

# ANNUAL REPORT AND ACCOUNTS 2007



**ALARM**  
THE NATIONAL FORUM  
FOR RISK MANAGEMENT  
IN THE PUBLIC SECTOR



# VISION STATEMENT TO BE THE UK VOICE FOR PUBLIC SERVICE RISK MANAGEMENT

## CORE VALUES

A self-sufficient and independent organisation that:

- engages and consults with its members;
- demonstrates due governance and accountability;
- manages its resources efficiently; and which
- applies effective business practice to its operations;
- represents its members;
- works in collaboration with other organisations;
- develops and promotes professionalism; and which
- has credibility and influence both nationally and internationally

## STRATEGIC OBJECTIVES

- To develop and progress a credible organisation
- To identify and address the needs of members
- To represent members' interests
- To promote professionalism and best practice in risk management
- To promote effective risk management across the public services



## CHAIRMAN'S REPORT

**This is the third Annual Report produced by ALARM following our incorporation as a company limited by guarantee. A number of helpful suggestions were received from members as a result of last year's Annual Report which have been incorporated into this document.**

**This Annual Report should be read in conjunction with the Statement of Accounts for 2007, which together form a summary of the activities undertaken by the Board of Directors last year in delivering our key objectives and seeking to maintain our position as the UK voice for public service risk management.**

**The Board is pleased to report that 2007 has been a year of continued success and growth for the organisation, with progress against each of our objectives summarised as follows:**

### **1. DEVELOPING AND PROGRESSING A CREDIBLE ORGANISATION**

During 2007, ALARM extended its staffing resources with the appointment of Celine Gargan, PA to the Chief Executive, in March and Linda Collins, Marketing and Communications Manager, in May. These appointments have enabled a more efficient service to the Board, better communications with our sponsors, and an increasingly professional approach to our marketing and communications. The latter can be seen in the style of recent publications, which have a consistent and professional corporate image, and in the development of our new 'About ALARM' leaflet and exhibition stand.

Also within the remit of the Marketing and Communications Manager has been further development of our IT infrastructure including the installation of mirror servers so ensuring ALARM's essential data is well protected and we have due business continuity provision; the design and development of a new membership database; the upgrading of the website content management system, and enhancement to the features within the website itself. Work on this is still ongoing in 2008, with the expectation that the new features will be accessible to members by the summer.

Without sponsorship and support - both financially and in kind - from commercial partners and related professional bodies, ALARM would not be able to provide members with many of the benefits they receive, nor deliver the support required to run events, produce guidance documents, and conduct research.

We would like to acknowledge and thank all of the national sponsors (shown in bold) and local sponsors and partners, who assisted and supported ALARM in 2007. In alphabetical order, these are:

