



THE PUBLIC  
RISK MANAGEMENT  
ASSOCIATION

# Annual Report and Accounts 2012

## CHAIRMAN'S UPDATE

This has been a year of significant change for Alarm. When our successful 2012 Learning and Development Forum ended in June 2012 I became Vice Chairman (Elect), beginning my 12 months term of office supporting our new Chairman, Mandy Knowlton-Rayner, in what would be a period of change as new members joined the Board of Directors and our Chief Executive, Lynn Drennan, took early retirement which resulted in a recruitment exercise for a new CEO who could help deliver the Board's strategic vision and aspirations for Alarm.

Unfortunately, due to work commitments at her employing organisation, Mandy stepped down as Alarm Chairman during her term of office resulting in the Board electing me to 'step up' into the role earlier than anticipated. I would like to take this opportunity to thank, on behalf of the Board, Mandy, Tracy Barnett, David Hancock and Becky Tucker who all stepped down as Board Members in 2012, their tireless work and commitment to Alarm over the last few years has been invaluable to the organisation. The break from the board being short lived for Tracy who continued to support Alarm in the recruitment process.

Change also paves the way for opportunity; we welcome new Board members, Angela Beechey, Paul Dudley and Simon Hutchinson and the opportunity to look at recruiting a new CEO to help take the business forward.

At the Alarm Office we would like to welcome Adele Wordsworth as Marketing & Business Development Manager and Gemma Rowsell as

Marketing & Admin Assistant. These new faces will bring fresh ideas to continue the growth and development of Alarm.

The past year has continued to see further cuts in public funding, however despite these, and the challenges they have brought, Alarm is committed to supporting members through these difficult times. Part of this support is the products, services and events that we provide to members. Building on the success of our award winning Risk Management Benchmarking Club, this year saw our Risk Management Toolkit, produced in association with Marsh, shortlisted for Risk Management Product of the Year at the CIR Awards.

In addition to the success of Forum, we continued to support the Regional and Sector groups activities, members will have gained valuable knowledge from the events organised by the hard work of these groups committees. This knowledge assists members in their day to day job of managing risks for their employing organisations, as well as being able to share and exchange information and good practice through valuable networking opportunities.

The continued support of our sponsors makes this all possible, both financially and by providing expert professional knowledge to members at events, round table discussions and through our publications. As Chairman, I am committed to working together with our sponsors and build on the successes to date, and I thank them for their continued support and advice.

This year has seen Alarm continue to be the voice of its members in the on-going Ministry of Justice consultations, representing the views and concerns of our members on, amongst other issues, the Civil Litigation Reforms which, once implemented will have organisations reviewing their procedures and practices. Alarm has also received formal recognition from the Association of British Insurers for our support of their action in the Simmons-v-Castle case.

I would like to say thank you to everyone involved with Alarm in providing an excellent valuable service, the cooperation and goodwill of members who often give up their own valuable personal time to be involved in working groups, regional and sector committees and of course the Board ensures that success of Alarm and the promotion of managing risks continues. As I mentioned at the start, this has been a year of significant change, with the on-going recruitment of the CEO, Board members and the team in Sidmouth have worked tirelessly to provide an outstanding

'business as usual' service to members, this together with the great support I have personally received from the team

has been invaluable and I look forward to continuing the good work.

**Wayne Rigby**  
Chairman



## OUR VISION

To be the UK voice for public service risk management

## OUR MISSION

Supporting excellence in public services

## OUR STRATEGIC OBJECTIVES

- To develop, establish and promote best practice in public service risk management
- To address the needs of public service risk practitioners in their professional development
- To promote the value of the risk practitioner and excellence in the use of risk management throughout public service organisations
- To establish and sustain membership across all public service organisations
- To act as the voice of public service risk management with government and related organisations

# ALARM UPDATE

This year saw the successful launch of the Alarm Risk Management Toolkit, which was also shortlisted for the Risk Management Product of the Year at the CIR Risk Management Awards 2012. The Toolkit provides clear guidance on the risk management process, along with practical tools and techniques that will help users manage identified risks.

We have seen a number of other developments launched, including the Course Endorsement programme, Supplier Directory and Horizon Scanning events.

