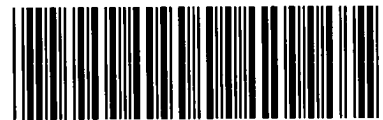


CIFAS (LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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CIFAS (LIMITED BY GUARANTEE)

COMPANY INFORMATION

Directors	Lady B S T Judge (Chairman deceased 31 August 2020) A Wagner (Acting Chairman 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 55 Ludgate Hill London EC4M 7JW
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: 2 December 2020

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		(9,617,968)	(8,502,205)
Deficit before taxation		(1,308,886)	(561,126)
Tax on deficit	7	(19,444)	(16,981)
Deficit for the financial year	13	(1,328,330)	(578,107)
Retained earnings brought forward		8,021,238	8,599,345
Retained earnings carried forward		<u>6,692,908</u>	<u>8,021,238</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	359,749		149,661	
Current assets					
Debtors	9	863,198		527,596	
Cash at bank and in hand		9,921,608		13,160,142	
		10,784,806		13,687,738	
Creditors: amounts falling due within one year	10	(4,366,068)		(5,730,582)	
Net current assets		6,418,738		7,957,156	
Total assets less current liabilities		6,778,487		8,106,817	
Provisions for liabilities	11	(85,579)		(85,579)	
Net assets		6,692,908		8,021,238	
Reserves					
Other reserves	13	2,767,169		4,095,499	
Income and expenditure account		3,925,739		3,925,739	
Members' funds		6,692,908		8,021,238	

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



R J Freedman
Secretary

Date: 22 September 2020

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>21,909</u>	<u>26,728</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	85,579	97,346	36,325	219,250
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	11,054	36,292	26,253	73,598
Carrying amount				
At 31 December 2019	74,525	61,054	10,073	145,652
At 31 December 2018	83,083	63,489	3,089	149,661

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	214,097	214,097

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
	863,198	527,596

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
Provisions 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)
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