

**Company Registration No. RC00834**

**Charity Commission Reg. No. 1132642**

**OSCR Registration No. SC040665**

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**(A Company Incorporated by Royal Charter)**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2021**

# **CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**

## **REPORT AND FINANCIAL STATEMENTS 2021**

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# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year from 1 April 2020 to 31 March 2021. The Chartered Institute for Securities & Investment ("CISI", or "the Charity", or "the Institute") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company was incorporated by Royal Charter (Registration No. RC00834) and is governed by said Charter and its associated Bye Laws. The group results combine the results of the Charity with the results of the following:

- a) Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned UK subsidiary, which runs the trading activities of the Institute.
- b) Securities & Investment Institute, a registered charity number 1036566 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is dormant and a wholly owned subsidiary of CISI.
- c) Chartered Institute for Securities & Investment (India), a branch, established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- d) Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore (which became dormant in the year).
- e) Securities & Investment Institute (China), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in the People's Republic of China, which runs the consulting activities of the Institute in China.
- f) Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a branch of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE which acts as a representative office.
- g) Chartered Institute for Securities & Investment (Services) Ltd, a legally registered Sri Lankan branch office of the UK company of the same name, which also provides operational support for the global activities of the Institute.
- h) Chartered Institute for Securities & Investment (Services) Ltd is a branch registered as a representative office in the Philippines. This company does not trade in its own right.
- i) Chartered Institute for Securities and Investment (services) Ltd. is registered as a wholly owned subsidiary in Ireland.
- j) Chartered Institute for Securities & Investment Cyprus Ltd is registered as a wholly owned subsidiary in Cyprus.

### Trustees

The following individuals served as Trustees throughout the year (except where noted)

Chris Allen MCSI  
 Fionnuala Carvill, Chartered FCSI\*±  
 Richard Charnock, Chartered FCSI  
 Debbie Clarke, Chartered MCSI  
 Michael Cole-Fontayn MCSI (Chairman)  
 Danny Corrigan MCSI  
 Tracey Davidson, Chartered FCSI  
 Charles Ferry, Chartered FCSI  
 Petros Florides, Chartered FCSI  
 Philippa Foster Back CBE \*  
 Robert Hughes-Penney, Chartered FCSI  
 Clair Mills \*  
 Graham Nicoll, MCSI  
 Claire Perryman, Chartered MCSI  
 Ravikumar Puranam FCSI(Hon)  
 Alan Ramsay FCSI(Hon) (Deputy Chairman)  
 Martin Ruskin, Chartered FCSI  
 Clive Shelton, Chartered FCSI  
 Nick Swales, DL, Chartered FCSI±  
 Rebecca Taylor, Chartered FCSI  
 Jane Valls \*  
 Jon Walker, Chartered FCSI

Resigned 8 October 2020  
 Appointed 8 October 2020  
 Resigned 8 October 2020  
 Appointed 8 October 2020  
 Appointed 8 October 2020  
 Resigned 8 October 2020  
 Appointed 8 October 2020  
 Resigned 8 October 2020

### Committee

F  
 A, I, J  
 E  
 A, D  
 A, B, E, F, H, I, J  
 F  
 E  
 H  
 E  
 E, G  
 A  
 D  
 B, G  
 A, I, J  
 A, D  
 C, G, H  
 H, I, J

\* denotes a co-opted Trustee

± denotes a Trustee that has served for more than nine years

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

The Trustees, all of whom are non-executive, are elected by the members (except for co-optees who are appointed by the Board) at the Annual General Meeting for a term of office of three years. None of the Trustees had any interest in the company or its subsidiaries.

*The Trustees served on the following Committees:*

A	Audit Committee	F	International Committee
B	Editorial Panel	G	Investment Committee
C	Educational Trust	H	Membership Committee
D	Examinations Board	I	Nomination Committee
E	Integrity & Ethics Committee	J	Remuneration Committee

## INVESTMENT POWERS

The Institute's Charter provides the Board with the power to invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to such conditions and with such sanction as may for the time being be imposed or required by law.

