



CHAIR'S INTRODUCTION

'Cifas exists to deter, detect and prevent fraud and related financial crime, and its role in protecting members and the wider public from fraudulent activity has never been more important.'

In 2019 Cifas strengthened and expanded its membership and influence, making it the most successful year to date. This was the year where new foundations were laid that would result in more effective member engagement and communication, and structural changes that would enable the organisation to deliver innovative new products and services for members.

But critical to this was also ensuring that Cifas members saw value in their membership, and continued to be proud to be a part of the UK's largest fraud community.



More than 364,000 cases of fraudulent conduct were reported by Cifas members in 2019 – the highest ever number of cases recorded to the National Fraud Database. By sharing this intelligence, Cifas prevented fraud totalling £1.5bn, meaning that on average members saw a return of £208 for every £1 spent on membership.

We also created additional value for members through the roll-out of innovative new products and services to better facilitate the sharing of insight and intelligence, which would not only play an important part in making the UK a safer place to live and do business, but also protect the livelihoods of millions of people.

Government departments and UK organisations increasingly understand the important role that Cifas plays within the fraud prevention community, and recognise its ability to provide new and inventive fraud prevention solutions to address new problems. The COVID-19 pandemic presented new opportunities for criminals to steal money and information from the public, and Cifas intelligence was crucial in helping members detect fraud and stay one step ahead of the fraudsters.

Reported cases of fraudulent activity are rising steadily every year, and make no mistake – the recent pandemic and ongoing uncertainty around the economy will inevitably mean that cases will begin to rise again. I believe that Cifas has never been in a stronger position to tackle the challenges that lie ahead, and continue to strengthen its influence and role as a trusted partner in data, intelligence and knowledge sharing.

I would like to thank everyone who has worked so hard on behalf of Cifas, including its members, and Board and Advisory Board, as well as its dedicated and hard-working staff who have played a crucial role in maintaining Cifas' position as the leader in fraud prevention in the UK.

Finally, I would like to take a moment to reflect on the recent passing of former Chair of Cifas, Lady Barbara Judge, and acknowledge the valuable contribution she made to the organisation.

I would like to take a moment to reflect on the recent passing of former Chair of Cifas, Lady Barbara Judge, and acknowledge the valuable contribution she made to the organisation.

Lady Barbara was a trailblazer, both in terms of business and women's rights, with her extensive career spanning the legal, banking, regulatory, financial and nuclear sectors. She made her name back in the 1980's when she was appointed the youngest ever commissioner on the US Securities and Exchange Commission markets regulator, later moving to the UK to become the Chair of the Pension Protection Fund and the first female Chair of the Institute of Directors.

Lady Barbara was appointed Chair of Cifas in 2016. Her extensive understanding of business played an important part in helping Cifas strengthen and expand its service to a much wider range of sectors, as well as influence a greater number of key stakeholders.

We remain extremely grateful for her support and encouragement during her time as Chair, and she will be greatly missed by both the Board and the wider Cifas community.

Arnold Wagner OBE

Senior Independent Director, acting Chair of Cifas

‘2019 was a significant year for Cifas, not only in terms of expanding our membership and influence, but also for creating new structures, capacity and capabilities, to help our members prevent more fraud.’



Since taking over as CEO of Cifas in 2018, my key priority has been to ensure that we are well prepared to tackle the ever-changing threat of fraud both now and in the future. Our radical overhaul of the organisation which was completed in 2019 meant we are now able to provide greater value for members by introducing new products such as facial matching and a suite of proactive alerts. In addition to this, our new member portal is providing a modern digital platform that can facilitate the timely exchange of intelligence to complement the FIND platform through which our members share data.

Our members continue to be at the heart of our organisation, and during 2019 we brought more than 100 new organisations into Cifas membership, meaning that we passed the milestone of 500 members by the end of the year. Critical to this was the on-boarding of a number of organisations that were the first in their sector to join Cifas - our very first local authority members, our first train operating company - Virgin Trains, and our first price comparison site - GoCompare. This clearly demonstrates how our influence is extending across the economy, and we continue to develop promising relationships with new and emerging markets.

In 2019 we worked even more closely with key influencers and the government to share our knowledge and experience. We assumed leadership roles in the government's Joint Fraud Taskforce and the local government fraud and corruption steering group, which has, in turn, provided us with greater opportunities to influence the policing community and the National Crime Agency.

But I acknowledge that we mustn't rest on our laurels, and that it is crucial we continue to strengthen our expertise so that we can maintain our relevance in a climate of fast-changing technological and social change. With that in mind, I have worked closely with our staff and members, as well as the Cifas Board and Advisory Board to create a compelling vision for the next five years. Our 2020-2025 strategy lays out a clear pathway as to how we will respond to the challenges and opportunities we, and our members, face under the four major pillars of: reducing friction and increasing value for our members; growing our membership community; advocating on behalf of our members; and securing our long-term future and relevance. I believe that this strategy will help us prioritise and focus on the areas that will be of long-term benefit to Cifas and our members.