Ace Europe

AIG Europe

AIRMIC

AON

Barlow Lyde & Gilbert

Berrymans Lace Mawer

Best

British Continuity Institute

Browne Jacobson

CIR Magazine

Crutes Law Firm

**Cunningham Lindsey**

Dolmans Solicitors

Easington DC

Erimus Housing

Faithful & Gould

Gallagher Bassett

Glasgow Caledonian University

Halliwells

**Heath Lambert**

Incomulis

Institute of Risk Management

Jardine Lloyd Thompson

JOMS Ltd

Kennedys Solicitors

Langleys

Lotus Cars

McKinty and Wright Solicitors

**Marsh**

Nice TV

Norfolk CC

Nottinghamshire Rural Community Council

Praxis

PricewaterhouseCoopers

Public Risk Management

Responsible Corporation

Risk Factor Ltd

**Risk Management Partners**

SAS UK Ltd

Schools Advisory Service

Simpson and Marwick

**St Paul Travelers**

StrategicRISK Magazine

Sunderland City Council

Veitch Penny Solicitors

Watmores Solicitors

Weather Action

Weightmans

Welsh Assembly Government

**Zurich Municipal**

## 2. IDENTIFYING AND ADDRESSING THE NEEDS OF MEMBERS

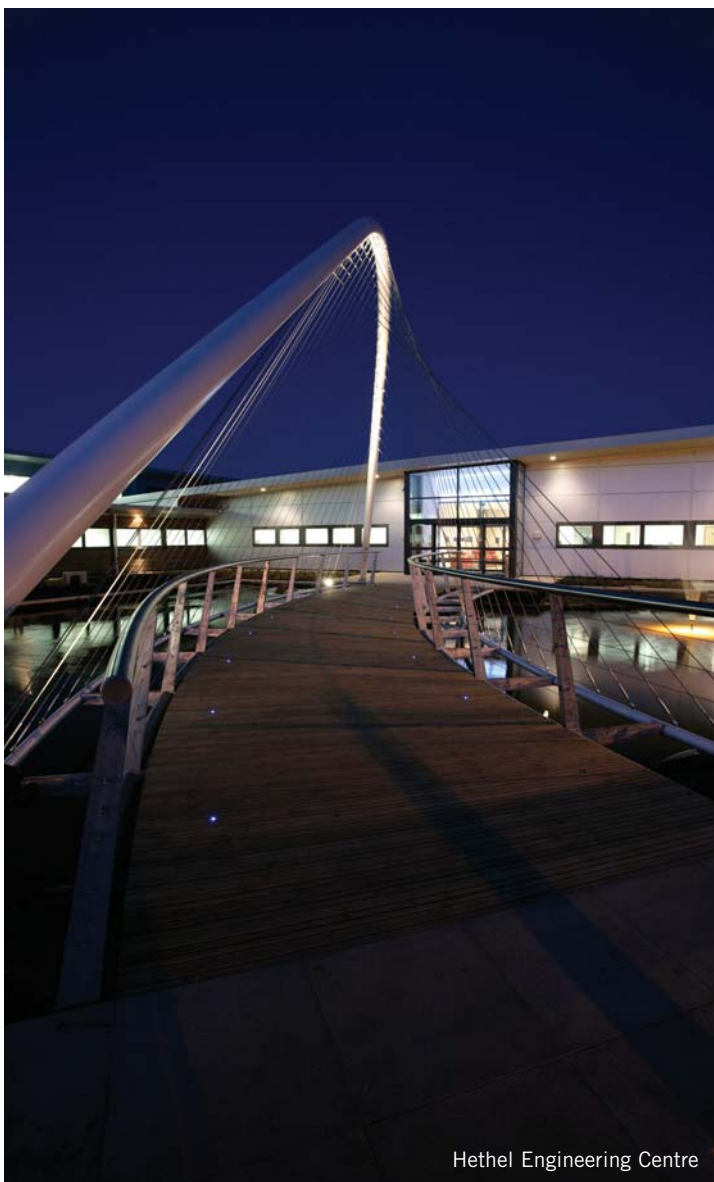
As a membership organisation, ALARM has a duty to ensure that it has identified and addressed the needs of its increasingly diverse membership. While a number of consultations and surveys have been carried out in the past, 2007 saw the most extensive review of ALARM - as both an organisation and a brand - ever undertaken. A specialist firm of consultants, Russell Ferguson Marketing, was appointed to conduct phase 1 of the brand review research. This phase involved three elements. Firstly, a series of in-depth interviews with a cross section of stakeholders including Board members, sponsors and related organisations. This was followed by five focus groups, where committee members in regional and sector groups met with the consultants and their responses to a number of key questions were recorded. Finally, an on-line survey of the complete membership was conducted, attracting several hundred responses. The resulting findings were reported to the Board in early 2008 and are being used to influence future business planning to ensure we are addressing current and future member expectations.

A particular strength of ALARM was shown to be the learning and networking that was experienced by members through their local Country, Regional and/or Sector Groups, which reinforced the findings from the Country, Region and Sector Chairs Group which was reformed in 2007, and now meets on a regular basis.

With 3 country groups (Northern Ireland, Scotland and Wales), 6 regional groups in England (East Anglia, Midlands, North East, North West, South East and South West) and 2 sector groups (Fire & Rescue, and Police services), there is now a vast programme of events being held around the UK. Local and sector based conferences, workshops and seminars allow a range of networking opportunities and the chance to share good practice with fellow practitioners. None of this would be possible without the small army of 'volunteer' members who sit on the committees responsible for planning and delivering such events.

Most groups hold between 3 and 6 events a year and support from national and local sponsors and partners allows them to draw on technical expertise across a wide range of subjects. It is not possible, in the space available in this report, to mention all the events that were held in 2007, however a few of the highlights included:

- The Midlands held its conference at the Black Country Living Museum, and involved members in role-play in a turn of the century classroom.
- ALARM Scotland celebrated its 10th anniversary conference in the Stirling Management Centre, home to the Scottish conference for many years.
- The South East, which always tries to choose an interesting and different venue for its AGM, took members to the Cabinet War Rooms in London.
- The South West, with the support of Veitch Penny and Travelers, held a mock trial relating to public liability claims
- ALARM Anglia chose the Lotus Engineering Centre at Hethel, near Norfolk, as the venue for its 'Road Risk' event



Hethel Engineering Centre

Centrally, ALARM supports the work of these groups, not only financially, but also through the administrative services delivered by Keith Southwell and the team in Sidmouth.

Regional and sector events are now publicised on the website calendar and through e-mail alerts to members. Regional web pages are also being used to provide further information and documentation relating to seminars and workshops. Moreover, the Board has been working directly with Chairmen and their local committees to further assist ALARM groups to hold successful events, achieve tangible outputs, and disseminate good practice more widely, throughout the association.

A particular demand from members is for high quality guidance on topics of interest to those engaged in public risk management. In 2007, ALARM published a number of reports and guidance documents. Some of these arose from the work of the Sector Groups and Special Interest Groups (SIGs). For example, the Police Sector Group produced a framework for managing risk within the police service that was very well received.

Having successfully implemented a major risk management benchmarking survey in late 2006, with the assistance of the Audit Commission, ALARM's Benchmarking SIG undertook further analysis of the data and produced a report on the findings. Also of major significance was the 'ALARM Standard for Risk Advisors: Managing the Risk of Fraud', which was developed by members of the Counter Fraud SIG and launched at the 2007 Annual Conference. The Partnership SIG met for the first time in 2007 and the Cullen Centre at Glasgow Caledonian

University were commissioned to assist with the development of a hub of information on partnership risk that will be available on the ALARM website in 2008.

