



THE PUBLIC  
RISK MANAGEMENT  
ASSOCIATION

# Annual Report and Accounts 2008

## Our Vision

To be the UK voice for public service risk management

## Our Mission

Supporting excellence in public services

## Our Strategic Objectives

- To develop and establish best practice in public service risk management
- To represent the interests of public service risk practitioners
- To promote excellence in the use of risk management throughout public services
- To establish and sustain membership across all sectors of public service

## Chairman's Statement

### 2008 - A Year of Change

The past year has been one of significant change for Alarm in every sense of the word. We said goodbye and hello to colleagues; we've changed the visual image of Alarm; we've changed the way we plan and report our activities; and, I hope, started to change the way risk management and risk managers are perceived.

To people first, and we said goodbye to two Board members, Mike Keating, my immediate predecessor as Chairman, and Nick Chown. I'd like to formally pass on the thanks of the Board for the contribution they made and wish them both well in their new endeavours. With change comes opportunity, however, and three new members have joined the Board: with Robin Powell from Transform Sandwell joining us at the AGM and Jean Anslow from Telford and Wrekin Council and Alan Clarke from Staffordshire Police being elected following a close fought by-election in October. Board members are all volunteers and I would like to thank all the elected and co-opted members for their efforts this year in what has been a very busy and challenging twelve months. Our participation would not be possible, however, without the agreement of the various organisations that employ us and I'd like to record my thanks to them

for their continued understanding and support. Special thanks are also due to our staff in Glasgow and to KM Partners, who run the office in Sidmouth so efficiently. They have had to cope with considerable change, additional demand, and a growth in output over the past year as we have looked to improve member services, and they have responded magnificently, contributing fully to a successful year.

The most obvious change seen in 2008 has been the introduction of the new corporate style. The new logo and branding has been well received in all quarters and presents Alarm in a fresh, modern and businesslike manner, providing a consistent and instantly recognisable "brand" for all our publications and documents. A strong brand alone, however, is not sufficient and 2008 has seen a lot of work going on behind the scenes to develop the financial and business planning arrangements to ensure that we can continue to deliver benefits and services to you, the members. For the first time we presented a three-year business plan to you, supported by a medium term financial plan, and we have been explicit in our intended deliverables in each of the three years. I'm delighted to report that we remain on course to meet the majority of our 2009 targets and remain committed to keeping you advised of progress as the year progresses.

At the forefront of the products developed during 2008 and due for delivery in 2009 is the Alarm National Performance Model for Risk Management in Public Services which will provide an opportunity for members to assess the maturity of their risk management procedures, identify areas for improvement and benchmark themselves alongside other authorities. Massive credit is due to Peter Andrews who has led the development of this product, which will be formally launched at our annual conference in June 2009. Alongside this we issued the consultation draft of the risk management core competencies document which sets out the skill sets needed by public service risk managers. These two documents set out what good risk management looks like and what skills a professional risk manager needs and they will form the basis on which Alarm develops future services and moves forward as a professional membership organisation.

We have also made considerable progress in improving our engagement with other professional bodies and government organisations as part of our plans to foster better engagement and collaboration with other groups where it adds value to our work and benefits to the membership. The fruits of these labours will be seen in the coming years, I'm sure. I believe our work in 2008 has set us up well for the challenges ahead.

## 2009 - A year of challenges

When we prepared our business plan for 2009-2011 we did so prior to the advent of the financial recession now affecting the world. Alarm is not immune to the impacts of this and we will need to ensure that we reflect the limitations this imposes whilst minimising the impact on our intentions, and your expectations. For 2009, sponsorship income is holding up well and has even grown, but whilst we hope for a further small increase in 2010 it is on the understanding that we continue to represent a valuable partner to our sponsors. Membership income will be under pressure for the foreseeable future, from general financial pressures across public services and from changes in the structure of some parts of the public sector. The secret to maintaining and hopefully increasing membership is to continue to offer member benefits that add value and represent value for money. We will look to ensure that we do this, whilst maintaining our efforts to encourage greater membership from under-represented parts of the public service.