At the end of 2019 we had no idea that the COVID-19 pandemic was just around the corner and the challenges this would bring. I am proud to report that we were able to remain fully functional and able to move to remote working without any interruption to our service. Moreover, throughout lockdown our staff have been passionate about playing their part in helping the Government

during the pandemic by overseeing fraud checks for loans being taken out as part of the Bounce Back Loan Scheme and the grants being administered by local authorities. We also accelerated our plans to deliver new and existing services to members, successfully launching IFD Enhanced, Community Membership and the Cifas Fraud and Cyber Academy, as well as continuing to run online training courses and taking our Annual Conference onto a digital platform.

I am very proud of the way our staff have responded to the challenges that have been brought about by recent events. I would like to put on record my thanks for the way they have collaborated in response to the recent pandemic, and their commitment to delivering an uninterrupted service to our members during this difficult time.

At the end of 2019 we had no idea that the COVID-19 pandemic was just around the corner and the challenges this would bring. I am proud to report that we were able to remain fully functional and able to move to remote working without any interruption to our service.

As we near the end of 2020, I am acutely aware that the ongoing pandemic and subsequent economic uncertainty will once again test our members. I remain positive in the knowledge that we are approaching this from a position of strength, and subsequently better placed to help them tackle the changing fraud and financial crime threats that lie ahead.

There has never been more need for an organisation like Cifas that shares data, intelligence and learning to take the fight to fraud.

Mike Haley

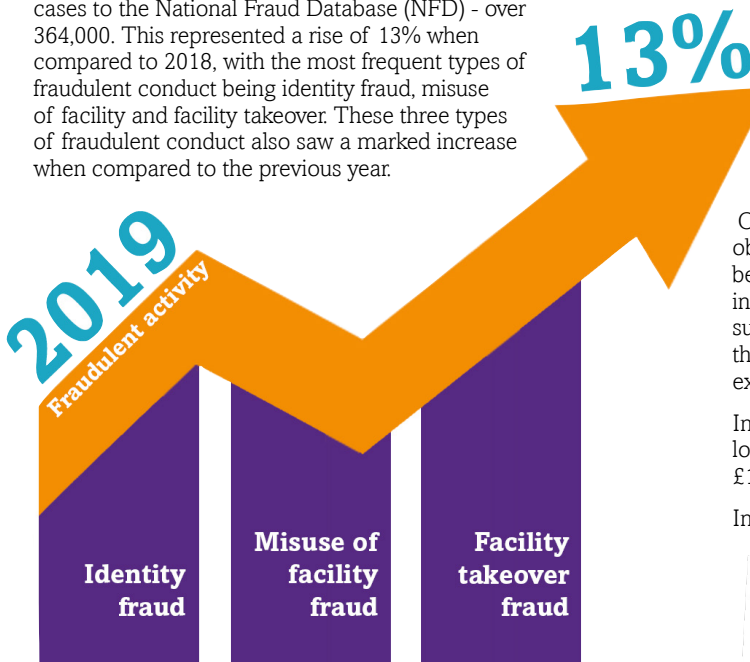
CEO, Cifas

CIFAS ANNUAL REPORT 2019

'2019 was a significant year for Cifas, not only in terms of expanding our membership and influence, but also for creating new structures, capacity and capabilities, to help our members prevent more fraud', Mike Haley, CEO, Cifas

The rising threat of fraud

Incidents of reported fraudulent conduct reached an all-time high in 2019, with Cifas members recording the highest ever number of cases to the National Fraud Database (NFD) - over 364,000. This represented a rise of 13% when compared to 2018, with the most frequent types of fraudulent conduct being identity fraud, misuse of facility and facility takeover. These three types of fraudulent conduct also saw a marked increase when compared to the previous year.



In 2019 Cifas also handled record levels of member and consumer enquiries, as well as a sharp rise of more than 40% in applications for Data Subject Access Requests (DSARs), which we were able to deal with effectively and efficiently without changing or expanding our existing teams. Indeed since the Data Protection Act came into force in May 2018, there has been a rise of over 600% in DSARs.

Membership

2019 was the most successful year to date for new member recruitment, with 108 new members joining Cifas. These new members included organisations from a wide range of sectors, and included high profile organisations such as DVLA, Klarna Bank, Ernst & Young, and JD Williams. There were also a number of organisations that represented the first in their sector to join Cifas, including our first train operating company - Virgin Trains, and our first price comparison site - GoCompare.



By the end of 2019 Cifas had a total of 535 members, with new members generating additional income of £562,000.