## ORGANISATION

The Institute's ultimate management group comprises the non-executive Board of Trustees shown above, including up to three Board-appointed co-opted Trustees, which decides upon strategic and policy matters. The executive staff are organised into the departments of qualifications, membership & professional development, operations, international, corporate governance & support and services (Chartered Institute for Securities & Investment (Services) Ltd).

### **Chief Executive**

Simon Culhane, Chartered FCSI

### **Director of Global Business Development**

Kevin Moore, Chartered MCSI

### **Global Director of Finance**

Karen Ashcroft, CA, MCSI

### **Chief Operating Officer**

John Preston

### **Global Director of Learning**

Susan Clements, FICE

## CHARITABLE OBJECTIVES

The Institute's charitable objectives are to:

1. promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investments;
2. develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas; and
3. act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investment in securities.

A full description of the activities undertaken by the CISI in pursuit of its charitable objects can be found in the published annual report or online at the CISI's website ([www.cisi.org](http://www.cisi.org)).

## REVIEW OF ACTIVITIES

Set out below is a summary of the Institute's activities, classified by our three charitable objectives. A far more detailed review appears in our Annual Report, a separate document that can be obtained by application to our Registered Office or can be downloaded from our web site ([www.cisi.org](http://www.cisi.org)).

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

**Charitable Objective 1: How the CISI promotes, for the public benefit, the dissemination and advancement of knowledge in the field of securities and investments.**

## ATTAINING COMPETENCE

Like many organisations, over the last twelve months the Institute has faced unprecedented challenges. We were forced to improvise, adjust and adapt to a very different environment in a short amount of time, not least because all our test centres were closed between April and June. Thousands of displaced candidates' bookings were transferred to later dates while simultaneously all CPD and learning was moved online. Despite the significant disruption from Covid-19 during the year which affected both the learners and our ability to offer testing facilities, over 26,000 qualifications were taken worldwide (down 30% on the previous year), many online using remote invigilation.

There was strong demand for qualifications from the Gulf region, and nearby Saudi Arabia and we continue to grow our presence in Africa, where we welcomed 200 new members this year. There are growth opportunities in Europe where the Institute's exams are, in some firms, rightly viewed as the global benchmark and continue to be promoted in posts that have moved from the UK to European centres. We have also seen a great deal of interest in our wealth exams in China this year, with more than 400 of our International Certificate in Wealth & Investment Management exams taken in Mandarin.

During the year we continued to expand the quality and range of digital learning over five e-learning suites, Ebooks, Revision Express, Professional Refresher, Professional Assessment, Regulatory Assessment, many in a variety of languages including Spanish, Arabic, French and Greek.

We continue to work with the education sector internationally, with students taking our exams at Christ University and Jain University in Bangalore and the University of Johannesburg in South Africa, amongst others.

## MAINTAINING COMPETENCE

This year learning has changed, moving from being instructor led to a hybrid or blended model with a far greater online content, especially for technical learning. Another change during the year has been an increase in demand for more immediate, bite sized learning, or "immediate knowledge gratification" which is being encouraged by firms. We have seen some of this behaviour reflected in an increase in demand for our suite of over 200 short e-learning, Professional Refresher, modules.

More recently, we have opened a dialogue with the UK regulator about the move to smaller learning sessions because, under the current rules for accrediting continuous professional development (CPD), only learning sessions of 30 minutes or more count towards the annual regulatory requirement.

To increase public access, we have added additional content to our YouTube channel which includes a series of videos and animations on topics such as the principles of derivatives or commercial loans.