We have already commenced a programme of activity designed to engage with and support risk professionals in the social housing and health service sectors during 2009 and we have plans to extend this to government departments and bodies in 2010. Training and development for both risk managers and those of our colleagues engaged in the management of risk will also feature heavily in our future plans as we seek to provide access to the skills necessary to support the performance model and the core risk management competencies to be launched during the year.

The triennial survey we will be conducting in 2009 will provide a snapshot of the progress public services have made in embedding risk management, and information about those issues and risks that are worrying members at present. This information is useful in helping us identify and develop the services and products that can assist members to support their own organisations more effectively. We have also acquired our own survey tool with which we can undertake shorter, more focussed member surveys and we will look to use this to canvass opinions and seek your views to support the development of our plans.

2009 promises to be another challenging and busy year, but with your continued support and involvement I am confident that we can grow the organisation in a sustainable way. The Board remains committed to maintaining the current progress in seeking to place Alarm at the forefront of the development of public risk management practice and in providing risk practitioners with the skills and knowledge to undertake their roles more effectively. There is still much to do however and only when we have achieved this can we rightly claim to have achieved our vision to be "the UK voice for public service risk management".

**Richard Feltham**  
Chairman



## Chief Executive's Report

With the support of our staff, volunteers and supporters around the country, this has been another successful year for Alarm. We have made considerable improvements to the membership database, website and IT infrastructure - much of which may not be readily apparent to members, but which are vital in enabling us to deliver an efficient and effective service. We increased and expanded our sponsorship base, delivered a full programme of events across the country and continued to raise the profile of the association with other related organisations and government bodies.

### Membership

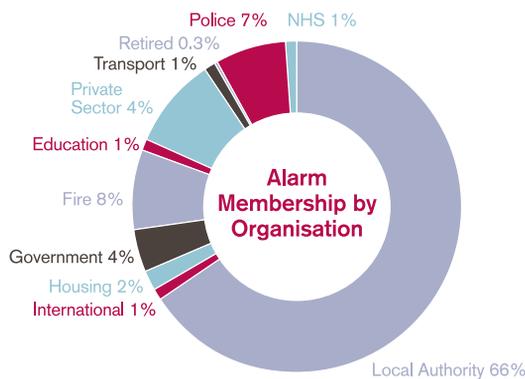
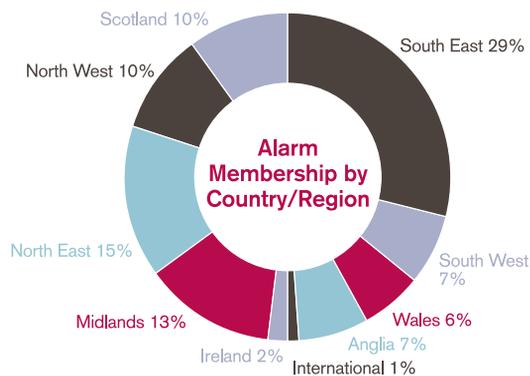
After a period of rapid growth between 2002 and 2004, membership numbers rose steadily to peak at 1787 in 2007. Last year saw a small drop in memberships, with a total of 1752. This can be explained by some local authorities reducing their membership from corporate to individual, and from mergers between authorities, which further reduced numbers. In an effort to expand the association, Alarm is now actively promoting membership across a wide range of public service organisations, particularly those in the social housing and health sectors, and within those police and fire services where we do not currently have members.