Whilst 2012 has seen further pressures on funding, member

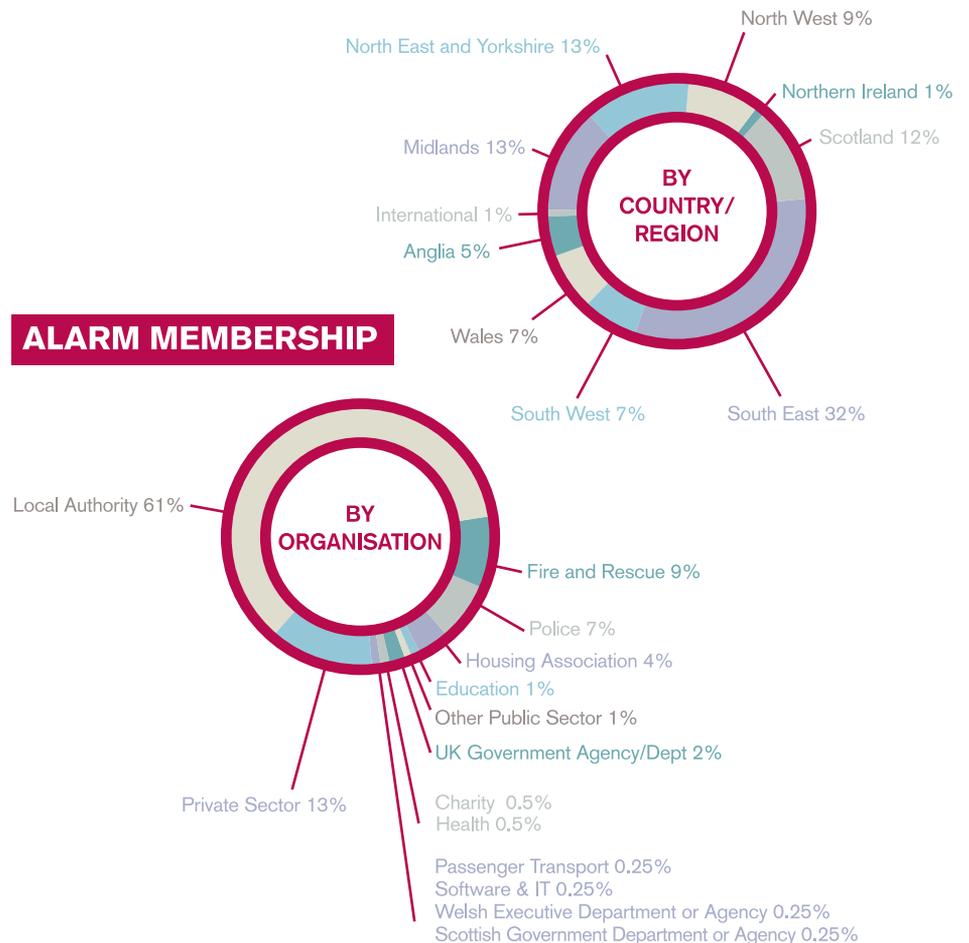
participation has been on the increase. In addition, members continue to support the popular Country, Regional and Sector Group events, which in addition to our annual Learning and Development Forum, provide excellent value in terms of educational and networking opportunities.

### MEMBERSHIP

Alarm membership in 2012 showed that we supported 506 organisations. Representing 77% of the Police service, 70% of all Councils and 58% of Fire services.

A breakdown of membership organisations is detailed below, together by country and region.

### ALARM MEMBERSHIP



## ALARM UPDATE

### COUNTRY, REGIONAL & SECTOR (CRS) GROUPS

There were 28 events delivered by the CRS Groups, consisting of seminars, workshops and conferences, and in most cases the events were free to all members and affiliates.

The Chairman of each CRS group meets twice a year with members from the Board to share knowledge and information and provide feedback on Alarm's Business planning. This year the CRS groups were also involved in the post 2012 Forum meeting, enabling them to input into plans for 2013.

### SPECIAL INTEREST GROUPS (SIG)

In addition to the Subsidence SIG formed in 2010, Alarm has formed additional groups including:

- MoJ working group
- Education working group

### BUSINESS PLANNING PROJECTS

In early 2012 Alarm launched the Alarm Risk Management Toolkit, created in association with Marsh. The Toolkit provides clear guidance on the terminology associated with risk management and the process itself, along with a set of practical tools and techniques that will help manage risks, deliver objectives, meet targets and maintain organisational resilience.

Building on the Core Competencies in Public Service Risk Management which now forms the base of Alarm's learning and development activities, the Course Endorsement scheme was launched in late 2012.