In response to the £2.1bn that is lost to fraud by local authorities every year, in April 2019 we launched a pilot initiative for UK councils to help them tackle fraud more effectively through improved data sharing and access to cross-sector information. Initially intended to run for a twelve month period, the success of this pilot has meant that we decided to open up full Cifas membership to local authorities in September 2020, and continue to pursue further opportunities within the wider public sector.

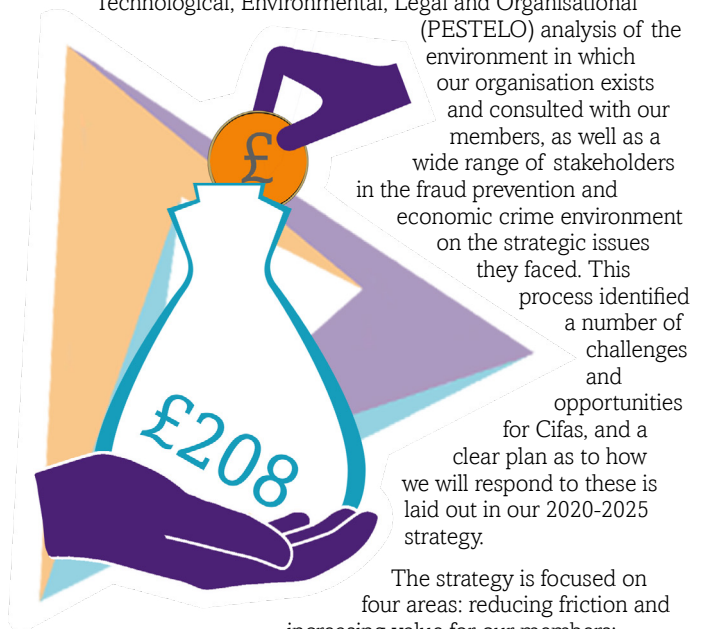
Ensuring value for Cifas members

Our priority remains ensuring that Cifas members continue to obtain exceptional value from their membership and are proud to be part of the UK's largest fraud prevention community. In 2019 we introduced innovative new products such as facial matching and a suite of proactive alerts to help our members more effectively tackle the threat of fraud. Our new member portal is also helping members exchange important intelligence and updates about fraud.

In 2019, Cifas members saved over £1.5bn through prevented fraud losses, meaning that on average they saw a return of £208 for every £1 spent on membership.

In 2019 we commissioned a Political, Economic, Social, Technological, Environmental, Legal and Organisational (PESTELO) analysis of the environment in which our organisation exists and consulted with our members, as well as a wide range of stakeholders in the fraud prevention and economic crime environment on the strategic issues they faced. This process identified a number of challenges and opportunities for Cifas, and a clear plan as to how we will respond to these is laid out in our 2020-2025 strategy.

The strategy is focused on four areas: reducing friction and increasing value for our members; growing our membership community; advocating on behalf of our members; and innovating for the future. This is underpinned by our commitment to continue growing our data, and sharing intelligence and learning. The strategy gives us a clear plan and sets out our priorities for the next five years, and in 2020 members are already seeing the benefit of this strategy.





In 2019 we made important changes to ensure we had a more holistic view of all Cifas member activity by combining consumer contact, complaints and member e-reviews into one team. This effectively means that we can now provide a 'one stop shop' for all member compliance issues. We also created a Product Innovation Team to help us further grow membership and increase and improve the services we provide our members.

We created an e-review scheduling system that will allow us to have greater transparency with our members. Our Data Integrity Dashboard allows us to review productivity and measure e-review results, complaints and upheld complaint volumes, DSARs, Identity and Verification (ID&V) results, as well as call volumes and a more granular breakdown of the reasons for contact.

In 2019 we continued to work closely with our members and the fraud prevention community to further opportunities to share fraud intelligence as well as the threats and trends affecting organisations. Key to this are our Organised Fraud and Intelligence Group (OFIG) meetings which provide an opportunity for fraud intelligence and investigation professionals from the private and

law enforcement agencies to improve the detection and prevention of fraud. In 2020 we produced the first Cifas Strategic Intelligence Assessment which combined data from our National Fraud Database and Internal Fraud Database along with intelligence provided by our members, partners and law enforcement. This document is key to understanding the threats we



face as a community and which areas we need to focus on to fight fraud together.

Building even further on this and in order to utilise our intelligence more effectively and efficiently, in 2020 we entered into an innovative new partnership with Mango Solutions to enhance our existing intelligence capabilities and deepen our understanding of crime networks involved in fraudulent conduct. Reducing friction for our members when they access our systems and data is a priority, and a key element of our work with Mango is to reduce the number of false positives experienced by members. Not only will this analysis be used to inform our

members and the wider fraud prevention community, but it will also strengthen our position as a compelling thought leader in the field of fraud prevention, and influence our thinking and major decisions around fraud prevention.