#### Alarm Membership at 31 December 2008

##### Member Types

Affiliate	146
Full	1587
Honorary	18
Retired	1
<b>Total</b>	<b>1752</b>

#### Alarm Membership at 31 December 2008



### Country, Regional and Sector (CRS) Groups

The three country, six regional and two sector groups held over 40 events in 2008 - ranging from one-day workshops and seminars to two-day conferences. The brand research exercise demonstrated how much these type of events are valued by our members - not only for the technical knowledge that can be gained but, equally as important, for the opportunities such events provide for networking with other, like-minded, public risk professionals. The introduction of a new online booking

service has eased the administration of such events and assisted groups through the provision of up-to-date attendance lists, badges, etc. Since the new system was introduced in September 2008, more than 1300 people have registered to attend local Alarm events. The efforts of local CRS group committee members are, of course, critical to the success of such events and we are grateful to each and every one of them for the commitment and enthusiasm they bring to the task.

## Special Interest Groups (SIG)

Alarm SIGs and working groups pursued a number of new initiatives. A special working group on Risk Management Competencies developed a paper that was presented at Conference 2008 and was further refined to produce a discussion document in early 2009. The Partnership SIG embarked on further work relating to risks associated with local partnerships and is due to publish its findings later this year. The Counter-Fraud SIG commenced work to evaluate the need for a toolkit to assist members to implement the recommendations set out in Alarm's Managing the Risk of Fraud Standard. The Benchmarking SIG embarked on an ambitious piece of work, utilising the services of consultants DNV, to develop a National Performance Model for Risk Management in the Public Services, which will be launched at Conference 2009.

## Corporate Style

One of the major messages from the brand research exercise was members' desire to retain the Alarm name but to refresh the look of the association. In late 2008, we re-launched as 'Alarm, the public risk management association' with a fresh, modern logo and a new mission statement - 'supporting excellence in public services'. The revised branding was first seen on the Annual Conference 2009 delegate brochure, which was distributed just before Christmas,

and has now been utilised on all Alarm documents, publications and equipment. Our country, regional and sector groups have also been provided with guidelines, templates and individualised pull-up banners for use at their events.

Feedback from our members and sponsors has been very positive and the new image will assist in our aim of raising the profile of the association and its objectives.

## Sponsorship

We introduced a new sponsorship scheme in 2008 that provided opportunities for companies to engage with Alarm in its corporate, conference and/or awards activities. The scheme offered 4 tiers (Platinum, Gold, Silver and Bronze) of both corporate and conference sponsorship. Many of our existing supporters chose dual sponsorship at either the Platinum or Silver levels, while new sponsors were also attracted to the scheme. In 2008, we wish to thank the following companies, whose financial support has helped us deliver regional and sector events, commission research, enhance our website and publish guidance to our members. In addition, they willingly provide speakers, venues for meetings, in-house publications and many other services to the Alarm membership.

## Alarm Corporate Sponsors 2008

<b>Platinum</b>
<b>Risk Management Partners</b>
<b>Travelers</b>
<b>Zurich Municipal</b>
<b>Gold</b>
<b>PricewaterhouseCoopers Services</b>
<b>Silver</b>
<b>Barlow Lyde &amp; Gilbert</b>
<b>Crutes</b>
<b>Cunningham Lindsey</b>
<b>Halliwells</b>
<b>Heath Lambert</b>
<b>Marsh</b>
<b>Weightmans</b>
<b>Bronze</b>
<b>Langleys (Alarm NE)</b>

## Communications

Improving the content and style of our weekly e-alerts to members, and enhancing the website, has been high on the agenda for action in 2008. The e-alerts continue to bring members up-to-date information on key Alarm and other risk management events, discounts on products and services, and access to new publications. Enhancements to the website have included a new style for the home page, the addition of a discussion forum, improved search facilities and better organisation of the publications page. By making these changes, we aim to provide members with a better service and easier access to the information that they need to do their jobs more effectively.

## Consultations

As part of our wider engagement with related organisations, we arranged the distribution of consultation documents and surveys to members, via the weekly e-alerts and website. For the British Standards Institute and ISO, we provided feedback on their draft risk management standards and, for the Audit Commission, we assisted with a survey exploring trends in risk management and insurance. In addition, Alarm has engaged with the Risk and Regulatory Advisory Council, within the Department of Business, Enterprise and Regulatory Reform, in its work on public risk management and risk communication. Several members of the Board, including the current Chairman and Chief Executive, also participate in the CIPFA Better Governance Forum Advisory Panel.