Continuing a contract with the Cullen Centre in 2007 also resulted in publications including 'Risk Management: Making a Difference' which outlined and updated the outcomes from a series of workshops held jointly with the Audit Commission in late 2005, and examples of good practice in 'Business Continuity Planning' and in 'Absence Management' which were developed through facilitated workshops held by ALARM North East in May and September.

### **3. REPRESENTING MEMBERS' INTERESTS**

Representing members' interests remains a key objective for the organisation. ALARM continued to engage actively in consultation exercises held by Government Departments, such as the Department for Constitutional Affairs consultation on reform of the claims process for personal injury claims, in which we also worked closely with the Association of British Insurers. We also responded to consultations from both the British Standards Institute and the International Standards Organisation on their respective draft risk management standards.

During 2007, we strengthened our relationships with a number of other major professional and trade bodies, including the Audit Commission, the Chartered Institute of Loss Adjusters, CIPFA and SOLACE. In order to promote ALARM, as an organisation, and highlight the value of our members' expertise in the local authority sector, we exhibited for the first time at the SOLACE Annual Conference in Cardiff, in October. This high profile event, involving Chief Executives and Senior Managers from the UK local

authorities, has enabled us to establish working relationships that we believe will assist the expansion of ALARM and the esteem in which we are held.

Communication with fellow risk management and business continuity organisations has improved through quarterly meetings between the Chief Executive and her counterparts in AIRMIC, IRM, BCI and more recently, the IIRSM. In 2007, a well-attended event was held in West Ham Football Stadium, with the presentations based around the planning and development for the 2012 London Olympics. The Risk Federation, as this group is known, has also enabled joint access to events at reduced member rates and discounts on products and services including, for example, the IRM's professional Certificate and Diploma courses.

#### **4. PROMOTING PROFESSIONALISM AND BEST PRACTICE IN RISK MANAGEMENT**

ALARM promotes professionalism and best practice in a number of ways. We continue to publish guidance and reports, as outlined above, and to promote excellence through the Annual Awards Scheme. A significant difference in 2007 was the increasingly professional approach that was taken to marketing the scheme and to disseminating information on the best practice demonstrated by the winners. Launching the 2007 awards with an attractive brochure and reminding members of the value of entering and of entry deadlines, through ALARM Matters and the weekly e-alerts, resulting in a doubling of entries from the previous year. Shortlisted finalists and the sponsors of each Award were highlighted in a brochure presented to everyone attending the Awards Dinner, and a special supplement that reproduced the Executive Summaries of all the finalists' entries was distributed with the post-Conference edition of our journal.

The winning, and highly commended, finalists in each category in 2007 were:

##### **Risk Manager of the Year**

*(Sponsored by Risk Management Partners)*

- **Jan Collins,**  
**Swindon Borough Council (winner)**
- Malcolm Davies,  
London Borough of Croydon
- John Rodway, Adur District Council

##### **Strategic**

*(Sponsored by Zurich Municipal)*

- **London Borough of Croydon (winner)**
- Hertfordshire County Council
- Newcastle City Council
- Sunderland City Council

##### **Operational**

*(Sponsored by St Paul Travelers)*

- **Sunderland City Council (winner)**
- Greater Manchester Fire & Rescue Service
- Suffolk Coastal District Council
- Test Valley Borough Council

##### **Assets**

*(Sponsored by Zurich Municipal)*

- **Wirral Council (winner)**
- Aberdeenshire Council
- Coventry City Council
- Darlington Borough Council

##### **People**

*(Sponsored by Best, part of Capita Absence Management Services Ltd)*

- **Sunderland City Council (winner)**
- Coast and Country Housing
- Greater Manchester Fire & Rescue Service
- Suffolk Fire & Rescue Service

Once again, the ALARM Risk Manager of the Year 2007 was given the opportunity, as part of the prize, to attend the Annual Conference of PRIMA, in Anaheim, California in June 2008, and to experience an exchange visit with her American counterpart, as part of the Award sponsorship by Risk Management Partners.

Professionalism and best practice were also promoted through the Registered Risk Practitioner scheme. With the end of the grandparent rights, entry qualifications to the scheme were reviewed and revised, with a list of eligible qualifications being developed and new guidance created. Numbers of RRP continue to grow and renewal rates are high. In 2007, ALARM committed to giving more publicity to holders of RRP and published the full list of recipients in the autumn edition of ALARM Matters, with quarterly updates on new recipients published in subsequent editions. This list is also available to view on the website.

## 5. PROMOTING EFFECTIVE RISK MANAGEMENT ACROSS THE PUBLIC SERVICES

As the premier risk management body for professionals working in public service organisations, ALARM strives to promote innovation, and advance knowledge in the practice of risk management. One of the most effective, and valued, means of doing this is through the 40+ seminars, workshops and conferences held around the UK. The value of events held by our Country, Regional, Sector Groups and SIGs has been commented on earlier in this report and the results of our brand review research reinforced our view that the learning and networking opportunities that our members gain from such events, is greatly appreciated.

The showpiece event in the ALARM calendar is, of course, the Annual Conference. Despite some initial concerns that a move from UMIST to Cardiff might result in a reduction in delegates attending the event, the 2007 Conference was a record-breaker, with more than 350 delegates at the conference and 500 attending the dinner. The success of this move, led the Board to decide that future ALARM conferences will move around the country - and the ALARM regions - giving us the opportunity to attract new exhibitors and new delegates every year.