We are delighted that our Financial Planning Forum has grown to over 5,000 members. We continue to support and build the financial planning professions with the support of our members, including those serving on the Financial Planning Forum, the Accredited Financial Planning Firm steering group and Paraplanner Interest Group. The level 7 Diploma in Advanced Financial Planning, which leads to becoming a globally recognised CERTIFIED FINANCIAL PLANNER™ professional, is proving very attractive to financial planners and wealth managers alike. Our examinations are accredited by the UK regulator Ofqual.

We are also accredited in the UK by the Financial Conduct Authority (FCA) to provide many thousands of individuals with their personal Statement of Professional Standing (SPS). CISI also holds a UK license issued by the US-based Financial Planning Standards Board (FPSB) to certify Financial Planners and Financial Planning firms as having attained the required competencies for their trade via CFP™ certificates.

During the year, the Institute spent £9,309,973 in the pursuance of this charitable objective, compared to £9,648,588 in the preceding year.

## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

### **Charitable Objective 2: How the CISI seeks to develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas**

Integrity is one of the key pillars of professionalism on which the Institute is founded. The Institute seeks to maintain its reputation as a thought leader in the field of ethical standards and behaviour within financial services, and our products and services aim to promote and reinforce an expectation of professionalism and high standards.

The Institute's integrity case studies and guidance continues to be well received during the year, especially internationally, as many countries look to discover how they can change the culture of the finance sector and help it regain public trust.

Over 80,000 people have now taken our unique Integrity Matters workshop and we believe the Institute continues to be the only professional body in the world to require many of those taking capital market exams, to take and pass a unique integrity test. We introduced this initiative as part of an active commitment to raising standards within the financial services profession and to enable our members to demonstrate tangible evidence of their commitment to integrity. We want to help build confidence and trust in the wider financial sector by reassuring the public that anyone who is a member of the CISI has the highest level of personal integrity.

CISI has a mandatory policy ensuring that all members complete an appropriate amount of continuing professional development (CPD) study. The minimum is set at 35 hours for senior members and ten hours for more junior levels. Of this, at least 10% must be in ethics-related topics.

During the year, 40 disciplinary cases were reviewed by our internal Disciplinary Review Panel and 10 of those were sufficiently serious to be heard by the Disciplinary Panel, and independent review body made up of CISI and lay members. This slightly larger than usual number included a clearance of some overdue cases. The public need to have confidence in the integrity of members and we actively encourage the reporting of behaviours which falls short of the Institute's principles.

Expenditure during the year in connection with this charitable objective amounted to £1,641,395, compared to £2,031,252 in the preceding year.

### **Charitable Objective 3: How the CISI acts as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investments in securities.**

The Review, our key publication, continued to be released quarterly with a wide variety of comment and features relevant to the investment community. In addition, up to 13 articles per month were published on The Review Online edition. Themes for special reports in 2020/21 included recapitalisation, and the global business case for purpose, and the October issue focused on responsible finance.

Financial Planning Week and World Financial Planning Day in October 2020 were both great successes with more financial planners involved than ever before, showcasing the ways in which financial planners give good quality advice. Our members supported the public in developing their understanding of what real financial planning looks like, as well as giving practical help and advice to people in most need.

We continued to be an active member of the Chartered Bodies Alliance. This informal alliance is composed of three of the five FCA accredited bodies. The enhanced cooperation between the bodies is proving beneficial to members who have been able to attend events put on by other bodies as well as a number of tripartite arranged activities. During the year, the three bodies have been working on a common qualification on Climate Change which will be launched during the summer.

Costs incurred in connection with this charitable objective during the year amounted to £3,011,296, compared to £4,038,847 in the previous year.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## How the CISI provides Public Benefit

Whilst the Institute's primary function is to provide education for the public, it is conscious that it has a public service obligation and, as well as general education, the CISI has continued its commitment to provide wider general access, regardless of means.

