

Company Registration No. 4938403 (England and Wales)

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

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**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Directors

Paul Stallard (Chairman)
Amanda Jane Colvin
Justin White
Graham Bunce
Mark Nesbitt
Richard Verden
Russell Peterken
Michael Flynn
Peter Lewis
Kayleigh Barker
Kathryn Toner
Kevin Osborne - King

Secretary

Stephen Frary

Company number

4938403

Principal address and registered office

Unit 11 Europoint Centre
5-11 Lavington Street
London
SE1 0NZ

Auditors

H W Fisher & Company
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Bankers

The Cooperative Bank
P.O.Box 250
Delf House
Skelmersdale
WN8 6WT

Solicitors

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London
EC2V 6BB

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
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THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The Board of Directors presents its report together with the audited financial statements of The Public Fundraising Regulatory Association (the "PFRA", the "Association") for the year ended 31 March 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the Companies Act 2006. Although the company is not registered as a charity, the accounts have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005. The Directors acknowledge that this is the most appropriate method of disclosing the accounts for a not for profit company.

Structure, governance and management

The Board of Directors, who are Members of the PFRA and directors for the purposes of company law, who served during the year are:

Paul Stallard (Chairman)

Amanda Jane Colvin

Justin White

Graham Bunce

Mark Nesbitt

Richard Verden

Karen Barnes

(Resigned 31 August 2016)

Russell Peterken

Abigail Corney

(Resigned 31 August 2016)

Michael Flynn

Peter Lewis

Kayleigh Barker

Kelly Maklowicz

(Resigned 31 August 2016)

Nick Georgiadis

(Resigned 31 August 2016)

Kathryn Toner

(Appointed 9 November 2015)

Vaughan Thomas

(Appointed 1 February 2016 and resigned 31 August 2016)

Chris Wichard

(Resigned 3 November 2015)

Anne Marie Devlin

(Resigned 18 June 2015)

Morag Fleming

(Resigned 29 April 2015)

Kevin Osborne - King

(Appointed 18 June 2015)

Elisabeth Michau

(Resigned 29 July 2015)

The Association's Mission

The PFRA promote the effective regulation of and good practice in public fundraising for gifts to charities.

Principal roles

The PFRA has two principal roles

1. We regulate the use of face-to-face fundraising by charities and professional fundraising organisations by working with local authorities to ensure that fundraising sites are used appropriately.
2. We enforce the Fundraising code of practice which aims to ensure that the public's experience of face-to-face fundraising is positive and uses an accreditation scheme, mystery shopping and feedback from stakeholders and members of the public to monitor our members' compliance.

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2016

The Association's three-year objectives

Advocacy & Engagement
Promoting a respected, sustainable and responsible form of fundraising

Standards & Compliance
Putting professionalism at the heart of good fundraising

Membership Services Development
Providing quality services and value for money to members

Financial review

The PFRA has been in discussion with the Institute of Fundraising since late 2015 with a view to merging the two organisations together to create a larger and better organisation even more suitable to the needs of the Charity sector.

Following many meetings, a positive proposal was put to the Board of the PFRA on the merger and this was endorsed by them on the 27th July 2016.

It was agreed that the membership of the PFRA should make the final decision on the merger at a meeting held on the 16th August 2016.

At this meeting, the merger was overwhelmingly agreed by attendees and by proxy vote.

Consequently, the merger documents will be signed before the 31st August 2016 and the two organisations will formally merge on the 1st September 2016.

The legal entity known as the PFRA will be gradually closed over the next months. The remaining assets and operations, once all commitments have been met, will be transferred into a new division of the IoF, known as the Compliance Directorate.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that H W Fisher & Company be reappointed as auditors of the company was proposed and passed at the AGM.