The status of ALARM is reflected in the high calibre of the keynote speakers that we are able to attract and both Lord Hunt of the Wirral and Lynne Berry, then Chief Executive of the General Social Care Council, helped launch one of the best conferences to date. An innovation at the 2007 Conference was the two days of programming, produced for us by Nice TV, filmed by ITN Consulting and shown at various points around the conference venue. Subsequently, the programmes were edited onto DVD and distributed to ALARM members and others, via Strategic Risk magazine; a distribution of more than 12,000 copies to the wider UK and European risk management communities. Based on the success of this venture, the Board agreed to work with Nice TV again for the Annual Conference in Birmingham in 2008.

As well as speaking at ALARM events, members of the Board and the Chief Executive were invited to speak at more than a dozen external conferences, organised by - amongst others - the Audit Commission, The Home Office and Association of Chief Police Officers, the Guardian, and the Local Government Chronicle. These platforms allow us to share expertise and to promote the work of ALARM with other key stakeholders, thereby further enhancing our reputation as a key player in this field.

## **LOOKING FORWARD - 2008 AND BEYOND**

The Board has set its 3 year Business Plan for 2008-2010, in which the vision is “to be the UK voice for public service risk management” and the five strategic objectives are at its heart, and which can be downloaded from the ALARM website.

Integrated into the business plan are actions resulting from the brand review, including:

- Refreshing the ALARM brand to ensure it better represents the modern association in place today, which will also be adaptable for regional/sector use.
- The identification of training and development options, with work already in progress with regards to establishing risk practitioner competencies
- A detailed review of organisational development options for ALARM
- The establishment of a more structured member services function, including a more proactive approach to member benefits
- Progression of Key Advisor Panel options, including an implementation plan
- Formal recognition of support to ALARM by way of a networking and profile raising event

Also inherent within the plan are specific initiatives designed to improve our understanding of our members and their needs, to make sure that we continue to enhance benefits for our members, and to produce the guidance and support they need for their career and continuing professional development, whilst others are aimed at raising the profile of ALARM externally to ensure that we reflect the professional standing of our members, and the high regard in which the association is held.

**Mike Keating, Chairman**

On behalf of the ALARM Board



# SECRETARY'S REPORT

## Governing Document

The Association is governed by its Memorandum and Articles of Association. These restrict terms of office for elected members of the ALARM Board to a three year period, although some vacancies arise for one or two year periods only, as a result of resignations received mid-term. This normally results in four Board members stepping down each year. Board members can, however, elect to put themselves forward for re-election, provided they do not serve more than nine years in total.

The Board comprises twelve elected officials, with the opportunity to co-opt Board members as either technical, sector or country / regional co-optees. Sector or country / regional co-optees have voting powers; technical co-optees do not. Co-optees are reaffirmed at the Board meeting following an AGM. The composition of the Board, following the 2007 elections is shown below:

Name	Organisation	Year 1st Elected / Co-opted	Year(s) Re-elected / Co-opted	Status
Peter Andrews	Hampshire CC	2004	2007	Full member
Tracy Barnett	Camden LB	2006	2007	Full member
Nick Chown	Metropolitan Police	2007		Full member
Jan Collins	Wiltshire CC	2006		Full member
Simon Davis	Heddlu Dyfed-Powis Police	2007		Full member
Paul Dudley	Hertfordshire CC	2002	2005	Full member
Richard Feltham	Kent Fire & Rescue	2005		Full member
Carolyn Halpin	Erimus Housing	2001	2002, 2005	Full member
Perry Hill	Weightmans	2005		Co-opted technical
Mike Keating	Belfast CC	2004	2007	Full member
David Pope	Driver Vehicle Licensing Authority	2006	Resigned 2008	Full member
Sharon Roots	Barking & Dagenham LB	2001	2004, 2007	Full member
Elaine Taylor	Bedfordshire CC	2000	2003, 2006	Full member

## Named Officials

The Named Officials are selected via an internal election process, within the Board, and for 2007/08 were confirmed as:

<b>Chairman</b>	Mike Keating
<b>Vice Chair / Chair Elect</b>	Richard Feltham
<b>Company Secretary</b>	Carolyn Halpin
<b>Financial Director</b>	Sharon Roots

The Board is supported by the Chief Executive, Dr Lynn Drennan, and the ALARM Secretariat.

## Board Attendance

The Board has met on the following dates and was quorate on each occasion.