During the year, the CISI:

- Worked with members and firms in schools and colleges to provide information, mentoring and support for students working towards CISI qualifications or considering a career in financial services.
- Has been a key partner in the Chartered Body Alliance, a joint initiative with the Chartered Insurance Institute and the Chartered Banker Institute, aiming to promote professionalism, knowledge, competence, ethics, and industry qualifications and to make it easier for the public to access the services of qualified professionals.
- Offered reduced membership and exam packages to full time students and the financially disadvantaged in the UK and abroad.
- Worked with schools and colleges, running free events to prepare teachers to teach courses that will allow students to sit our exams.
- Provided free and paid CPD events to both members and non-members to raise awareness of good practice and ethical dealing within the securities and investment profession.
- Spoke at conferences on topics relevant to the industry and the wider business public, including whistleblowing, our "Speak Up" campaign, and integrity.
- Worked with other professional and charitable bodies, offering our knowledge and expertise to help advance appropriate projects.
- Offered Charity Days: CISI employees can take a charity day each year to work for a charity or on a community project of their choice.
- Provided the public with delayed, free access to its industry journal.

The Trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

## FUTURE ACTIVITIES

The CISI's key objectives for 2021/22 are:

1. Grow membership by net up to 2% in the UK and 10% internationally
2. Improve customer service through the cross departmental internal quality improvement group
3. Continue to develop, promote and publish inclusion and diversity initiatives both internally and externally
4. To evaluate, propose and implement a new Learning Management system
5. Define desired culture and take steps to evolve and align existing culture

## REVIEW OF FINANCIAL POSITION

The financial results for the year were impacted by exam venue closures due to Covid-19. However, including investment gains of £1,586,081 (losses of £220,104 in 2019/20), the Institute recorded a retained surplus of £1,008,166 (£283,442 in 2019/20) from income of £13.38m (£16.22m in 2019/20).

Income decreased by £2,837,484 (17.49%), while operating expenditure decreased by £1,756,023 (11.17%).

The Institute's reserves increased by £1,008,166 (2019/20 £283,442) to a total of £14,660,878 (2019/20: £13,652,712) after the Board had made a donation of £250,000 (2019/20: £150,000) to the CISI Educational Trust, which is a charity in its own right with a separate Board of Trustees.

The Institute has continued to maintain its healthy financial position, with free reserves of 11.1 months' operating costs, considered by the Trustees as prudent (see reserves policy below). During the year, funds were applied towards achieving the Institute's main objectives through the provision of relevant qualifications, membership, events and learning resources.

## **CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**

The Institute's wholly owned UK trading subsidiary, which undertakes non-charitable activities, recorded a profit after tax and distributions of £64,216 (2019/20: £16,414).

The Institute continues to remain financially independent, deriving funding through fees charged in relation to its charitable activities, such as individual membership, exams, and professional development events.

### **RESERVES POLICY**

The Institute has high operational gearing in a cyclical industry and therefore requires sufficient reserves to draw upon during times of industry downturn and to meet its charitable objectives. The reserves policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. A more fundamental review of the reserves policy was completed in the prior year, in light of the shifts in the emphasis of advice from the Charities Commission. As part of this review a level of reserves between a minimum of £8.5m and a maximum of £10.5m was established as the new policy level, subject to agreement on how existing reserves above this level should be released.

The Board postponed the release of any existing reserves given the ongoing situation with Covid-19 during the financial year. Given the commercial uncertainties created by the virus, the Board deems reserves above the suggested maximum appropriate to ensure the Institute has the resources needed to continue to achieve its aims in the medium and long-term. Discussions on using a proportion of reserves for broader strategic purposes have now resumed and it is expected that a planned reduction of reserves will occur over a 2–3-year period.

At the year end, the total free reserves, defined as total net assets less tangible and intangible fixed assets, of the Institute amounted to £14,375,721 (2019/20: £13,219,899), which represented 11.1 months' worth of the expected running costs for 2021/22.

The policy of the Charity with regard to payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

At the end of the year reserves totalled £14,660,878.