The report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the Board

Russell Peterken

~~Signature~~ 19/09/2016
Dated:

DIRECTOR



Richard Verden

Director
Dated: 19/09/16

R. J. Verden.

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that year.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION

We have audited the accounts of The Public Fundraising Regulatory Association for the year ended 31 March 2016 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRSSE "The Financial Reporting Standard for Smaller Entities" published on 16 July 2014.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

TO THE MEMBERS OF THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from preparing a strategic report in preparing the directors' report.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of **H W Fisher & Company**

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated: 19/9/16

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
<u>Income and Endowments from:</u>			
Investments	2	979	1,022
Other trading activities	3	641,092	718,329
Total income		642,071	719,351
<u>Expenditure on:</u>	4		
Raising funds			
Marketing and PR costs		88,375	115,788
Charitable activities			
Regulatory business activities		701,831	470,073
Total expenditure		790,206	585,861
Net (expenditure)/income for the year/ Net movement in funds		(148,135)	133,490
Total funds brought forward		712,015	578,525
Total funds carried forward		563,880	712,015

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET

AS AT 31 MARCH 2016

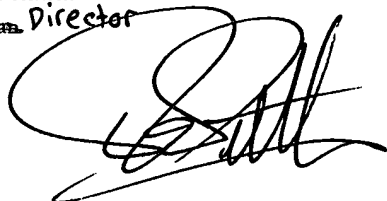
	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	9		92,478		119,884
Current assets					
Debtors	10	183,765		178,442	
Cash at bank and in hand		376,596		476,066	
		<u>560,361</u>		<u>654,508</u>	
Creditors: amounts falling due within one year	11	<u>(88,959)</u>		<u>(62,377)</u>	
Net current assets			<u>471,402</u>		<u>592,131</u>
Total assets less current liabilities			<u><u>563,880</u></u>		<u><u>712,015</u></u>
Income funds					
Unrestricted funds			<u>563,880</u>		<u>712,015</u>
			<u><u>563,880</u></u>		<u><u>712,015</u></u>

The accounts were approved by the Board on

27/07/2016

.....
 Russell Peterken

~~Chairman~~ Director



Richard Verden
 Director

R. J. Verden.

**THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

Although the company is not registered as a charity, the accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006 to reflect the not for profit nature.

The accounts have been prepared on a going concern basis and the directors believe there to be no material uncertainties about the Charity's ability to continue as a going concern.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Incoming resources

All income is recognised once the company has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

1.3 Resources expended

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the company to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the one charitable activity in the statement of financial activities.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computers & equipment	25% straight line
Furniture & fittings	25% straight line

Expenditure on equipment, fixtures and fittings which exceed £1,000 is capitalised.

Assets which are currently in development may be capitalised, but only depreciated once complete and in use.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Pensions

The company contributes to pension schemes and matches the contributions made by eligible employees to a maximum of 5% of annual salary and is paid directly into those scheme's. The pension charge recorded in these accounts is the amount of contributions payable in the accounting year and has been allocated across the relevant categories of resources expended.

1.7 Fund structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of charitable objectives.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

2 Investments

	2016 £	2015 £
Interest receivable	979	1,022

All investment income in 2016 and 2015 was unrestricted.

3 Other trading activities

	2016 £	2015 £
PFRA Levy Income	538,827	660,806
PFRA Membership	21,734	20,350
PFRA Infringement Income	58,420	36,440
PFRA Seminar Income	-	733
PFRA Sundry Income	22,111	-
	641,092	718,329

All income from other trading activities in 2016 and 2015 was unrestricted.

4 Expenditure

	Staff costs £	Depreciation and impairment £	Other costs £	Total 2016 £	Total 2015 £
Raising funds					
Marketing and PR costs	60,318	-	28,057	88,375	115,788
Charitable activities					
Regulatory business activities					
Activities undertaken directly	205,485	5,041	491,305	701,831	470,073
	265,803	5,041	519,362	790,206	585,861

Net expenditure in the year is stated after charging audit fees of £4,750 (2015: £3,700), depreciation of owned tangible fixed assets of £5,041 (2015: £7,053), operating lease rentals for plant and machinery of £1,284 (2015: £1,284) and for other assets of £24,098 (2015: £32,130).