## Publications

The production of relevant guidance documents, on current issues in public risk management, always features in our business plans. In 2008, the Alarm North East group held two facilitated workshops - one on Partnership Risks and one on Procurement Risks - the outputs of which were further developed by staff in Glasgow Caledonian University (GCU) and published in hard copy and on the website. Additionally, GCU produced a further report on the Corporate Manslaughter and Corporate Homicide Act 2007, which came into force in April 2008, and updated the website e-library resource pages.

Our journal, Alarm Matters was published quarterly in 2008, providing informative articles on a range of topics. The four themes for the year included Liability, Data Protection / Security, Innovation, and the Comprehensive Area Assessments / Partnership Risks. Taking feedback from members, arising out of the brand research exercise, and the findings of a benchmarking exercise that compared Alarm Matters with other professional organisations' journals, we have refreshed and re-launched the journal in 2009 as 'PublicRM' magazine.

## Alarm Annual Conference

The 2008 Annual Conference was held in the Hilton Metropole at the Birmingham NEC. The theme of the event was 'Innovation, Inspiration and Information' and over 500 participants enjoyed a wide range of excellent plenary and workshop sessions. Feedback from both delegates and exhibitors was extremely positive and, as always, the conference committee held a debrief meeting in which they scrutinised evaluations of the event in order to see how we might improve further in 2009. We are grateful to our Platinum conference sponsors - RMP, Travelers and Zurich Municipal - and Silver conference sponsors - Cunningham Lindsey, DNV, Heath Lambert, JCAD and Weightmans - for their particular support; to all our exhibitors for making the exhibition such a success, and to our speakers and delegates for their participation. The 2009 Annual Conference will take place in Bournemouth from 21-23 June.

## Alarm Annual Awards

The Alarm Annual Awards recognise innovation and achievement by individuals and teams of public risk professionals. This year, the Awards Dinner was presented by television presenter, Paul Ross. The winners of each category in 2008 are shown below. A full list of the finalists is available from the Alarm website, and executive summaries of their entries can be found in the special Awards supplement that was published in the Autumn.

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

sponsored by Risk Management Partners

**David Hancock**  
**London Development Agency**

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### **Strategic Risk**

sponsored by Zurich Municipal

**Sunderland City Council**

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### **Operational Risk**

sponsored by Travelers

**Powys County Council**

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### **Asset Risk**

sponsored by Zurich Municipal

**Derbyshire County Council**

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### **People Risk**

sponsored by BEST

**Greater Manchester Fire & Rescue**

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A special lifetime membership award was also presented to US academic and author, Professor Peter Young.

As Alarm's Chairman, Richard Feltham, has said '2009 promises to be another busy and challenging year'; however, the necessary financial and staff resources are in place to ensure that we continue to deliver a high level of service and enhanced member benefits in the coming year.



**Dr Lynn Drennan**  
Chief Executive

## Secretary's Report

### Governing Document

The organisation is governed by its memorandum and articles of association.

Following a review of these documents the membership were asked to vote on a number of changes at the 2008 AGM. We sought approval for changes that were necessary to secure proper management succession arrangements and that enabled us to change our election processes to accommodate electronic communication, making the process of electing board members more accessible. We would like to thank those voting members who attended the AGM or voted by proxy. The majority of the changes were carried, with the exception of the recommendation that the maximum term of office for board members be removed. We have updated our articles to reflect the wishes of the membership and will continue to monitor and communicate with you any further changes that may be necessary.

### Changes to the Board

Elections to the Board, held annually, are always fiercely competitive and I would like to thank all those candidates who stood for Board positions, regardless of the outcome. It is a positive health indicator that so many of you want to be actively involved in the organisation. A number of Board members left during the last year, due to a change in their circumstances or employment and, as well as those elected as part of the annual elections, we have welcomed two further board members following further elections in October.

