves held predominately in cash.

CIFAS
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Increasing value for members

Our members continue to benefit from our databases – in particular our National Fraud Database, and benefit from the growing number of members now using it to share intelligence.

The continued growth and success of the Cifas Fraud & Cyber Academy is also benefitting our members, enabling them to access a greater number of courses whether online or in person.

In addition, we continue to develop tailored materials, products, events, and campaigns to grow and retain membership, and to increase uptake of Cifas services.

For the last three years we have produced our annual Strategic Intelligence Assessment which is specifically designed for Cifas members and combines data from all our databases as well as intelligence from our members, partners, and law enforcement. This, along with our regular Intelligence Briefings and Threat Assessments, is helping to arm our members by providing a timely picture of key threats and enablers.

We remain committed to the digital transformation of our core business processes, and this includes efficient onboarding of new members and the management of the member life cycle. As a result of this work, we have now defined the future principles of the technology, on-boarding journey, and internal ways of working, and established sets of enablers which we have been using to guide us through development of our target operating model.

The introduction of our Digital Fraud Check service in November 2020 is helping our members more effectively identify potential threats to their business. To date, Cifas members have carried out over 7,500 Digital Fraud Checks and recorded almost 1500 cases, of suspected fraudulent conduct amounting to £87m. We currently have 118 members from across a variety of sectors using the service, with many more currently in the pipeline.

Our members continue to utilise the Cifas Portal to share intelligence on methods being used to target organisations and consumers. Improvements made to the Portal are helping to drive greater member engagement and value, and we have now established a single sign-in for access to Cifas data, intelligence, and services. Recent feedback from our members has revealed that 93% use the Portal, with three-quarters saying they use it at least once a week.

The creation of our Member Experience Hub is also improving the way we support members by providing them with a single point of contact to help them tackle and prevent fraud more quickly and efficiently. We have also worked to transform our IT platform to provide optimum efficiency and functionality for the future, and further develop our system so that it better supports delivery to our partners and members.

Finally, we continue to look for ways to improve our renewal process for members, and last year we introduced additional improvements to the process as well increasing communication with our members to help them understand the value of Cifas membership. This has had a positive impact on retention, with several of our larger members paying their membership fee ahead of the renewal date and an increase in members enquiring about a multiyear deal.

CIFAS
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Enhancing the experience for consumers contacting Cifas

Over the last twelve months we have continued to make improvements to the consumer journey on our website, which has ensured that members of the public are able to get answers from us in a timely manner. As a result of this, most consumers now choose to engage with us digitally through our web-based contact channels.

We also recognise the importance of ensuring that vulnerable consumers or those that need additional help are supported, and so we have partnered with Citizens Advice to ensure that they are given the assistance they need. To date, around 1,500 consumer calls have been transferred to Citizens Advice, and their Scams Action Service is helping people understand how to avoid scams and what to do if they become involved with one.

We have also simplified the way consumers can apply for Data Subject Access Requests (DSARs) on our website. Ensuring that our DSAR application journey is now mobile-user friendly is making it even easier for consumers to use the service.

These enhancements have helped us to reduce certain costs which are being reinvested in the business on products and services that will help prevent more fraud.

Risks and uncertainties

With a healthy balance sheet, and reserves in line with our strategic goals, short term financial risk to Cifas is limited. Current key risks include:

- The impact of an economic downturn resulting in the loss of members.
- Data loss or data breach from either of the core Cifas databases resulting in associated adverse publicity. This risk continues to be mitigated by a broad range of technical and physical security measures and audits.
- Regulatory action because of compliance failures by Cifas or its members.

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

Looking forward

We are committed to improve the way we deliver our data to members and prevent more fraud and financial crime. To support this, we are currently gathering member feedback as to how we create a modernised user interface to speed up decision making and improve how we present our data. Our work to create a new identity protection product is ongoing, and research being carried out with members and potential users is helping us to build towards the next stage of development.

The Cifas Fraud & Cyber Academy continues to strengthen its presence and offering, and in 2020 received approval from Skills for Justice for their Professional Certificate in Bribery and Anti-Corruption. It also embarked on the first cohort of 'Fraud Protect' training for officers from the Regional and Organised Crime Units across the UK which were delivered in partnership with the City of London Police and funded by Lloyds Bank. Our investment in the Academy over the coming year will help it deliver a significant income across both digital and 'in person' channels.

We have also created an Influencing Strategy to ensure that our lobbying and relationship management resource is focussed to deliver strategic value and maximise impact. Our ongoing work with fraud prevention partners such as UK Finance, the Home Office and Citizens Advice is helping us to identify key areas of collaboration, avoid duplication and to maximise the value we provide to our members.

CIFAS
(A Company Limited by Guarantee)

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Future Developments

Our investment in data science work has played a significant role in helping us recognise new and emerging fraud threats, and is helping us to develop innovative and exciting new products to protect our members and the wider public from fraud.