'Fraud is ever evolving and criminals are continuing to collaborate together. As a community, we must do the same.'
Nick Downing, Chief Intelligence Officer, Cifas

public sector as well as law enforcement to exchange information. In 2019 we organised 21 OFIG meetings across the UK, and the information from these was analysed and shared with our wider membership so that they could more effectively tackle fraudulent conduct. Our Business Sector Working Parties also achieved record attendance in 2019, helping to share intelligence from across all membership sectors.

In 2019 Cifas established its first dedicated Intelligence Team to enhance and expand our capabilities to analyse and disseminate intelligence in order to empower our membership community, through the identification of key fraud risk enablers, emerging fraud types and prevention measures. The intelligence is assessed on a daily basis and shared with Cifas members and

In addition, we also entered into a collaborative agreement with Vulnerability Registration Service (VRS) to offer protection to vulnerable individuals through the VRS national vulnerability database. This means that the thousands of vulnerable consumers currently protected through the

victim of fraud markers held on the Cifas National Fraud Database will be able to be placed on the VRS register, and can continue to be protected from identity fraud and avoid having to unnecessarily engage with organisations such as lenders and creditors.

Cifas members agree that the data and intelligence provided by Cifas effectively identifies and prevents external fraud **91%**

CIFAS LEARNING AND THE CIFAS FRAUD & CYBER ACADEMY



The home of accredited education and trusted training

Crucial to our target of becoming the leading source of expert training and education in cyber and fraud prevention and investigation, in 2019 we launched our plan to build Cifas Learning, with Mike Betts joining us from City of London Police to lead this work. Our accredited education and trusted training is designed to help organisations develop the skilled and expert workforce they need to fight fraud and protect them against this ever-present threat. Cifas Learning has been designed with our membership guided by the Cifas Learning Advisory Board.



‘Fraud continues to evolve causing significant harm and loss to both organisations and individuals. The need to build capacity and capability has never been greater.’

Mike Betts, Head of Learning and Counter Fraud Studies, Cifas

Under Cifas Learning in July 2020, we launched the Cifas Fraud & Cyber Academy which, in collaboration with respected academic institutions and industry organisations, offers a range of accredited courses in fraud-related issues.

We aimed to develop four accredited learning courses with awarding organisation Skills for Justice (SFJ) Awards, along with two further recognised qualifications in fraud investigation and prevention, and this was achieved in Sept 2020. We have also partnered with Coventry University to develop a Post Graduate Certificate in Fraud and Financial Crime.

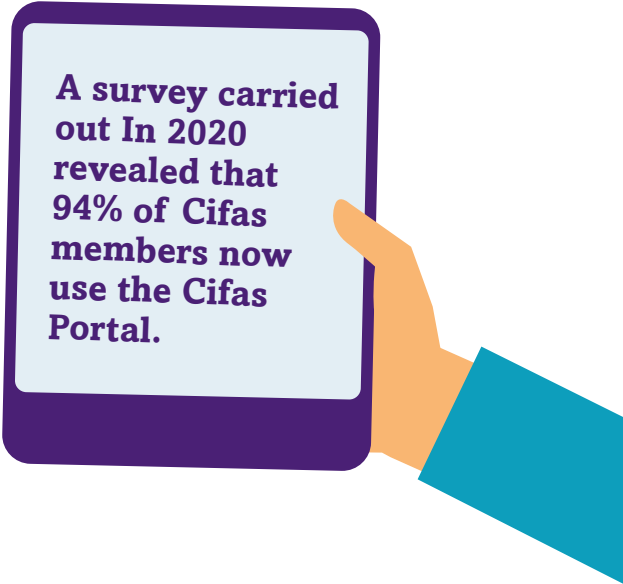
Community membership

In order to expand Cifas membership to a wider community of organisations, in 2019 we started the development of Cifas Community membership.

This new type of membership is aimed at organisations that do not have their own data to share but want to be part of the UK's fraud prevention community. Instead they contribute by sharing their intelligence, knowledge and expertise, and in return are able to engage, collaborate and benefit from others within the community, including through the Cifas Portal.

The Cifas Portal

In response to our members telling us that they wanted an easier and more effective way to communicate with Cifas and each other, in 2019 we launched our Cifas Portal. This provides a modern digital platform which facilitates the timely exchange of intelligence across our members to complement the FIND platform through which they share data. In addition, members can also keep updated with the latest news, and look ahead at training and events.



A survey carried out In 2020 revealed that 94% of Cifas members now use the Cifas Portal.



IFD Enhanced

In 2019 we started looking at the benefit of opening up more information on the National Fraud Database to our Internal Fraud Database (IFD) members. This resulted in the launch of IFD Enhanced in July 2020, allowing members to access both NFD and IFD data in one search. This new service provides greater power to members making decisions on hiring new staff and alerts them to the behaviour of existing staff. It has also resulted in engagement with a number of large employers and the potential for them to come into membership.