This significant change in team membership, along with the knowledge that a number of Board Members are approaching the maximum term of office, obliging them to retire (for a minimum of a year) has resulted in significant work for the Board, ensuring the robustness of our succession planning and consistency of our business planning processes. We have also embarked on a programme of activity to ensure that newer Board members have support and guidance to allow them to develop into productive and active members of the Board as quickly as possible. We have started this work in earnest in 2008 and it will continue into 2009 and beyond.

We elect our named officials annually and, effective from the 2008 AGM, the named official functions have been fulfilled by:

**Richard Feltham**  
Chairman

**Paul Dudley**  
Chair Elect

**Carolyn Halpin**  
Company Secretary

**Sharon Roots**  
Financial Director

These named officials, along with Peter Andrews, Vice Chair (Immediate Past Chairman) and Dr Lynn Drennan, Chief Executive, made up the Executive Committee of the organisation.

The organisation has been able to rely on the hard work and enthusiasm of the established committees, Finance and Conference, which have met regularly, usually by teleconference,

to pursue the business of the organisation with great effect. As part of our development needs and succession planning, we have introduced a Governance committee, which includes the Company Secretary, the legal adviser and the Vice Chair (Immediate Past Chair) along with other Board members. As a fledgling group, it has agreed terms of reference that will allow it to oversee, challenge and improve on a host of governance issues, which will be to the benefit of the organisation.

### Risk Management Statement

We continue to evolve and review our risk management arrangements and can report that, generally, the risks articulated on the organisational risk register are reducing, following implementation of risk actions. Exceptional to this are those risks that are largely externally influenced, in particular those associated with the "credit crunch". The risks around constraints on members' budgets and contraction of the number of local authorities present difficult challenges for the organisation. We will continue to monitor our risks and identify actions that will keep them within prescribed parameters

**Carolyn Halpin**  
Company Secretary



## Finance Director's Report

**Whilst overall our turnover was slightly higher than the previous year, the attached accounts show a deficit in 2008 in accordance with our planned budget. This reflects expenditure on approved business activities, much of it "once only" costs to update the brand image of the association and put the necessary infrastructure in place to deliver our future plans. The final figure for the year is, in fact, within £1,000 of the budget that was agreed by the Board for 2008.**

As you will note from the Chief Executive's report, Alarm commissioned a major brand review exercise involving members, non-members and other stakeholders. As a result of the findings, we have invested in a new corporate image, a refreshed and enhanced website and more secure IT support and services, funded from the reserves we put aside for this purpose.

We have also funded an extensive and wide-ranging programme of events around the country, regional and sector groups at a net cost of £145,000 (approximately £83 per member) and published a range of guidance documents. Our annual conference continues to prove popular and remains a valuable source of revenue which, together

with the growth in total sponsorship, leaves the association with a healthy income stream, despite a slight drop in membership fees this year. The association continued to benefit from a high rate of interest on deposited reserves in 2008; unfortunately, the current economic situation will have a major impact on this particular source of revenue.

In addition to the programme of events, additional resources have been invested in enhancing the member benefits function with an additional member of staff added to the Sidmouth team to develop this side of the association. Members will already have seen some of the improvements this has enabled and regional committees are now able to be supported much more fully than has been possible up to now.

Following the audit of the annual accounts, which were given unqualified approval by Alarm's auditors (Thompson Jenner), the notes to the accounts which follow are included to provide members with a more detailed explanation of some of the more significant variances within the accounts.

Looking forward, sponsorship income is set to increase in 2009 and we look forward to yet another successful Annual Conference,

however we anticipate a further drop in membership fees as a result of impending local authority reorganisations. A medium term financial plan has been developed and this is updated regularly to ensure that changes in the economic situation are properly evaluated and reflected in our spending aspirations in the future. This includes the maintenance of a risk assessed level of reserves that provides for a sufficient cushion to maintain spending plans in any given year should income levels fall significantly. Meanwhile, we continue to examine all budgets to ensure that every penny of your money is spent to best effect in meeting the aims and objectives of the association.