Significant progress continues to be made on the digital transformation of our core business processes, including on-boarding new members and the management of our member life-cycle. We also continue to improve our existing services and how they are delivered to our members, and add more value to our data through deployment of analytics.

We will continue to collaborate with key public and private partners such as the Home Office, NECC, City of London Police, RUSI, Fraud Advisory Panel, UK Finance and Stop Scams UK. We recognise that by working together we can add greater value and more effectively tackle the fraud crimes which affect Cifas members, UK businesses, and wider society.

This report was approved by the board on *5th September 2022* and signed on its behalf.



R J Freedman
Secretary

CIFAS
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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

Directors

The directors who served during the year were:

J J Browett (Chairman)
A Wagner (Senior Independent Director)
P J Avis (resigned 19 October 2021)
R C F Fraser
M D Haley
S-J Lennard (appointed 25 January 2022)
Z Wimborne

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.

CIFAS
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *5th September 2022* and signed on its behalf.



R J Freedman
Secretary

CIFAS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIFAS

Opinion

We have audited the financial statements of CIFAS (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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 2022 and of its loss for the year 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

CIFAS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIFAS (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report 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 the light of the knowledge and understanding of the Company and its 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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.

CIFAS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIFAS (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the sector in which it operates and considered the risk of the Company not complying with the applicable laws and regulations including fraud; in particular those that could have a material impact on the financial statements. In relation to the operations of the Company this included employment legislation, tax legislation, health and safety legislation and General Data Protection Regulation (GDPR).

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Review of legal fees incurred;
- Review of Company risk management procedures;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management including those responsible for the key regulations;
- Reviewing the key authorisation policies and estimates for management bias.

We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates. To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

CIFAS
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIFAS (CONTINUED)

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 Auditors' 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.



Helena Wilkinson (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

24 Old Bond Street
London

W1S 4AP

Date: 27 September 2022

CIFAS
(A Company Limited by Guarantee)

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Turnover	3	10,253,790	11,443,503
Administrative expenses		(10,874,883)	(12,817,062)
Deficit before taxation	4	<u>(621,093)</u>	<u>(1,373,559)</u>
Tax on deficit		(6,345)	(16,158)
Loss after tax		<u>(627,438)</u>	<u>(1,389,717)</u>
Retained earnings brought forward		5,303,191	6,692,908
Deficit for the year		(627,438)	(1,389,717)
Retained earnings carried forward		<u><u>4,675,753</u></u>	<u><u>5,303,191</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 16 to 27 form part of these financial statements.

CIFAS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02584687

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	8	1,318,771	512,257
Tangible assets	9	300,497	387,333
		1,619,268	899,590
Current assets			
Debtors: amounts falling due within one year	10	1,411,144	1,057,516
Cash at bank and in hand	11	10,933,954	11,332,468
		12,345,098	12,389,984
Creditors: amounts falling due within one year	12	(9,157,217)	(7,818,978)
		3,187,881	4,571,006
Net current assets			
		4,807,149	5,470,596
Total assets less current liabilities			
Creditors: amounts falling due after more than one year		(45,817)	(81,826)
Provisions for liabilities			
Other provisions	16	(85,579)	(85,579)
		4,675,753	5,303,191
Net assets			
		4,675,753	5,303,191
Reserves			
Income and expenditure account	18	4,675,753	5,303,191
		4,675,753	5,303,191
Members' funds		4,675,753	5,303,191

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

M D Haley
Director

5/9/22.

The notes on pages 16 to 27 form part of these financial statements.

CIFAS
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
Loss for the financial year	(627,438)	(1,389,717)
Adjustments for:		
Amortisation of intangible assets	69,269	38,232
Depreciation of tangible assets	105,394	52,188
Interest received	(33,393)	(79,356)
Taxation charge	6,345	16,158
(Increase) in debtors	(353,628)	(194,318)
Increase in creditors	1,310,963	3,539,102
Corporation tax (paid)	(15,078)	(20,524)
Net cash generated from operating activities	462,434	1,961,765
Purchase of intangible fixed assets	(875,783)	(336,392)
Purchase of tangible fixed assets	(18,558)	(293,870)
Interest received	33,393	79,357
Net cash from investing activities	(860,948)	(550,905)
Net (decrease)/increase in cash and cash equivalents	(398,514)	1,410,860
Cash and cash equivalents at beginning of year	11,332,468	9,921,608
Cash and cash equivalents at the end of year	10,933,954	11,332,468
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	10,933,954	11,332,468

The notes on pages 16 to 27 form part of these financial statements.