Influencing

Cifas continues to be a leader in the field of fraud and we continue to look for opportunities to influence the thinking and major decisions around fraud prevention. In 2019, Cifas CEO Mike Haley was appointed Chair of the government's Joint Fraud Task Force, and Cifas also provides the Secretariat for Fighting Fraud and Corruption Locally (FFCL) Board which holds the counter fraud and corruption strategy for local government. These important roles have helped us to influence decisions on fraud strategy at a national level, as well as build closer relationships with law enforcement and the National Crime Agency.

In addition, Cifas members have also benefited as a result of improved data sharing and access to cross-sector information through our links with the Joint Money Laundering Intelligence Taskforce (JMLIT), the National Economic Crime Centre (NECC), the SARS Reform Board and the Information Sharing Expert Working Group.



Response to COVID-19

We were quick to respond to the COVID-19 pandemic in early 2020 and move our staff to remote working with no interruption to our service.

Cifas staff worked swiftly to ensure that all of our core consumer processes which previously were paper based were now digitised, and document upload processes were introduced so that the public could continue to make requests from us for their personal data rather than have to call us or write. In addition, our training offering was switched to a digital platform so that members could continue to benefit from courses they had previously agreed to attend.

This switch to digital routes has resulted in a fundamental changes in process for us. Looking ahead we will continue to focus on opportunities for the organisation to interact through our digital channels as well as focus on an increasingly 'paperless' service for members and the wider public.

The COVID-19 pandemic presented fraudsters with new opportunities to steal money and information from UK businesses and the wider public, and Cifas intelligence played an important role in helping the fraud prevention community

detect and prevent fraud. As well as sharing our COVID-19 fraud intelligence with other organisations and public sector agencies as part of the Government's co-ordinated response to the pandemic, we also issued fraud risk alerts to ensure that our members and the public continued to be well-informed and updated on new and emerging fraud threats and prevention measures.

We also supported the Government during this time by overseeing checks for duplicate loans being taken out as part of the Bounce Back Loan Scheme. We also created a local authority COVID grant scheme enabling UK local authorities to access Cifas data in order to screen applications for grant aid to businesses.



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 YEAR ENDED 31 DECEMBER 2019

CIFAS (LIMITED BY GUARANTEE)

COMPANY INFORMATION

Directors	Lady B S T Judge (Chair deceased 31 August 2020) A Wagner (Acting Chair from 2 September 2020; Senior Independent Director) P J Avis A A Dolan (resigned 31 January 2020) R C F Fraser M D Haley
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 St Bride's House 10 Salisbury Square London EC4Y 8EH
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 YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Review of the business

Cifas exists to protect its members and wider society from fraud and fraud-related crime by sharing fraud intelligence and building close and productive partnerships across the private, public, the third sector and law enforcement.

In 2019 we helped our members to save over £1.4 Billion, expanded our membership and our influence, delivered new capabilities for our members to help them prevent more fraud, and put in place the foundation to bring about a step-change in member engagement and communication.

During 2019 we passed the milestone of 500 members, recruiting more than 100 new members in the calendar year and extending our coverage to include local authorities and other new sectors.

We extended our influence across the fraud landscape, forming promising relationships with new and emerging markets including the new payments architecture, electronic money and open banking. We also assumed leadership roles in the government's Joint Fraud Taskforce and the local government fraud and corruption steering group.

We also exploited our office refurbishment and expanded space to maximise income and establish the Cifas offices as a hub for the entire counter fraud community.

We delivered new capabilities to provide greater value for members, including facial matching and a suite of proactive alerts. In the shape of the new Member Portal we have created a modern digital platform to take the fight to the fraudsters through facilitating the timely exchange of intelligence across our members to complement the FIND platform through which members share data.

We also implemented a significant change programme to establish the foundations that will enable Cifas to innovate much faster in the future and to research, develop and deliver new products and services for our members. The project aligned our structure against three strategic priorities: running a successful organisation; providing a great experience for members and consumers; and shaping our future fraud prevention solutions; and has placed us in a far better place to meet the challenges ahead.

Finally, following an extensive consultation with our members, staff and stakeholders we developed a compelling new strategy to guide the organisation for the period from 2020 to 2025.

Financial performance

2019 saw continued uncertainty caused by the vote to leave the European Union, with difficult negotiations regarding departure terms, and a slowing of economic growth in the UK. Against this background, Cifas saw another strong performance from a financial perspective, with a 4.5% growth in turnover which reflects the continued growth in our membership. Cifas broke even for the year after development expenditure and planned project spend was funded from specific reserves.