The expenditure on charitable activities in 2016 and 2015 was unrestricted.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

5 Marketing and PR costs

	2016	2015
	£	£
Other costs comprise:		
PR agency costs	-	28,080
Marketing consumables	-	2,800
News monitoring services	3,659	6,339
Design and advertising	9,213	5,982
Exhibition costs	15,185	11,310
Research expenses	-	117
	<u>28,057</u>	<u>54,628</u>

6 Activities undertaken directly

	2016	2015
	£	£
Other costs relating to regulatory business activities comprise:		
Mystery shopping project	37,996	33,699
Computer costs	19,604	18,342
Premises costs	81,351	76,674
Professional fees	108,946	108,906
Travel and entertainment	14,870	10,221
Membership and subscription	14,656	-
Administration costs	88,283	25,518
Governance cost	6,293	4,464
Impairment of tangible fixed assets (see note 9)	119,306	-
	<u>491,305</u>	<u>277,824</u>

7 Directors

During the year, the members of the board of directors were reimbursed a total of £17,548 (2015: £7,500) for travelling expenses.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Regulatory business activities	7	7

Employment costs

	2016 £	2015 £
Wages and salaries	235,614	220,069
Social security costs	24,636	23,417
Other pension costs	5,553	2,870
	<u>265,803</u>	<u>246,356</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2016 Number	2015 Number
£70,001 - £80,000	1	-
Over £60,000	-	1

During the year, ex-gratia payments were made to two employees of £1,000 and £2,000, in recognition of their service to the company.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

9 Tangible fixed assets

	Computers & equipment	Furniture & fittings	Total
	£	£	£
Cost			
At 1 April 2015	145,820	7,528	153,348
Additions	96,941	-	96,941
At 31 March 2016	242,761	7,528	250,289
Depreciation			
At 1 April 2015	28,237	5,227	33,464
Charge for the year	3,333	1,708	5,041
Impairment	119,306	-	119,306
At 31 March 2016	150,876	6,935	157,811
Net book value			
At 31 March 2016	91,885	593	92,478
At 31 March 2015	117,583	2,301	119,884

All fixed assets in 2016 and 2015 relate to unrestricted funds.

10 Debtors

	2016	2015
	£	£
Trade debtors	98,103	79,932
Other debtors	23,883	22,666
Prepayments and accrued income	61,779	75,844
	183,765	178,442

All debtors in 2016 and 2015 relate to unrestricted funds.

THE PUBLIC FUNDRAISING REGULATORY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016

11 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	18,018	15,555
Taxes and social security costs	15,072	19,172
Accruals	55,869	27,650
	<u>88,959</u>	<u>62,377</u>

All creditors in 2016 and 2015 relate to unrestricted funds.

12 Pension and other post-retirement benefit commitments
Defined contribution

	2016	2015
	£	£
Contributions payable by the company for the year	5,553	2,870
	<u>5,553</u>	<u>2,870</u>

13 Commitments under operating leases

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Expiry date:				
Within one year	24,098	-	-	-
Between one and two years	-	32,130	-	-
Between two and five years	-	-	1,284	1,284
	<u>24,098</u>	<u>32,130</u>	<u>1,284</u>	<u>1,284</u>

14 Related parties

There were no related party transactions during the period.

15 Post balance sheet events

At a members' meeting held on the 16th August 2016, the members agreed to a merger with the Institute of Fundraising (IoF).

As a result, merger documentation will be signed before the 31st August 2016 and the two organisations will formally merge on the 1st September 2016.

The legal entity known as the PFRA will be gradually closed over the next months and the remaining assets and operations, once all commitments have been met, will be transferred into a new division of the IoF, known as the Compliance Directorate.