CIFAS
(A Company Limited by Guarantee)

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	11,332,468	(398,514)	10,933,954
Finance leases	(102,413)	32,624	(69,789)
	<u>11,230,055</u>	<u>(365,890)</u>	<u>10,864,165</u>

The notes on pages 16 to 27 form part of these financial statements.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

Company information

Cifas 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 of financial statements

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

1.2 Going concern

Financial performance continues to be monitored closely by the senior management team and Board, with budgets and cash flow forecasts prepared which consider sensitivities around key assumptions. Over the past few years, deficits were planned to use reserves to fund significant investment in existing and new products and services for our members. In view of these forecasts, our present performance and the current level of free reserves which are predominantly represented by cash assets, the Board has concluded that there are no material uncertainties surrounding Cifas' ability to continue as a going concern. It is therefore appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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 their financial statements on an accruals basis and are stated exclusive of VAT.

1.4 Provisions for liabilities

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 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.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.7 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 5 to 7 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.9 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

1.10 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.11 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.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.12 Taxation

Tax is recognised in the statement of income and retained earnings except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

1.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intangible fixed assets	-	Over 5 or 7 years
-------------------------	---	-------------------

1.14 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.

1.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Judgements in applying accounting policies 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 future periods if relevant.

The areas in the financial statements where estimates 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 material adjustment to their carrying amounts in the next financial year.

3. Income

The whole of the turnover is attributable to the provision of an information exchange between the company's members, including training, in order to limit fraud.

All turnover arose within the United Kingdom.

4. Operating Deficit

The operating deficit is stated after charging:

	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Auditors' remuneration	12,580	14,000
Depreciation and amortisation of owned fixed assets	174,664	90,420
Other operating lease rentals	658,926	466,171
	<u> </u>	<u> </u>

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Employees

Staff costs were as follows:

	12 months to 31 March 2022 £	Restated 15 months to 31 March 2021 £
Wages and salaries	5,847,587	6,637,365
Social security costs	622,839	688,370
Pension costs	667,692	809,484
	<u>7,138,118</u>	<u>8,135,219</u>

The prior period employee costs have been restated to ensure they are on a consistent basis to the employee costs for the year ended 31 March 2022.

The average monthly number of employees, including the directors, during the year was as follows:

	12 months to 31 March 2022 No.	15 months to 31 March 2021 No.
Average number of employees	<u>85</u>	<u>84</u>

6. Directors' remuneration

	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Remunerations for qualifying services	428,636	466,499
Company pension contributions to defined contribution schemes	30,137	37,672
	<u>458,773</u>	<u>504,171</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 (2021: 1). The highest paid director for the 12 months was paid £264,363 (2021: £319,383 over 15 months) of which £30,137 (2021: £37,672 over 15 months) related to contributions to the defined contribution pension scheme.

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Taxation

	2022	2021
	£	£
Corporation tax		
UK Corporation tax on profits for the current period	6,345	16,158
	<u>6,345</u>	<u>16,158</u>

Factors affecting tax charge for the year/period

The company's primary activities do not give rise to a tax charge. Tax incurred by the company is charged at the standard rate of corporation tax in the UK of 19% (2021 - 19%).

8. Intangible assets

	Computer software £
Cost	
At 1 April 2021	550,489
Additions	875,783
At 31 March 2022	<u>1,426,272</u>
Amortisation	
At 1 April 2021	38,232
Charge for the year on owned assets	69,269
At 31 March 2022	<u>107,501</u>
Net book value	
At 31 March 2022	<u>1,318,771</u>
At 31 March 2021	<u>512,257</u>

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

CIFAS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Tangible fixed assets

	Leasehold improvements £	Office furniture £	Equipment, fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2021	85,579	182,305	245,235	513,119
Additions	-	-	18,558	18,558
Disposals	-	-	(5,250)	(5,250)
At 31 March 2022	<u>85,579</u>	<u>182,305</u>	<u>258,543</u>	<u>526,427</u>
Depreciation				
At 1 April 2021	21,751	59,413	44,622	125,786
Charge for the year on owned assets	8,558	20,526	76,310	105,394
Disposals	-	-	(5,250)	(5,250)
At 31 March 2022	<u>30,309</u>	<u>79,939</u>	<u>115,682</u>	<u>225,930</u>
Net book value				
At 31 March 2022	<u>55,270</u>	<u>102,366</u>	<u>142,861</u>	<u>300,497</u>
At 31 March 2021	<u>63,828</u>	<u>122,892</u>	<u>200,613</u>	<u>387,333</u>

The net book value value plant and machinery held under finance leases or hire purchase contract, included above, totals £88,371 (2021: £101,979).