### CORPORATE SPONSORSHIP

The corporate sponsorship scheme continues to provide support for Alarm activities and events. This support is not only in the form of funding, but also includes professional speakers for seminars and workshops, provision of technical documents on risk related topics, contributions to our own publications, and knowledge sharing with members whilst at CRS events.

Alarm is grateful to those sponsors who continued to support us in 2012 from the previous year. In addition, we welcomed new Gold sponsor, Brian Johnston & Co (Insurance Brokers) Ltd.

### 2012 CORPORATE SPONSORS

**Aon**

**Berrymans**

**Brian Johnston Insurance Co Ltd**

**Browne Jacobson**

**Capita**

**Clyde & Co**

**Dolmans**

**DWF LLP**

**Forbes Solicitors**

**GAB Robins**

**Gallagher Heath**

**Hill Dickinson**

**JLT**

**Kennedys**

**Langleys**

**Marsh Ltd**

**Morgan Cole**

**Plexus Law**

**RMP**

**Travelers**

**Weightmans**

**Zurich Municipal**

## 2012 ALARM AWARDS WINNERS

AWARD	WINNER	SPONSOR
People Risk	Devon & Somerset Fire & Rescue Service	Capita
Community Risk	Renfrewshire Council	Zurich Municipal
Strategic Risk	Devon & Somerset Fire & Rescue Service	Zurich Municipal
Operational Risk	Renfrewshire Council	Alarm
Insurance Risk	Nottingham City Council	Alarm
Risk Management Newcomer of the Year	David Church, Devon & Somerset Fire & Rescue Service	Risk Management Partners
Risk Manager of the Year	Simon Lee, West Mercia Police	Risk Management Partners

### ALARM LEARNING AND DEVELOPMENT FORUM

The 2012 Annual Forum saw a welcome return to Manchester, and with over 400 attendees it was a great success. The theme of the event focused on 21 years of Alarm and was titled "Twenty One Years Promoting Excellence in Public Risk Management".

Sponsorship numbers of the event remained at the same level as 2011, and we thank them for their continued support as well as that of our exhibitors, speakers and delegates, who all contributed to the success of the event. Building on the success of 2012 in Manchester, Alarm will be returning to the university again in 2013 where the theme will be "Opportunities to Innovate".

### ALARM ANNUAL AWARDS

Alarm would like to thank everyone who entered the Awards, and the judges for their efforts, and to congratulate the Highly Commended and Award-winning organisations and individuals.

### HONORARY LIFETIME MEMBERSHIP

This award is a gift from the Board of Alarm to individuals who have, over many years, promoted and supported public sector risk management, and Alarm as an organisation. This year the award was presented to Paul Dudley whose passion for risk management and dedication to Alarm, both on the Board and regional committee, has been felt throughout the membership.

### INVOLVEMENT WITH OTHER PROFESSIONAL BODIES

Alarm continues to engage with other professional organisations in the promotion of risk management. Working together we are able to share information, promote our products and services and jointly run events, where appropriate.

Engaging with others also allows us to seek their expertise and provide information to members. This year Alarm has signed a Memorandum of Understanding with CIPFA and FOIL, the Forum of Insurance Lawyers.

#### Wayne Rigby

Chairman

## SECRETARY'S REPORT

The Governance Committee is constituted to oversee and scrutinise the organisations governance arrangements. The Committee includes Board members and co-optees.

The Committee reviewed the Articles of Association to ensure that the key constitutional arrangements of the organisation continued to be effective. A draft Code of Conduct for members and Disciplinary Procedure were agreed in principal by the Board, subject to the results of a consultation exercise with the membership.

### CHANGES TO THE BOARD

Elections to the Board are held annually and normally four members of the Board are required to stand down, on a rotational basis, or present themselves for another term (normally of 3 years' duration, subject to a maximum of 9 years). Elections are always fiercely competitive and I would like to thank all those candidates who stood for Board positions, regardless of the outcome. In 2012, we welcomed Angela Beechey, Paul Dudley and Simon Hutchinson to the Board. The Board subsequently also invited Tracy Barnett to become a co-opted member of the Board in November.