Overall the Association is in a good financial state and is well placed to meet the needs of members in the future.

**Sharon Roots**  
Financial Director



**Alarm, the public risk management association  
Company limited by guarantee**

(formerly ALARM The National Forum for  
Risk Management in the Public Sector)

**Directors' report and  
financial statements  
for the year ended  
31 December 2008**

Registration number 5279328



## Company information

<b>Directors</b>	Peter Andrews Jean Anslow (Appointed 01/11/08) Tracy Barnett Alan Clarke (Appointed 01/11/08) Janette Collins Simon Davis Paul Dudley Richard Feltham Carolyn Halpin Robin Powell (Appointed 01/11/08) Sharon Roots Elaine Taylor
<b>Secretary</b>	Carolyn Halpin
<b>Company number</b>	5279328
<b>Registered office</b>	Ladysmith House High Street Sidmouth Devon EX10 8LN
<b>Auditors</b>	Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG
<b>Business address</b>	Ladysmith House High Street Sidmouth Devon EX10 8LN

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## Directors' report for the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

### Change of name

On 19 November 2008 the company changed its name from ALARM, The National Forum for Risk Management in the Public Sector to Alarm, the public risk management organisation. On 1 December 2008 the company then changed its name to Alarm, the public risk management association.

### 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

Jean Anslow (Appointed 01/11/08)

Tracy Barnett

Nicholas Chown (Resigned 19/08/08)

Alan Clarke (Appointed 01/11/08)

Janette Collins

Simon Davis

Paul Dudley

Richard Feltham

Carolyn Halpin

Michael Keating (Resigned 11/07/08)

Robin Powell (Appointed 01/11/08)

Sharon Roots

Elaine Taylor

### 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 30 April 2009 and signed on its behalf by

**Carolyn Halpin**  
Secretary

## Independent auditors' 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 2008 which comprise the income and expenditure 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.

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 2008 and of its deficit 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**

## Income and expenditure account for the year ended 31 December 2008

	Notes	2008 £	2007 £
<b>Turnover</b>	2	777,576	774,289
Cost of sales		-	-
<b>Gross income</b>		777,576	774,289
Administrative expenses		(915,005)	(758,806)
<b>Operating (deficit) / surplus</b>	3	(137,429)	15,483
Other interest receivable and similar income		27,549	28,349
Interest payable and similar charges		(134)	-
<b>(Deficit) / surplus on ordinary activities before taxation</b>		(110,014)	43,832
Tax on (deficit) / surplus on ordinary activities	4	(5,718)	(5,601)
<b>(Deficit) / surplus for the year</b>	8	(115,732)	38,231

## Balance sheet as at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		13,242		9,185
<b>Current assets</b>					
Debtors	6	71,593		37,809	
Cash at bank and in hand		459,538		620,161	
		<u>531,131</u>		<u>657,970</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(48,331)</u>		<u>(55,381)</u>	
<b>Net current assets</b>			<u>482,800</u>		<u>602,589</u>
<b>Total assets less current liabilities</b>			<u>496,042</u>		<u>611,774</u>
<b>Net assets</b>			<u>496,042</u>		<u>611,774</u>
<b>Reserves</b>					
Other reserves	8		2,662		2,662
Profit and loss account	8		493,380		609,112
			<u>496,042</u>		<u>611,774</u>
<b>Members' funds</b>			<u>496,042</u>		<u>611,774</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 30 April 2009 and signed on its behalf by

**Sharon Roots**

Director

## Notes to the financial statements for the year ended 31 December 2008

### 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

### 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 (deficit) / surplus

	2008	2007
	£	£
Operating (deficit)/surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	3,715	3,061
Loss on disposal of tangible fixed assets	-	123
Auditors' remuneration	3,400	3,200
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