10. Debtors

	2022 £	2021 £
Trade debtors	245,451	299,800
Other debtors	88,025	7,722
Prepayments and accrued income	1,077,668	749,994
	<u>1,411,144</u>	<u>1,057,516</u>

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	10,933,954	11,332,468
	<u>10,933,954</u>	<u>11,332,468</u>

12. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	504,500	289,213
Corporation tax	6,345	15,078
Other taxation and social security	161,672	142,885
Obligations under finance lease and hire purchase contracts	23,972	20,587
Other creditors	164,918	157,385
Accruals and deferred income	8,295,810	7,193,830
	<u>9,157,217</u>	<u>7,818,978</u>

13. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts	45,817	81,826
	<u>45,817</u>	<u>81,826</u>

14. Commitments Under Finance Leases

Minimum lease payments under hire purchase fall due as follows:

	2022	2021
	£	£
Within one year	37,499	37,499
Between 1-5 years	44,327	81,826
	<u>81,826</u>	<u>119,325</u>

CIFAS
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	10,933,954	11,332,468
Financial assets measured at amortised cost	302,551	341,304
	11,236,505	11,673,772
 Financial liabilities		
Financial liabilities measured at amortised cost	(2,233,255)	(1,526,546)

Financial assets measured at fair value through profit or loss comprise cash and bank balances.

Financial assets that are debt instruments measured at amortised cost comprise accrued income, trade and other debtors

Financial liabilities measured at fair value through profit or loss comprise trade creditors, obligations under finance leases, accruals and other creditors.

16. Provisions

Provisions includes amounts required to meet obligations under operating leases.

	£
At 1 April 2021	85,579
At 31 March 2022	85,579

17. Members' liability

The company is limited by guarantee, not having 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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Income and expenditure account

	12 months to 31 March 2022 £	15 months to 31 March 2021 £
At the beginning of the year	5,303,191	6,692,908
Deficit for the year	(627,438)	(1,389,717)
At the end of the year	4,675,753	5,303,191

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: Cifas holds at least 20% of annual turnover in Unallocated Reserves to cover strategic contingencies.

	At 1 April 2021 £	Surplus / Deficit for the financial year £	Transfer of funds £	At 31 March 2022 £
Allocated Reserves				
Projects reserve	811,770	-	(811,770)	-
Premises reserve	28,355	-	110,000	138,355
Compliance reserve	500,000	-	-	500,000
Consumer reserve	71,542	-	(71,542)	-
Development reserve	622,951	-	914,447	1,537,398
	2,034,618	-	141,135	2,175,753
Unallocated reserve				
General accumulated fund	3,268,573	(627,438)	(141,135)	2,500,000
	5,303,191	(627,438)	-	4,675,753

CIFAS
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	745,874	658,926
Later than 1 year and not later than 5 years	2,983,496	2,983,496
Later than 5 years	1,003,298	1,749,172
	<u>4,732,668</u>	<u>5,391,594</u>

20. Related party transactions

No advances, credits or guarantees have been made to or on behalf of any director or related party (period ended 31 March 2021: £Nil)

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £653,470 (2021: £792,066). Contributions totalling £62,249 (2021: £49,948) were payable to the fund at the balance sheet date and are included in creditors.

22. 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
(A Company Limited by Guarantee)

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Turnover	10,253,790	11,443,503
Less: overheads		
Administration expenses	(10,874,883)	(12,817,062)
Operating deficit	(621,093)	(1,373,559)
Tax on deficit	(6,345)	(16,158)
Deficit for the year/period	<u>(627,438)</u>	<u>(1,389,717)</u>

CIFAS
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Turnover		
Subscriptions	9,384,241	10,320,305
Other income	869,549	1,123,198
	<u>10,253,790</u>	<u>11,443,503</u>
	12 months to 31 March 2022 £	15 months to 31 March 2021 £
Administration expenses		
Staff salaries	5,847,587	6,637,365
Staff benefits and welfare	12,008	289
Staff national insurance	622,839	688,370
Staff pension costs	667,692	809,484
Training courses delivery costs	138,557	79,521
Entertaining	7,841	20,022
Travel and subsistence	28,740	38,508
Office, IT and telecommunications	325,959	390,525
Projects and research	192,876	262,106
Staff recruitment and development	159,581	302,325
Corporate fees and subscriptions	171,508	195,595
Bad debts	9,895	-
Public affairs	8,145	-
Board costs	49,018	29,038
Fixed office costs	1,054,152	1,224,640
Ancillary office costs	8,482	(63,941)
Office maintenance and equipment	64,201	74,079
Meetings, events and partnerships	7,175	8,511
Depreciation - office equipment	76,310	18,369
Depreciation - leasehold improvements	8,558	10,697
Depreciation - fixtures and fittings	20,526	23,122
Amortisation	69,270	38,232
PR and marketing	109,997	128,051
FIND maintenance and development	1,299,500	1,578,158
Public telephone handling	263,582	323,996
Capitalised salary costs	(349,116)	-
	<u>10,874,883</u>	<u>12,817,062</u>