We elect our named officials on an annual basis and effective from the 2012 AGM the named official functions were fulfilled by:

**Mandy Knowlton-Rayner**  
Chairman

**Wayne Rigby**  
Vice Chair / Chair Elect

**Peter Andrews**  
Company Secretary

**Richard Feltham**  
Financial Director

Following the resignation of Mandy Knowlton-Rayner, the Board confirmed Wayne Rigby to the post of Chairman from 1 October, in accordance with the organisations contingency arrangements and vote of the Board. In November, Mark Jarman was appointed to the post of Vice Chair/Chair Elect following an election process and confirmation of the Board.

I confirm that since 16 November the following named official functions have been fulfilled by:

**Wayne Rigby**  
Chairman

**Mark Jarman**  
Vice Chair / Chair Elect

**Peter Andrews**  
Company Secretary

**Richard Feltham**  
Financial Director

These named officials, along with Simon Davis, Vice Chair (immediate past Chairman) made up the Executive Committee of the organisation.

### RISK MANAGEMENT STATEMENT

The Board has a robust risk management framework in place, which it reviews on an annual basis. Strategic risks are identified throughout the business planning process, with regular monitoring of the Strategic Risk Register by the Governance Committee and regular assurance reporting to the Board.



**Peter Andrews**  
Company Secretary

# FINANCE DIRECTOR'S REPORT

The accounts for the year ended 31 December 2012 are set out on pages 7 to 18 of this report. I am delighted to be able to report that our auditors, Thompson Jenner, have again issued an unqualified opinion on the accounts and have not raised any issues of concern that I need to bring to the attention of the membership.

## 2012 OPERATING RESULTS

2012 was another challenging year as the continuing financial situation made for a difficult year for member organisations and sponsors alike, placing significant pressure on income levels. In recent years the Board has adopted a strategy of setting a deficit budget that sought to use some of the surplus funds accrued over a number of years to maintain existing services against a trend of falling income levels whilst seeking to reduce running costs in a controlled and managed way and developing new income streams to replace traditional sources of income. In 2012 we saw the first signs that this strategy is starting to deliver the planned results as total income levels stabilised, albeit with some changes in the sums received from different sources. Coupled with tight control of expenditure, the profit and loss account for the year ended 31 December 2012 showed a small surplus of £1.5k compared to a deficit of £79.4k in 2011, the first time in a number of years that such a result has been achieved.

In total, income was stable at £654.1k (£654.4k in 2011) despite membership fees reducing by 8% to £149.6k (£162.9k in 2011) and Forum income reducing slightly at £264.4k (£274.0k in 2011). These small reductions were replaced

by growth in income from regional events, up almost £8.0k and from new income streams such as the Supplier Directory and sales of the Risk Management Toolkit which contributed some £12.0k extra in 2012. The Board remains committed to ensuring that Alarm's flagship event, the Learning and Development Forum should remain accessible to as many members as possible and will continue to keep delegate rates at affordable levels in order to encourage continued attendance. Free access to the Country, Regional and Sector Group events also remains a priority; the popularity of these events is demonstrated by increasing attendances, reflected in the higher costs in 2012.

Despite the tough commercial environment, sponsorship income remained consistent with the majority of sponsors maintaining their support for the organisation. The Board is grateful for the continued support of these organisations who contribute to the activities of the organisation in many other ways as well as financially. The investment policy adopted in 2011 is also starting to deliver a strong performance replacing lost interest on cash reserves caused by the historically low interest rates. The investment portfolio delivered sufficient growth in value to enable £5.0k to be realised to support expenditure in 2012

whilst still leaving additional capital growth to enable further growth in the future. Other savings accounts also contributed to increased income from this source in 2012.

With income under pressure, every effort continues to be made to control expenditure and overall cost reductions of almost 10% were achieved in 2012 despite increased spending on regional events, Benchmarking Club costs and marketing. Within this figure, general administrative expenses were reduced almost 14% (£55.9k) with committee costs, office costs and Forum expenses all reduced. There was a marked reduction in business plan expenditure for developing new products and services as efforts were made to consolidate the recent initiatives introduced before embarking on further development work.