### 4. Tax on (deficit) / surplus on ordinary activities

	2008	2007
	£	£
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
UK corporation tax	5,717	5,599
Adjustments in respect of previous periods	1	2
	<u>5,718</u>	<u>5,601</u>

## 5. Tangible fixed assets

	Fixtures, fittings and equipment £	Total £
<b>Cost</b>		
At 1 January 2008	15,642	15,642
Additions	7,772	7,772
At 31 December 2008	<u>23,414</u>	<u>23,414</u>
<b>Depreciation</b>		
At 1 January 2008	6,457	6,457
Charge for the year	3,715	3,715
At 31 December 2008	<u>10,172</u>	<u>10,172</u>
<b>Net book values</b>		
At 31 December 2008	<u>13,242</u>	<u>13,242</u>
At 31 December 2007	<u>9,185</u>	<u>9,185</u>

## 6. Debtors

	2008 £	2007 £
Trade debtors	6,758	14,601
Other debtors	29,087	22,395
Prepayments and accrued income	35,748	813
	<u>71,593</u>	<u>37,809</u>

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

	2008 £	2007 £
Trade creditors	18,645	33,542
Corporation tax	5,666	5,599
Other taxes and social security costs	11,078	4,782
Other creditors	2,465	4,040
Accruals and deferred income	10,477	7,418
	<u>48,331</u>	<u>55,381</u>

## 8. Reserves

	Income & expenditure account £	Library reserve £	Total £
At 1 January 2008	609,112	2,662	611,774
Deficit for the year	(115,732)	-	(115,732)
At 31 December	<u>493,380</u>	<u>2,662</u>	<u>496,042</u>

## 9. Company Limited by Guarantee

The members of Alarm, the public risk management association, 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 income and expenditure account for the year ended 31 December 2008

	Notes	2008		2007	
		£	£	£	£
<b>Income</b>					
Alarm membership fees	1		167,702		176,461
Annual conference income	2		422,679		382,136
Publications income			4,360		3,025
Corporate sponsorship	3		107,200		57,000
Regional income	4		64,392		82,364
Regional sponsorship			-		64,436
Registered risk practitioner			5,729		6,750
Other income			5,514		2,117
			<u>777,576</u>		<u>774,289</u>
<b>Operating expenses</b>	5	<u>915,005</u>		<u>758,806</u>	
			<u>(915,005)</u>		<u>(758,806)</u>
<b>Operating (deficit) / surplus</b>			<u>(137,429)</u>		<u>15,483</u>
<b>Other income and expenses</b>					
<b>Interest receivable</b>					
Bank deposit interest		27,545		28,337	
Other interest		<u>4</u>		<u>12</u>	
			27,549		28,349
<b>Interest payable</b>					
Interest on overdue tax		<u>134</u>		<u>-</u>	
			<u>(134)</u>		<u>-</u>
<b>Net (deficit) / surplus for the year</b>	6		<u>(110,014)</u>		<u>43,832</u>

## Operating expenses for the year ended 31 December 2008

	Notes	2008 £	2007 £
<b>Operating expenses</b>			
Administration contractor	1	116,739	100,517
Staff costs	2	133,741	119,226
Committee costs	3	34,601	29,864
Special interest groups expense	4	15,184	38,878
Regional expenditure	5	146,291	134,369
Insurance		4,602	4,274
Civic representation		1,610	4,697
Consumables Sidmouth	6	13,803	10,138
Office expenses	7	11,528	7,010
Newsletter	8	20,667	25,882
Annual conference expenses	9	274,729	178,435
Other conference expenses		-	277
Publications	10	4,377	-
Advertising		32,408	39,377
Business plan expenses	11	53,677	-
Strategic development - Glasgow Caledonian contract		20,000	25,117
Travel		10,066	16,733
Legal and professional		260	250
Consultancy fees		-	7,900
Accountancy		3,611	5,960
Audit		3,400	3,200
Bank charges		2,200	1,903
General expenses	12	7,460	1,093
Chairman's hospitality		217	393
Risk practitioner expense		119	129
Depreciation on fixtures, fittings & equipment		3,715	3,061
Profits / losses on disposal of tangible assets		-	123
		<b>915,005</b>	<b>758,806</b>

## Finance Director's additional notes to the audited accounts prepared by Thompson Jenner.

### Income & expenditure account - please see detailed trading income & expenditure account

#### Note 1

##### Alarm membership fees

As a result of a freeze in membership fees in 2008 and a small reduction in membership numbers due, in part, to some authorities reducing membership from corporate to individual levels, there was a decline in income of approximately 5%.