Attendance of Board members is identified with the following symbols:

**A** Apologies submitted and accepted      **X** No apologies / apologies declined

Name	4 July 2007	4 Sep 2007	15 Nov 2007	9 Jan 2008	26 Feb 2008	12 Mar 2008	Overall Attendance
Peter Andrews				A			5/6
Tracy Barnett							6/6
Nick Chown	A			A		A	3/6
Jan Collins			A	A		A	3/6
Simon Davis							6/6
Paul Dudley							6/6
Richard Feltham							6/6
Carolyn Halpin							6/6
Perry Hill			A				5/6
Mike Keating							6/6
David Pope			A	-	-	-	2/3
Sharon Roots						A	5/6
Elaine Taylor			A	A			4/6

## Membership

Membership of ALARM comprises Full Members, Affiliate Members and Honorary Lifetime Members. On 31st December 2007, membership figures were as follows:

Full Members	1627
Affiliate Members	129
Hon Lifetime Members	22
Retired	9
<b>Total Membership</b>	<b>1787</b>

Of the total membership, 533 are registered as voting members. Over the past ten years, membership of ALARM has almost doubled, although the rapid growth experienced between 2002 and 2004 has slowed recently (see Figure 1)

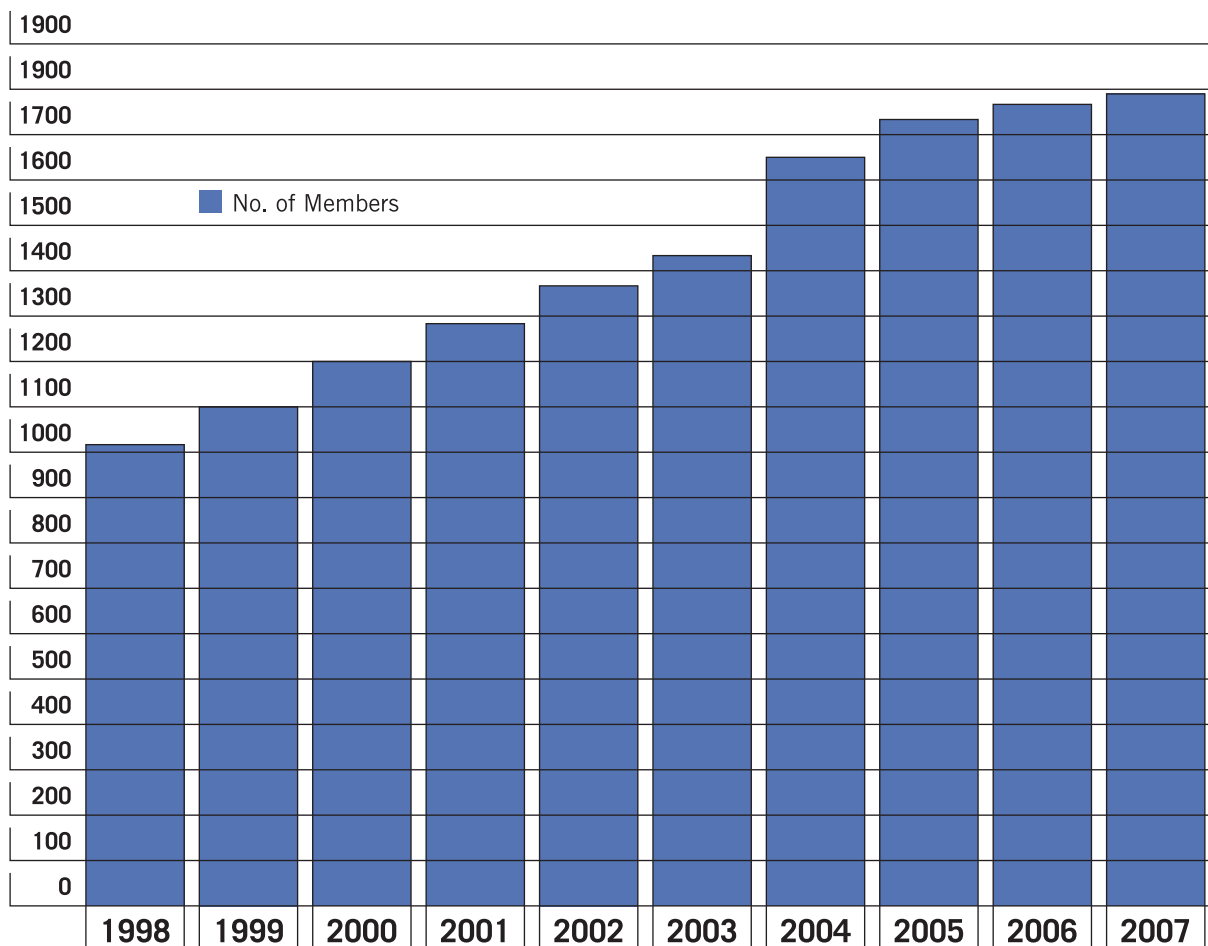


Figure 1: Membership Numbers 1998 - 2007

## Country and Regional Affiliation

ALARM members are allocated to their local Country or Regional Group. There are 3 Country Groups in Northern Ireland, Scotland and Wales, and 6 Regional Groups in England - East Anglia, Midlands, North East, North West, South East and South West.

In 2007, the membership numbers in each of the geographical locations is shown in Table 1 below, and illustrated in Figure 2. Table 1 also illustrates the number and percentage of voting members in each group:

Country / Region	2007 Total Membership	2007 Voting Membership	% Voting Members in Country / Region
East Anglia	120	42	35%
Midlands	217	71	33%
North East	272	84	31%
North West	180	49	27%
Northern Ireland	47	14	30%
Scotland	183	59	33%
South East	516	143	28%
South West	121	37	31%
Wales	105	33	31%
National	14	0	0%
International	12	1	8%
<b>Total Membership</b>	<b>1787</b>	<b>533</b>	<b>30%</b>

Table 1: Country / Region Membership Numbers and Voting Membership 2007



Figure 2: Country / Region Membership 2007

## Membership by Profession

ALARM membership is drawn from a range of professions, within public service organisations. As can be seen from Table 2 and Figure 3 below, just over one-third of members describe their job functions as 'risk management and insurance'. The remainder are drawn from accountancy and audit, health and safety, planning and environment and from sectors including the blue light services, housing and health.