## 2012 INVESTMENT RESULTS

In 2011, the Board agreed an investment strategy which saw some of the cash reserves invested in a managed investment fund in order to replace some of the income lost due to the low interest rates available. Since its investment in March 2011 the fund has produced capital growth of 7.63% at the end of the 2012 financial year, considerably in excess of the interest available in existing investment accounts, and grew

by 5.6% during the financial year. This strong performance enabled the Board to take the decision to realise some of the capital growth to support expenditure and during the year £5.0k was withdrawn from the portfolio. At the year end the fund had a capital value of £317,855 and continues to grow into 2013. Any surplus cash not required for day to day expenditure is invested in a fixed rate interest account which earned interest of £2.2k in 2012. The investment strategy remains very conservative in its approach however, offering high levels of protection for the funds, the performance of which is regularly monitored by both the Finance Committee and the Board.

### FINANCIAL OUTLOOK FOR 2013 AND BEYOND

The difficult financial position currently being experienced is expected to continue into 2013 and beyond and the budget for this year reflects realistic income expectations given the continuing financial situation and the limited potential to generate additional income from new products and services. Increases in fees and charges have been kept to the minimum necessary to maintain existing services and other fees and charges have been reviewed to ensure they are realistic and appropriate in the current climate. During the coming year we plan to review the current membership structure and to explore ways of improving accessibility to Alarm for anyone with an interest in furthering its aims and objectives whilst ensuring that the fees charged remain affordable and represent good value.

As ever we continue to seek ways of reducing costs wherever possible but further reductions will not be easy if the quality and range of products and services are to be maintained. The 2013 budget has been set with a small deficit; due mainly to a number of exceptional items of expenditure, but from 2014 onwards is projected to operate at or near to breakeven, ensuring the continued sustainability of the company.

The balance sheet remains very healthy with the net assets of the company increasing slightly to £486,350 (£484,808 in 2011) an increase of 0.3%. This remains an extremely healthy position and is considered sufficient to ensure the company continues to operate at its

current level for the medium term. The Finance Committee undertake a regular financial risk assessment designed to monitor the financial risks to the company and validate the level of reserves held. This assessment currently considers the sums held to be more than adequate to cover the risks identified, leaving funds available for future investment should the Board wish to do so.

On the advice of the Auditors, a number of obsolete fixed assets were written out of the accounts during 2012 and the necessary adjustments made to the balance sheet which now shows a reduced fixed asset value. This was more than compensated for by the increase in the value of the investment portfolio.

Overall, the company is coping with the financial downturn and expects to maintain current levels of service and activities through 2013 and beyond as well as investing in new products and services where members indicate a demand for them.

**Richard Feltham**  
Finance Director



**Alarm, The Public Risk Management Association**  
A company limited by guarantee

# **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

Thompson Jenner LLP  
Chartered Accountants and Statutory Auditor  
1 Collection Crescent  
Exeter  
Devon  
EX2 4DG

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## COMPANY INFORMATION

**Chairman**

**Wayne Rigby**

**Directors**

**Peter Andrews  
Angela Beechey  
Simon Davis  
Paul Dudley  
Richard Feltham  
Simon Hutchinson  
Mark Jarman  
Graeme Mackenzie  
Robin Powell  
Sharon Roots**

**Company Secretary**

**Peter Andrews**

**Registered Office**

**Ashton House  
Northern Lane  
Weston  
Sidmouth  
Devon  
EX10 0PF**

**Bankers**

**HSBC**

**Auditors**

**Thompson Jenner LLP  
Chartered Accountants and Statutory Auditor  
1 Collection Crescent  
Exeter  
Devon  
EX2 4DG**

# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

**The Directors present their report and the financial statements for the year ended 31 December 2012.**

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## PRINCIPAL ACTIVITY

The principal activity of the company is to assist, advise and represent public sector organisations in the promotion, development and delivery of integrated risk management.

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## DIRECTORS OF THE COMPANY

The Directors who held office during the year were as follows:

**Peter Andrews**

**Tracy Barnett** (resigned 25 June 2012)

**Angela Beechey** (appointed 25 June 2012)

**Simon Davis**

**Paul Dudley** (appointed 25 June 2012)

**Richard Feltham**

**David Hancock** (resigned 25 June 2012)

**Simon Hutchinson** (appointed 25 June 2012)

**Mark Jarman**

**Mandy Knowlton-Rayner** (resigned 4 October 2012)

**Graeme Mackenzie**

**Robin Powell**

**Wayne Rigby - Chairman**

**Sharon Roots**

**Rebecca Tucker** (resigned 25 June 2012)

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## DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The Directors are responsible for the maintenance and integrity of the corporate financial information included on the company website.