#### Note 2

##### Annual conference income

Annual conference income grew as a result of the new conference sponsorship packages, and an increased take-up on sponsorship. This figure also includes the separate Awards sponsorship fees.

#### Note 3

##### Corporate sponsorship

The new 4-tier corporate sponsorship scheme, introduced in 2008, encompasses both national and regional sponsorships.

#### Note 4

##### Regional income

Income from regional events declined by 28% due to an increase in the number of events that were delivered free of charge or at reduced rates to members.

#### Note 5

##### Operating expenses

Operating expenses rose in 2008 due to a number of factors, including IT and infrastructure improvements, the brand review exercise and other business planning expenditure. Further comment on individual elements of this expenditure is included with the Finance Director's Additional Notes on Operating Expenses.

#### Note 6

##### Net (deficit)/surplus for the year

The net deficit figure for the year was as projected in the 2008 budget.

### Operating expenses - please see detailed list of operating expenses

#### Note 1

##### Administration contractor

Increased payments were made due to additional work on the website.

#### Note 2

##### Staff costs

In 2007, staff costs reflected the appointment of the Marketing Communication Manager in May that year. In 2008, the full costs of this post were accounted for.

#### Note 3

##### Committee costs

With the outputs of the brand review exercise informing the business planning process, additional Board meetings were held in 2008 to finalise the 2008-2011 business plan.

#### Note 4

##### Special Interest Groups expenses

The decrease reflects a reduction in activity undertaken by the Special Interest Groups.

#### Note 5

##### Regional expenditure

There was an increase in the level of activity amongst the Country, Regional and Sector groups.

#### Note 6

##### Consumables Sidmouth

The increase in consumables in Sidmouth reflects increases in the levels of activity within Alarm administration.

#### Note 7

##### Office expenses

This represents expenses relating to the office in Glasgow for the Chief Executive, Marketing Communications Manager and, until September 2008, the PA to the CEO. In 2007, the figure represented only March - December. In 2008, a full year's expenses were incurred.

#### Note 8

##### Newsletter

The number of editions of Alarm Matters was reduced from 5 a year to quarterly production.

#### Note 9

##### Annual Conference expenses

Annual conference expenses increased due to the hire of a more expensive venue, additional marketing expenditure and the use of a professional presenter at the Awards Dinner. The additional expenditure was offset by increased conference income and the event achieved its profit target, as set by the Board.

#### Note 10

##### Publications

Publications income increased as a result of the final sale of the Risk, Managed toolkits and hard copy publications, prior to the rebranding of the organisation.

#### Note 11

##### Business Plan expenses

Planned expenditure, in line with the 2008 business plan, included the purchase of backup servers for Sidmouth and Glasgow and enhancements to the website.

#### Note 12

##### General expenses

These are primarily accounted for by the annual trip to the PRIMA conference in the USA by the Chairman, Vice Chair / Chair Elect, and Chief Executive. The cost of this trip is covered by additional sponsorship from Risk Management Partners. In 2007, these expenses were paid directly by the sponsor, hence the lower figure in that year.



THE **PUBLIC**  
**RISK** MANAGEMENT  
ASSOCIATION

Ladysmith House  
High Street  
Sidmouth  
Devon EX10 8LN

t: 01395 519083  
f: 01395 517990

e: [admin@alarm-uk.org](mailto:admin@alarm-uk.org)  
[www.alarm-uk.org](http://www.alarm-uk.org)