### **GOING CONCERN**

The Charity has a strong reserve position and has sufficient available resources, as demonstrated by the reserve policy above. It has adequate financial resources and are well placed to manage the business risks. Its planning process, including financial projection, has taken into consideration the current economic climate, particularly the impact of Covid-19, and its potential ongoing impact on the various sources of income and planned expenditure.

The Charity has taken steps to increase long-term resilience and has sub-let 40% of the UK office at 20 Fenchurch Street to one of its Chartered Bodies Alliance partners, the Chartered Insurance Institute, thereby reducing its cost base from March 2021.

The Charity's cash deposits can easily be drawn down, should working capital be required. The trustees believe that there are no material uncertainties that call into doubt the Charity's ability to continue for the foreseeable future. The accounts have therefore been prepared on the basis that the Charity is a going concern.

### **INVESTMENT POLICY**

The Board has delegated the regular review and supervision of the investment of surplus funds to an Investment Sub-Committee (ISC), appointed by the Board and comprising suitably experienced trustees, which is tasked with addressing the maintenance of a short-term cash portfolio and a medium to long term capital portfolio.



# **CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**

## **The Cash Portfolio**

This consists of deposit accounts of various duration with institutions the ISC recommends, based on a review of credit risk, rates offered and administrative issues. There should be a spread of at least five accounts, and they will be reviewed regularly by the ISC. Treasury deposits should only be placed with banks that had received a credit rating A or A+ from Fitch or S&P, A1 or A2 from Moody's and had not received a rating lower than those from any of those three agencies. Deposits up to £100k can be placed with any bank covered by the Financial Services Compensation Scheme, irrespective of credit rating. All policies have been followed successfully.

## **The Medium to Long Term Portfolio**

The ISC and the Board discuss the CISI's reserve funds on a regular basis and between them decide when and how much capital can be invested for a longer period. These funds then fall within the Medium to Long Term Portfolio (MLTP) where there will be wider investment powers.

Funds in the MLTP are invested with a view to achieving a total return in excess of that achievable on cash deposit over the medium to long term (3 to 5 years). The risk profile of the MLTP is medium risk. The ISC appoints qualified fund managers who then use an appropriate fund from their range to provide a suitable investment solution. The managers are expected to report to the ISC on a six-monthly basis to a given benchmark agreed at the time of appointment. The Global Director of Finance also monitors progress of the investments on a regular basis. The MLTP was valued at £9,183,095 on 31 March 2021. Currently the return on cash deposits is less than 1%, so the growth in the year is viewed as being more than sufficient.

The ISC monitors the investments and reviews new opportunities on a regular basis; however, any appointment of managers requires the Board to delegate authority to the ISC on a case-by-case basis. The Board and the ISC consider styles of investment and any ethical or other restrictions on a regular basis. The Trustees recognise that consideration of Environmental, Social and Governance (ESG) issues is important for the potential to make a positive impact, achieve good long-term returns and reflect the values of the Charity. As such investment managers are required to demonstrate a robust and systemic approach to ESG when investing.

## **CHARITABLE GRANTS**

In 2010, an independent charity, the Chartered Institute for Securities & Investment Educational Trust, was formed. The CISI is a corporate trustee of this charity, but the other trustees are all independent from the main Board of the Institute. Its objectives are "to promote for the public benefit the advancement and dissemination of knowledge in the field of securities and investment". During the year, the Institute donated £250,000 to this charity (2019/20: £150,000).

## **VOLUNTEERS**

The Institute derives benefit from the services of unpaid volunteers, by virtue of the time given by its Trustees (other than the Chairman who is remunerated for his services) and by practitioners who serve on various committees and panels. No donations in kind were received during the year.