At 31 December 2019, there were reserves of £6,692,907 (2018: £8,021,238). 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. The Board reviewed our reserves requirements during 2018, and while they remain committed to maintaining adequate reserves to meet all contingencies, it was agreed to reduce holdings in unallocated reserves from nine months of operating costs to six months of operating costs, and so freeing up capital for inwards investment.

Overall, 2019 saw a strong financial performance, minimising financial risk to the Company.

CIFAS (LIMITED BY GUARANTEE)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the company's ability to continue as a going concern. The accounts have therefore been prepared on the basis that the company is a going concern. Further information on how this conclusion has been reached is disclosed in accounting policy 1.1

Risks and uncertainties

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

- Uncertainty posed by the decision to leave the EU. A separate risk register continues to be maintained in relation to this risk.
- Uncertainty posed by the impact of Covid-19. A cross company group has been set up to assess the impact of Covid19 on member retention by sector and monitor those sectors for any early warning signs.
- Data loss or data breach from either of the core Cifas databases, and associated adverse publicity. This risk continues to be mitigated by a broad 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.
- Regulatory action as a result of compliance failures by Cifas members.

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

Looking forward to 2020

Our new five year strategy reiterates our purpose which is to "help protect our members from the risk of financial fraud." The strategy sets out four strategic objectives:

To reduce the cost of ownership and increase value to members

Members remain at the heart of what we do: without our members and the data and intelligence they provide to us we could not fulfil our mission. Many members recognise the importance of participating in Cifas, but we need to ensure that the cost of ownership – that is the overheads and costs they incur in accessing our systems and data – is reduced.

In tandem with this, we will look to increase the value members obtain from Cifas, to ensure that they gain more at a lower cost. This will be achieved by refining our core products and services, and improving the way those products and services are delivered.

To grow our membership community

One of Cifas' biggest strengths is the number and breadth of organisations that share their data through our databases, with organisations often getting the most value from matching outside of their own sector. It is vital therefore that we continue to grow our membership and enrich the data, knowledge and intelligence our members can access and share.

At the core of our commitment to grow our community is the Cifas member Portal. The Portal was launched in late 2019, to provide our community with a single sign-on secure digital platform to engage and interact, and pool intelligence and resources to assist in the fight against fraud.

In 2020 we will work with members to add further functionality to the platform, bring more organisations, intelligence and knowledge to our community, and help ensure that the Cifas Member Portal becomes the epicentre of fraud intelligence.

CIFAS (LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

To advocate on behalf of our membership community

As a trusted non-profit with a clear focus on tackling fraud, Cifas is seen by its membership community as being ideally placed to advocate on their behalf, and positively influence the fraud prevention community to share more data and intelligence.

Through a fraud-influencing strategy, Cifas will advocate on those issues that mean the most to our members, and where Cifas has the appropriate expertise to add the most value. A key element of this will be the influencing of legislators and regulators, to both protect and promote our data sharing model.

Cifas will also relaunch its training programme and deliver accredited Cifas learning, to empower the fraud prevention community with knowledge and expertise to most effectively tackle fraud.

To secure our long-term future and relevance

Cifas will innovate for the future, to ensure that our products and services keep pace with new technologies, adapting criminal methodologies and evolving social attitudes and behaviours.

Cifas is committed to tackling fraud for the benefit of members and the wider community, and will look to provide products that can most effectively protect our members, while also protecting the public and wider society, including those most at risk from the threat of fraud. We will empower our members to protect themselves from fraud and protect and reduce harm to consumers.

In 2020 we expect to make good progress against the four objectives and in particular concentrate on adding to the value we already provide to membership through our data, intelligence and learning.

By order of the board



.....
R J Freedman
Secretary

Date:...22 September 2020.....

CIFAS (LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

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)
A Wagner (Senior Independent Director)
P J Avis
A A Dolan
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 16 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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

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, 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:.... 22 September 2020.....

CIFAS (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Cifas (Limited by Guarantee) for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Cash Flows and notes to the financial statements, 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 December 2019 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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.

CIFAS (LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

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 and 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 by the company, 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, 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.

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.

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

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:.....

CIFAS (LIMITED BY GUARANTEE)
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Income	3	8,309,082	7,941,079
Administrative expenses		<u>(9,617,968)</u>	<u>(8,502,205)</u>
Deficit before taxation		(1,308,886)	(561,126)
Tax on deficit	7	<u>(19,444)</u>	<u>(16,981)</u>
Deficit for the financial year	13	<u>(1,328,330)</u>	<u>(578,107)</u>
Retained earnings brought forward		<u>8,021,238</u>	<u>8,599,345</u>
Retained earnings carried forward		<u><u>6,692,908</u></u>	<u><u>8,021,238</u></u>