Profession	2007 Membership
Accountancy/Finance	170
Administration	33
Audit	123
Business Support and Development	181
Education/Housing	25
Fire & Rescue	21
Health & Safety	153
Legal	75
Management	52
Medical Health	6
Planning & Environment	69
Police	24
Risk Management & Insurance	687
Senior Exec/Directors	97
Other	71
<b>TOTAL</b>	<b>1787</b>

Table 2: Membership by Profession 2007

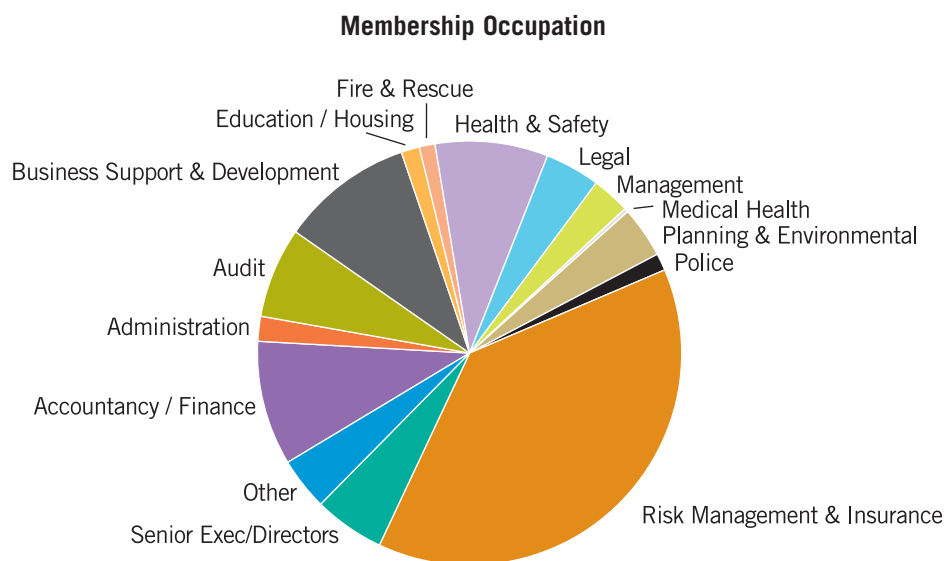


Figure 3: Membership by Profession 2007

## Honorary Lifetime Members

Honorary Lifetime Memberships are awarded by the Board to individuals who have demonstrated commitment to public service risk management and, in particular, have provided ALARM with an exceptional level of support. The lifetime memberships are presented at the Annual Awards Dinner, which takes place during our Annual Conference.

The names of the award recipients, and the dates on which they received this accolade, are shown below.

Max Andrews	2001
David Bull	2001
Richard Vincelette	2001
Keith Bolton	2002
Ken Kennedy	2002
Keith Purvis	2002
Tony Chapman	2003
Chris East	2003
Kaz Janowicz	2003
Bill Sulman	2003
Ron Bavin	2004
Lynn Drennan	2004
Dave Fleetwood	2004
Martin Fone	2004
Michèle Baron	2005
Bob Cope	2005
Duncan MacDonald	2005
Gary Hay	2006
Mike Hocking	2006
Keith Southwell	2006
Kevin McGlone	2007
John Morrell	2007

## Managing the organisation

The Board has continued to strengthen its governance arrangements with significant work being undertaken to strengthen the business planning process and to introduce a performance framework that informs on progress against the specific targets of the business plan. In line with its responsibilities under the Companies Act 2006, and as a direct employing organisation, work has been undertaken to support Board Member development and to implement policies that support a robust and forward looking organisation.

The Board has continued to further refine its planning processes and, to support the budget setting process, has produced a medium term financial plan based on our three year business plan. We continue to review our financial reporting, to ensure Board members can provide the appropriate scrutiny and challenge to the Finance Committee, and to inform members of our financial position.

The Board has successfully introduced and broadened the bidding process that supports regional activity, special interest groups, sector groups and any other bespoke initiatives. These arrangements give assurance to the Board, certainty to the recipients and clearly identify responsibilities and processes.

We have continued to review our sponsorship arrangements and refined the agreements we have with sponsors into a clear framework of benefits on a sliding scale of contribution. This has allowed transparency, equity and certainty for all parties, and ultimately an easier administration. A measure of the success of this work, and the rising profile of the organisation is the significant increase in sponsorship received from existing and new sponsors.

### **Accountability of Board Members**

Board members are keen to ensure their activities are transparent to the membership and that they are accountable at all times. To support these intentions, the Board continues to review and refine its extant policies and identify the need for new policies. A review timetable and document control process has been introduced to manage this process.