## **FUNDRAISING ACTIVITIES**

The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011

## **CHARITY GOVERNANCE CODE**

The Institute takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. Trustees and Director-level staff have been provided with training on their duties and responsibilities under the Charity Governance Code and similar pieces of guidance and legislation. New Trustees are provided with information on their Charity Commission and governance responsibilities on appointment, and all Trustees are updated on relevant Charity Commission changes.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## RELATIONSHIPS WITH OTHER BODIES

In pursuit of its charitable objectives, the Institute provides relevant qualifications to the securities and investment industry, many of which are on the UK Financial Conduct Authority list of appropriate exams. The Institute is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is recognised by Ofqual as an awarding body for the securities and investment industry and is also accredited by the FCA for the issuance of Statements of Professional Standing to retail investment advisers.

The Institute is a founder member of the Chartered Body Alliance, along with the Chartered Insurance Institute and Chartered Banker Institute. The Alliance is an informal arrangement to co-ordinate and co-operate and does not involve a separate entity or joint venture. The Chartered Body Alliance believes that by working together the alliance will achieve greater public benefit, continuing to raise professionalism and trust across financial services by promoting high standards of knowledge, skill, integrity and behaviour. Its core objectives are set out below.

1. Raising professionalism and trust across financial services.
2. Promoting high standards of competence, knowledge and ethical behaviour.
3. Making it easier for the public to access the services of qualified professionals.
4. Encouraging individuals in the sector to undertake recognised professional qualifications.

### Board

The Board of the Chartered Institute for Securities & Investment meets five times per year and comprises all non-executive Trustees. The Trustees are typically employed in senior positions within firms operating in the securities industry. They are identified by existing Board members for their expertise or nominated by members of the Institute.

Up to 15 Trustees are elected for a term of three years, either by a ballot of the membership at the AGM, or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the Charity's Charter and Bye-Laws. Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election or appointment, the new Trustees are given an induction to the Institute, its activities and their responsibilities under charity law.

Any Trustee is subject to rigorous review of their value to the Board and committees where their reappointment will result in more than nine years served on the Board. Two trustees have served more than nine years. The Board have confirmed that exceptionally, Ms Carvill may stand for re-election for one final year in October 2021. Mr Swales will not stand for re-election in October 2021.

The Board appoints the Chairman and the Chief Executive. The Chief Executive is not a Trustee. At its meetings, the Board considers matters including:

- policy and strategy;
- financial performance, including annual budgets;
- responses to industry consultation papers; and
- reports from the standing committees.

The executive staff of the Institute submits management information to the Trustees to enable them to discharge their duties. The Trustees may take independent advice at the Charity's expense.

### Committees and Delegation

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on pages 3 and 4. Those committees to which the Board has delegated powers have specific terms of reference. The Audit Committee is chaired by Alan Ramsay FCSI(Hon), FCA.

The Board has delegated the power of appointment and removal of other members of staff to the Chief Executive. The duties delegated to the CEO may be delegated by him/her to other members of staff as he/she sees fit.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## Remuneration Policy

The Remuneration Committee reviews and approves or amends the overall salaries budget and proposed changes to salaries annually, based on recommendations from the Executive. It also reviews the remuneration of all Executive Directors and Chairman of the Board, including pension rights of Executives on an individual basis with regard to their performance reviews and current levels of remuneration and with reference to remuneration levels in other charities of comparable scale and complexity. The Remuneration Committee also approves the design and determines the targets for any performance-related pay schemes.

## Trustee Remuneration

All Trustees give their time freely and are not paid for their trusteeship, with the exception of the Chairman, who is remunerated for his services, as allowed by the Institute's Charter.

## Key Risks

The following are the key risks assessed as the most significant for the Institute:

**Covid-19** – When the scale of the pandemic became apparent, the Institute acted quickly, reducing expenses and controlling costs. The Institute created innovative solutions, looking after and transferring many thousands of displaced candidates' bookings to later dates while moving all CPD and learning online. The Institute's testing partners worked tirelessly with the charity to accelerate and roll out a remote testing facility which uses modern technology, especially the ability to continuously monitor remotely, allowing candidates to take their exams on their own equipment in their own rooms or offices, at a mutually convenient time. This has offset the risks to revenue from ongoing global venue closures.