CIFAS (LIMITED BY GUARANTEE)
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets			145,652		149,661
Intangible assets			214,097		-
Total fixed assets	8		<u>359,749</u>		<u>149,661</u>
Current assets					
Debtors	9	863,198		527,596	
Cash at bank and in hand		9,921,608		13,160,142	
		<u>10,784,806</u>		<u>13,687,738</u>	
Creditors: amounts falling due within one year	10	<u>(4,366,068)</u>		<u>(5,730,582)</u>	
Net current assets			<u>6,418,738</u>		<u>7,957,156</u>
Total assets less current liabilities			6,778,487		8,106,817
Provisions for liabilities	11		<u>(85,579)</u>		<u>(85,579)</u>
Net assets			<u>6,692,908</u>		<u>8,021,238</u>
Reserves					
Other reserves	13		2,767,169		4,095,499
Income and expenditure account			3,925,739		3,925,739
Members' funds			<u>6,692,908</u>		<u>8,021,238</u>

CIFAS (LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	17	(3,097,582)		(101,663)	
Income taxes paid		(16,981)		(13,227)	
Net cash outflow from operating activities		<u>(3,114,563)</u>		<u>(114,890)</u>	
Investing activities					
Purchase of tangible fixed assets		(17,900)		(146,975)	
Purchase of intangible fixed assets		(214,097)		-	
Interest received		108,024		89,376	
Net cash (used in)/generated from investing activities		<u>(123,973)</u>		<u>(57,599)</u>	
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents		<u>(3,238,536)</u>		<u>(172,489)</u>	
Cash and cash equivalents at beginning of year		13,160,142		13,332,631	
Cash and cash equivalents at end of year	18	<u>9,921,608</u>		<u>13,160,142</u>	

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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. Revised forecasts have been prepared up to December 2021 which consider sensitivities around key assumptions. This has incorporated a review which identified members deemed to be at risk and the financial impact of these members not renewing will not be material. 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 10 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 YEAR ENDED 31 DECEMBER 2019

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, the directors are required to make judgements, estimates and assumptions about carrying value of assets and liabilities that are based on historical experience and other relevant factors. 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.

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.

4 Operating Deficit

	2019	2018
	£	£
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	12,000	11,500
Depreciation of owned tangible fixed assets	21,909	26,728
	<u> </u>	<u> </u>

CIFAS (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019 - This information does not form part of the statutory financial statements

5 Employees

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

2019 Number	2018 Number
78	62

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages & salaries	4,335,086	3,527,497
Social security costs	434,558	374,014
Pension Costs	558,598	531,849
	<u>5,328,242</u>	<u>4,433,360</u>

The total aggregate value of termination benefits recognised in 2019 was £205,431, (2018: £72,100) including £27,060 amounts which were unpaid at year end (2018: £50,100)

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	415,489	456,625
Company pension contributions to defined contribution schemes	28,298	36,479
	<u>443,787</u>	<u>493,104</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 (2018: 2). The highest paid director was paid £246,093 (2018: £195,536) of which £28,298 (2018: £24,922) related to contributions to the defined contribution pension scheme.

7 Taxation

	2019 £	2018 £
UK corporation tax on profits for the current period	<u>19,444</u>	<u>16,981</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 18% of interest income (2018: 19%)

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

8.1 Tangible fixed assets

	Leasehold improvements	Office furniture	Equipment, fixtures and fittings	Total Tangible Assets
	£	£	£	£
Cost				
At 1 January 2019	85,579	89,739	60,712	236,030
Disposals	-		(34,680)	(34,680)
Additions	-	7,607	10,293	17,900
At 31 December 2019	<u>85,579</u>	<u>97,346</u>	<u>36,325</u>	<u>219,250</u>
Depreciation and impairment				
At 1 January 2019	2,496	26,250	57,623	86,369
Disposals	-		(34,680)	(34,680)
Depreciation charged in the year	8,558	10,042	3,309	21,909
At 31 December 2019	<u>11,054</u>	<u>36,292</u>	<u>26,253</u>	<u>73,598</u>
Carrying amount				
At 31 December 2019	<u>74,525</u>	<u>61,054</u>	<u>10,073</u>	<u>145,652</u>
At 31 December 2018	<u>83,083</u>	<u>63,489</u>	<u>3,089</u>	<u>149,661</u>

8.2 Intangible fixed assets

	Intangible Assets	Total
	£	£
Cost		
Additions	214,097	214,097
Amortisation and impairment		
Amortisation charged in the year	-	-
Carrying amount		
At 31 December 2019	<u>214,097</u>	<u>214,097</u>

9 Debtors: Amounts falling due within one year

	2019	2018
	£	£
Trade Debtors	236,896	178,270
Other Debtors	35,466	26,761
Prepayments and accrued income	590,836	322,565
	<u>863,198</u>	<u>527,596</u>

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade Creditors	455,552	274,822
Corporation tax	19,444	16,981
Other taxation and social security	1,340,689	1,207,198
Deferred Income	1,841,575	3,793,621
Rent Credit	385,681	-
Other Creditors	132,506	156,699
Accruals	190,621	281,261
	<u>4,366,068</u>	<u>5,730,582</u>

11 Provisions for Liabilities

	2019	2018
	£	£
Provisions brought forward	85,579	-
Additional provisions in the year	-	85,579
	<u>85,579</u>	<u>85,579</u>
Provsisions carried forward	<u>85,579</u>	<u>85,579</u>

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.