### **Review of the Articles of Association**

The articles in operation are based on our original constitution introduced in 1998. The Board has recently reviewed the articles and memorandum in line with the review process and awaits the results of a membership vote on the proposed changes. The vote will take place at the 2008 AGM.

### **Risk Management Statement**

The Board have formal processes to identify and manage key risks to the activities of the organisation. A strategic risk register is in place, which is reviewed by and reported to the Board.



**Carolyn Halpin**

## FINANCE DIRECTOR'S REPORT

As you will see from the attached accounts, 2007 was another good year for ALARM, with a retained profit after tax of £38,231 being achieved.

Country, Regional and Sector group activities have continued to increase, giving members greater access to the information and networking that is essential to them. These activities were funded by national and local sponsorship, and by allocation of funds from ALARM centrally. ALARM groups are able to access funding for their planned activities by submitting a bid to Finance Committee, detailing the event(s) and amounts required. ALARM is pleased to report that during the financial year the organisation was able to support all country, regional, sector groups and SIGs in their bids.

The Finance Committee has met on a regular basis throughout the year and a Medium to Long-Term Financial Plan (MLTFP) is currently being developed, based upon the objectives and estimates contained within the Business Plan. The MLTFP will ensure that the necessary financial support is available to allow our various groups to achieve their agreed objectives, as well as ensuring that ALARM maintains a stable financial footing.

The investment policy is aimed at maximising the interest payable on the reserves held by ALARM. Regular reviews are carried out of our cash flow and the amounts allocated to the high interest accounts to ensure we are maximising our investment returns.

Moving forward, ALARM's new sponsorship arrangements for 2008 provide even greater financial stability for the organisation. Organised into various tiers, and supporting our Awards, Conference and Corporate activities, the new arrangements have attracted the support of both long-standing sponsors of ALARM and a significant number of new sponsors. These, along with our financial reserves, provide a secure basis on which to develop and grow the organisation, and its activities - both regionally and centrally - ensuring that we have the ability to support the delivery of the Business Plan.

### **Sharon Roots**



# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

Registration Number 5279328

## Company information

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**Directors** Peter Andrews  
Tracy Barnett  
Nicholas Chown  
Janette Collins  
Simon Davis  
Paul Dudley  
Richard Feltham  
Carolyn Halpin  
Michael Keating  
Sharon Roots  
Elaine Taylor

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**Secretary** Carolyn Halpin

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**Company number** 5279328

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**Registered office** Ladysmith House  
High Street  
Sidmouth  
Devon  
EX10 8LN

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**Auditors** Thompson Jenner  
1 Colleton Crescent  
Exeter  
Devon  
EX2 4DG

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**Business address** Ladysmith House  
High Street  
Sidmouth  
Devon  
EX10 8LN

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## Directors' report

### for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007.

#### 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.

#### Directors

The directors who served during the year are as stated below:

**Peter Andrews**

**Tracy Barnett**

**Nicholas Chown** Appointed 04/07/07

**Janette Collins**

**Simon Davis** Appointed 04/07/07

**Paul Dudley**

**Richard Feltham**

**Carolyn Halpin**

**Michael Keating**

**Sharon Roots**

**Elaine Taylor**

**Susan Edwards** Resigned 25/06/07

**Kevin McGlone** Resigned 25/06/07

**Anne Ness** Resigned 25/06/07

**David Pope** Resigned 31/12/07

#### Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report

### for the year ended 31 December 2007 Continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 29 May 2008 and signed on its behalf by

**Carolyn Halpin**  
Secretary

## **Independent auditors' report to the members of ALARM The National Forum for Risk Management in the Public Sector**

We have audited the financial statements of ALARM The National Forum for Risk Management in the Public Sector for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## **Independent auditors' report to the members of ALARM The National Forum for Risk Management in the Public Sector continued**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable for Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**Thompson Jenner**

**Chartered Accountants and Registered Auditors**

**1 Colleton Crescent**

**Exeter**

**Devon**

**EX2 4DG**

## Profit and loss account for the year ended 31 December 2007

	Notes	2007 £	2006 £
<b>Turnover</b>	2	774,289	714,493
Cost of sales		-	(400)
<b>Gross profit</b>		774,289	714,093
Administrative expenses		(758,806)	(711,553)
<b>Operating profit</b>	3	15,483	2,540
Other interest receivable and similar income		28,349	22,385
<b>Profit on ordinary activities before taxation</b>		43,832	24,925
Tax on profit on ordinary activities	4	(5,601)	(3,928)
<b>Profit for the year</b>	8	38,231	20,997

The notes on pages 7 to 9 form an integral part of these financial statements.

## Balance sheet as at 31 December 2007

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>			9,185		7,203
Tangible assets	5				
<b>Current assets</b>					
Debtors	6	37,809		70,124	
Cash at bank and in hand		620,161		535,116	
		<u>657,970</u>		<u>605,240</u>	
<b>Creditors: amounts falling due within one year</b>	7	(55,381)		(38,900)	
<b>Net current assets</b>			602,589		566,340
<b>Total assets less current liabilities</b>			611,774		573,543
<b>Net assets</b>			<u>611,774</u>		<u>573,543</u>
<b>Reserves</b>					
Other reserves	8		2,662		2,662
Profit and loss account	8		609,112		570,881
			<u>611,774</u>		<u>573,543</u>
<b>Members' funds</b>			<u>611,774</u>		<u>573,543</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007) relating to small companies.