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## DISCLOSURE OF INFORMATION TO THE AUDITORS

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

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## SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 9 April 2013 and signed on its behalf by:

**Peter Andrews**

Company Secretary

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALARM, THE PUBLIC RISK MANAGEMENT ASSOCIATION

We have audited the financial statements of Alarm, the public risk management association for the year ended 31 December 2012, set out on pages 13 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, 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 and express an opinion on 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 (APB'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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON THE 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 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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.

## 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; or
- the Directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

### Mr Gary Salter

Senior Statutory Auditor

For and on behalf of  
**Thompson Jenner LLP,**  
**Statutory Auditor**  
**1 Colleton Crescent, Exeter**  
**Devon, EX2 4DG**

Date: 16 May 2013

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>Turnover</b>	2	654,155	654,451
Administrative expenses		(671,758)	(740,948)
<b>Operating (deficit)/surplus</b>	3	(17,603)	(86,497)
Income from other fixed asset investments		18,034	7,950
Other interest receivable and similar income		2,464	1,778
Amounts written off investments		-	(1,270)
<b>Surplus/(deficit) on ordinary activities before taxation</b>		2,895	(78,039)
Tax on surplus/(deficit) on ordinary activities	4	(1,353)	(1,370)
<b>Surplus/(deficit) for the financial year</b>	10	1,542	(79,409)

## BALANCE SHEET AT 31 DECEMBER 2012

	Note	2012 £	2011 £
<b>Fixed assets</b>			
Tangible fixed assets	5	5,921	10,829
Investments	6	317,855	305,681
		323,776	316,510
<b>Current assets</b>			
Debtors	7	50,274	47,168
Cash at bank and in hand		122,456	138,225
		172,730	185,393
<b>Creditors: Amounts falling due within one year</b>	8	(10,156)	(17,095)
<b>Net current assets</b>		162,574	168,298
<b>Net assets</b>		486,350	484,808
<b>Reserves</b>			
Library reserve	10	2,662	2,662
Income and expenditure account	10	483,688	482,146
<b>Members' funds</b>		486,350	484,808

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved by the Board on 9th April 2013 and signed on its behalf by:

**Richard Feltham**  
Director

The notes on pages 14 to 16 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

## 1 ACCOUNTING POLICIES

### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### TURNOVER

Turnover represents the total invoice value, net of value added tax, in respect of membership fees, conference income, sponsorship and income generated by the regions and derives from the provision of services falling within the company's ordinary activities. Turnover is recognised upon agreement with the member, upon signing of a sponsorship agreement or on a booking confirmation received from a member.

### DEPRECIATION

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over the expected useful economic life as follows:

#### Asset class

Fixtures, fittings and equipment

#### Depreciation method and rate

25% reducing balance

### FIXED ASSET INVESTMENTS

Fixed asset investments are included at market value as at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses representing the movement in market values during the year are credited or charged to the income and expenditure account based on the market value at the year end.

### DEFERRED TAX

Where material, deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

### PENSIONS

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## 2 TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

## 3 OPERATING SURPLUS/(DEFICIT)

Operating surplus/(deficit) is stated after charging:

	2012	2011
	£	£
Auditor's remuneration - The audit of the company's annual accounts	3,500	3,450
Loss on sale of tangible fixed assets	2,198	-
Depreciation of tangible fixed assets	2,710	3,495

## 4 TAXATION

Tax on surplus/(deficit) on ordinary activities

	2012	2011
	£	£
<b>Current tax</b>		
Corporation tax charge	1,353	1,369
Adjustments in respect of previous years	-	1
UK Corporation tax	1,353	1,370

## 5 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2012	30,903	30,903
Disposals	(11,925)	(11,925)
At 31 December 2012	<u>18,978</u>	<u>18,978</u>
<b>Depreciation</b>		
At 1 January 2012	20,074	20,074
Charge for the year	2,710	2,710
Eliminated on disposals	(9,727)	(9,727)
At 31 December 2012	<u>13,057</u>	<u>13,057</u>
<b>Net book value</b>		
At 31 December 2012	<u>5,921</u>	<u>5,921</u>
At 31 December 2011	<u>10,829</u>	<u>10,829</u>

## 6 INVESTMENTS HELD AS FIXED ASSETS

All investments were held in the UK.

Funds are held in a range of fixed interest and equity investments which are managed on behalf of the company by an independent fund manager.