13 Income and expenditure account

	2019	2018
	£	£
At the beginning of the year	8,021,238	8,599,345
Deficit for the year	(1,328,330)	(578,107)
	<u>6,692,908</u>	<u>8,021,238</u>
At the end of the year	<u>6,692,908</u>	<u>8,021,238</u>

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

13 Income and expenditure account

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 2019	Surplus/Deficit for the financial year	Transfer of Funds	At 31 December 2019
	£	£	£	£
Allocated Reserves				
Database facilities reserve	360,000	-	(360,000)	-
Projects reserve	675,274	(219,004)	360,000	816,270
Premises reserve	855	-	-	855
Compliance reserve	500,000	-	-	500,000
Consumer reserve	299,370	(135,463)	-	163,907
Development reserve	2,260,000	(973,863)	-	1,286,137
	<u>4,095,499</u>	<u>(1,328,330)</u>	<u>-</u>	<u>2,767,169</u>
Unallocated reserves				
General accumulated fund	3,925,739	-	-	3,925,739
	<u>8,021,238</u>	<u>(1,328,330)</u>	<u>-</u>	<u>6,692,908</u>

14 Operating lease commitments

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:

	2019	2018
	£	£
Land & Buildings:		
Within one year	372,937	372,937
Between two and five years	2,719,814	2,347,970
In over five years	2,765,014	3,508,673
Operating leases	<u>5,857,765</u>	<u>6,229,580</u>

CIFAS (LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

15 Related party transactions

No advances, credits or guarantees have been made to or on behalf of any director or related party (2018: £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.

17 Cash generated from operations

	2019	2018
	£	£
Deficit for the year after tax	(1,328,330)	(578,107)
Adjustments for:		
Taxation charged	19,444	16,981
Investment income	(108,024)	(89,376)
Depreciation and impairment of tangible fixed assets	21,909	26,728
Increase in provisions	-	85,579
Movements in working capital:		
(Increase)/decrease in debtors	(335,603)	(78,372)
Increase/(decrease) in creditors	585,068	334,333
Increase/(decrease) in deferred income	(1,952,046)	180,571
Cash absorbed by operations	(3,097,582)	(101,663)

18 Analysis of Cash and cash equivalents and net debt operations

	2018	Cash flows	2019
	£	£	£
Cash in Hand	7,135,972	(784,277)	6,351,695
Notice deposits (not less than 3 months)	6,024,170	(2,454,257)	3,569,913
Total cash and cash equivalents/net debts	13,160,142	(3,238,534)	9,921,608

CIFAS (LIMITED BY GUARANTEE)

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019 - This information does not form part of the statutory financial statements

	2019		2018	
	£	£	£	£
Income				
Subscriptions		7,585,091		7,180,760
Other Income		723,991		760,319
		<u>8,309,082</u>		<u>7,941,079</u>
Administrative expenses		(9,617,968)		(8,502,205)
		<u>(1,308,886)</u>		<u>(561,126)</u>

CIFAS (LIMITED BY GUARANTEE)

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2019 - This information does not form part of the statutory financial statements

		2019	2018
	£	£	£
Administrative expenses			
1. Employment Costs			
Salaries	3,810,317	3,290,997	
Employer's national insurance	411,552	346,394	
Staff benefits and welfare	895,035	683,012	
Staff recruitment and development	164,374	203,792	
Travel and subsistence	171,135	131,977	
2. Premises and office administration costs			
Fixed office costs	1,165,492	804,415	
Office maintenance and equipment	52,722	35,489	
Office IT and telecommunications	243,357	244,045	
Ancillary office costs	51,238	274,313	
Depreciation	21,909	26,728	
3. Company costs			
Board costs	208,482	251,796	
Corporate fees and subscriptions	110,509	151,704	
Contingency	-	26,047	
4. Member services			
FIND maintenance and development	1,169,477	1,012,848	
Projects and research	524,404	421,062	
Meetings, events and partnerships	26,419	21,619	
5. Communications			
Public affairs	11,356	36,035	
PR and marketing	225,103	151,093	
Public telephone handling	276,485	269,158	
Entertaining	8,135	8,161	
Protecting the vulnerable	70,467	111,520	
		<u>9,617,968</u>	<u>8,502,205</u>