The financial statements were approved by the Board on 29 May 2008 and signed on its behalf by

**Michael Keating**

Director

The notes on pages 7 to 9 form an integral part of these financial statements.

## Notes to the financial statements for the year ended 31 December 2007

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, 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.

#### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 25% reducing balance

#### 1.4. Deferred taxation

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.

### 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 profit

	2007 £	2006 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	3,061	2,401
Loss on disposal of tangible fixed assets	123	-
Auditors' remuneration	3,200	3,200
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

### 4. Tax on profit on ordinary activities

	2007 £	2006 £
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
UK corporation tax	5,599	3,928
Adjustments in respect of previous periods	2	-
	<u>5,601</u>	<u>3,928</u>

**5. Tangible fixed assets**

	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2007	10,729	10,729
Additions	5,209	5,209
Disposals	(296)	(296)
At 31 December 2007	<u>15,642</u>	<u>15,642</u>
<b>Depreciation</b>		
At 1 January 2007	3,526	3,526
On disposals	(130)	(130)
Charge for the year	3,061	3,061
At 31 December 2007	<u>6,457</u>	<u>6,457</u>
<b>Net book values</b>		
At 31 December 2007	<u>9,185</u>	<u>9,185</u>
At 31 December 2006	<u>7,203</u>	<u>7,203</u>

**6. Debtors**

	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	14,601	14,851
Other debtors	22,395	46,861
Prepayments and accrued income	813	8,412
	<u>37,809</u>	<u>70,124</u>

**7. Creditors: amounts falling due within one year**

	<b>2007 £</b>	<b>2006 £</b>
Trade creditors	33,542	7,170
Corporation tax	5,599	3,155
Other taxes and social security costs	4,782	5,591
Other creditors	4,040	7,853
Accruals and deferred income	7,418	15,131
	<u>55,381</u>	<u>38,900</u>

## 8. Reserves

	<b>Profit and loss account £</b>	<b>Library reserve £</b>	<b>Total £</b>
<b>At 1 January 2007</b>	570,881	2,662	573,543
Profit for the year	<u>38,231</u>	<u>-</u>	<u>38,231</u>
<b>At 31 December 2007</b>	<u>609,112</u>	<u>2,662</u>	<u>611,774</u>

## 9. Company limited by guarantee

The members of ALARM The National Forum for Risk Management in the Public Sector, elect a board to run the company. All members are liable on winding up of the company, up to the sum of £1 each.

The company does not have any share capital.

## 10. Controlling interest

The company is controlled by its members.

**THE FOLLOWING PAGES DO NOT FORM  
PART OF THE STATUTORY ACCOUNTS.**

## Detailed trading profit and loss account for the year ended 31 December 2007

	2007		2006	
	£	£	£	£
<b>Income</b>				
ALARM membership fees		176,461		162,150
Annual conference income		382,136		334,317
Training income		-		18,365
Publications income		3,025		1,980
Corporate sponsorship		57,000		40,500
Regional income		82,364		66,818
Regional sponsorship		64,436		70,526
Registered risk practitioner		6,750		4,350
Other income		2,117		3,899
Special interest groups income		-		11,588
		<u>774,289</u>		<u>714,493</u>
<b>Cost of sales</b>				
Opening stock	<u>-</u>	-	<u>400</u>	(400)
		<u>774,289</u>		<u>714,093</u>
<b>Gross profit</b>	100%	774,289	100%	714,093
<b>Administrative expenses</b>	<u>758,806</u>	(758,806)	<u>711,553</u>	(711,553)
<b>Operating profit</b>		15,438		2,540
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	28,337		22,383	
Other interest	<u>12</u>		<u>2</u>	
		28,349		22,385
<b>Net profit for the year</b>		<u>43,832</u>		<u>24,925</u>

## Administrative expenses For the year ended 31 December 2007

	2007	2006
	£	£
<b>Administrative expenses</b>		
Administration contractor	100,517	93,116
Staff costs	119,226	114,650
Committee costs	29,864	20,312
Special interest groups expense	38,878	24,741
Regional expenditure	134,369	143,128
Insurance	4,274	4,978
Civic representation	4,697	1,888
Consumables Sidmouth	10,138	8,893
Office expenses	7,010	3,338
Newsletter	25,882	5,344
Website	-	41,957
Annual conference expenses	178,435	184,428
Other conference expenses	277	-
Training expenses	-	21,100
Publications	-	28
Advertising	39,377	100
Strategic development - Glasgow Caledonian contract	25,117	22,917
Travel	16,733	5,655
Legal and professional	250	253
Consultancy fees	7,900	-
Accountancy	5,960	2,800
Audit	3,200	3,200
Bank charges	1,903	1,935
Bad debts	-	12
General expenses	1,093	2,818
Chairman's hospitality	393	190
Risk practitioner expense	129	1,371
Depreciation on fixtures, fittings and equipment	3,061	2,401
Profits/losses on disposal of tangible assets	123	-
	<u>758,806</u>	<u>711,553</u>





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FOR RISK MANAGEMENT  
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