	Listed investments £	Total £
<b>Other investments</b>		
<b>Market value</b>		
At 1 January 2012	305,681	305,681
Movement in year	17,174	17,174
Cash withdrawn	(5,000)	(5,000)
At 31 December 2012	<u>317,855</u>	<u>317,855</u>
<b>Net book value</b>		
At 31 December 2012	<u>317,855</u>	<u>317,855</u>
At 31 December 2011	<u>305,681</u>	<u>305,681</u>

## 7 DEBTORS

	2012 £	2011 £
Trade debtors	16,308	6,881
Other debtors	18,906	25,047
Prepayments and accrued income	15,060	15,240
	<u>50,274</u>	<u>47,168</u>

## 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	808	3,904
Corporation tax	493	370
Other taxes and social security	-	3,232
Other creditors	3,155	3,078
Accruals and deferred income	5,700	6,511
	<u>10,156</u>	<u>17,095</u>

## 9 COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**10 RESERVES**

	Library reserve	Income and expenditure account	Total
	£	£	£
At 1 January 2012	2,662	482,146	484,808
Transfer from income and expenditure account for the year	-	1,542	1,542
At 31 December 2012	<u>2,662</u>	<u>483,688</u>	<u>486,350</u>

**11 PENSION SCHEMES****Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £3,165 (2011 - £5,426).

Contributions totalling £nil (2011 - £nil) were payable to the scheme at the end of the year.

**12 CONTROL**

The company is controlled by its members.

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012		2011	
	£	£	£	£
<b>Turnover</b>				
Alarm membership fees		149,574		162,953
Annual conference income		264,368		273,983
Training income		21,078		18,427
Corporate sponsorship		125,249		123,450
Regional income		37,063		29,129
Benchmarking club income		37,567		39,360
Registered risk practitioner		3,890		4,523
Other income		15,366		2,626
		<u>654,155</u>		<u>654,451</u>
<b>Administrative expenses</b>				
Employment costs	299,452		312,440	
Establishment costs	20,170		21,883	
General administrative expenses	345,625		401,484	
Finance charges	1,603		1,646	
Depreciation costs	4,908		3,495	
		<u>(671,758)</u>		<u>(740,948)</u>
Income from other fixed asset investments		18,034		7,950
Other interest receivable and similar income		2,464		1,778
Amounts written off investments		-		(1,270)
<b>Surplus/(deficit) on ordinary activities before taxation</b>		<u>2,895</u>		<u>(78,039)</u>

	2012	2011
	£	£
<b>Employment costs</b>		
Staff costs	70,322	94,939
Administration contractor	225,965	212,075
Staff pensions	3,165	5,426
	<u>299,452</u>	<u>312,440</u>
<b>Establishment costs</b>		
Insurance	5,525	5,146
Consumables Sidmouth	14,645	16,737
	<u>20,170</u>	<u>21,883</u>
<b>General administrative expenses</b>		
Civic representation	11,099	11,132
Office expenses	3,778	12,909
Regional expenditure	65,563	63,844
Training expense	21,706	32,899
Benchmarking club expense	21,749	19,639
Auditor's remuneration - The audit of the company's annual accounts	3,500	3,450
Auditors' remuneration - non audit work	2,188	2,604
Consultancy fees	-	1,561
Legal and professional fees	19,737	229
Advertising	22,985	14,856
Public RM	19,856	23,676
Publications	-	69
Business plan expense	1,322	27,464
Travel and subsistence	2,862	9,171
Special interest groups expense	-	3,572
Committee costs	28,498	30,895
Annual conference costs	120,236	143,229
Risk practitioner expense	196	60
Chairmans hospitality	350	225
	<u>345,625</u>	<u>401,484</u>
<b>Finance charges</b>		
Bank charges	1,603	1,646

	2012	2011
	£	£
<b>Depreciation costs</b>		
Depreciation of fixtures, fittings and equipment	2,710	3,495
(Profit)/loss on disposal of tangible fixed assets	2,198	-
	<u>4,908</u>	<u>3,495</u>
<b>Income from other fixed asset investments</b>		
Income from other investments (listed)	18,034	7,950
<b>Other interest receivable and similar income</b>		
Bank interest receivable	2,464	1,778
	<u>2,464</u>	<u>1,778</u>
<b>Amounts written off investments</b>		
Written off fixed asset investments	-	1,270
	<u>-</u>	<u>1,270</u>

This page does not form part of the statutory financial statements



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