**Data Breaches and Cybercrime** – Following the setup of a special project team that worked exclusively on GDPR compliance, a very substantial amount of work was undertaken on its systems, contracts, communications, and staff awareness. Regular staff training is undertaken on information security and data protection and simulated "phishing" exercises are undertaken several times per year to keep staff alert to evolving threats and criminal techniques. The Institute was subject to an organised crime cyber-attack in February 2020. The Institute communicated with those affected to make them aware of the cyber-attack and provided advice on how they should respond to their data being compromised. The incident was reported to all relevant regulatory bodies.

**IT Infrastructure** – The Charity is very reliant on IT but mitigates the risk through employing expert consultants, completing rigorous resilience tests and updating and renewing its key software regularly. During the year it has continued to upgrade operating systems and applications.

**Regulatory Compliance** – The Charity is reliant on Ofqual for its status as an examination provider and has, during the past five years, undergone two thorough audits of its processes. A dedicated task force has subsequently undertaken a wider review of compliance, exhaustively reviewing all aspects of our obligations in this area and has completed its work. A program of training, internal audit, and continuous improvement has been implemented.

**Reputation and Accredited Body status** – The Charity relies heavily on being accredited to set and manage exams and award qualifications accordingly. This could be put at risk by a serious lapse that damages its reputation. To mitigate this risk, the Charity has many procedures in place, closely monitored by the Institute's Membership Committee, to assure the compliance of systems, staff and training partners including a social media policy, annual reviews of partners' competence, FCA accreditation, plus requiring all staff to take competence tests in the Bribery Act and data protection law.

## Internal Control and Risk Management

The Trustees acknowledge that they are responsible for the maintenance of an effective system of internal control. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Trustees have considered the major business risks and control objectives relevant to the Institute and controls were found to be appropriate and generally satisfactory.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

The Institute's control objectives include:

- the maintenance of the industry's confidence in the Institute's relevance, integrity and status;
- the identification and evaluation of business risks, through regular risk assessment and review, and the direction of operating and financial strategy;
- the nurturing of high ethical standards, effective communications and a strong overall control environment;
- the safeguarding of the assets of the Institute and the effective use of resources; and
- the promotion of detailed financial and operational controls necessary for the production of reliable and up-to-date financial information.

In pursuit of the above control objectives the Institute has in place a number of key internal controls and processes that include:

- liaising with its members and their employers to ensure the Institute's continued relevance;
- formally identifying, evaluating and reviewing risks;
- communicating the high standards of behaviour expected of its employees by inclusion of the Institute's code of conduct in employment contracts and additionally, through formal objective setting and performance appraisal schemes, including regularly identifying and taking action to satisfy training needs;
- creating a secure environment to protect the Charity's assets and regularly reviewing management information to ensure the effective use of resources;
- seeking legal protection for CISI trademarks and domain names by registering them in appropriate jurisdictions;
- operating signing limits to ensure that the Charity cannot be committed financially without proper authority, and producing regular financial reports for Board review which include estimates and judgments made by the business managers.

The Institute's Audit Committee currently comprises five non-executive members. Its scope includes the assessment of the cost effectiveness of the external Auditors, consideration of the financial statements of the Chartered Institute for Securities & Investment and the consideration of any internal control matters, which may be brought to its attention. The Board has reviewed the need for an internal audit function and does not consider that such a function is necessary given the size and nature of its operations, however an internal quality assurance function is now operational, which may in due course perform some of the functions of an internal audit.

## REGISTERED OFFICE AND PROFESSIONAL ADVISERS

### Registered Office

20 Fenchurch Street  
London EC3M 3BY

### Bankers

Bank of Scotland  
600 Gorgie Road  
Edinburgh EH11 3XP

### Auditors

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

### Solicitors

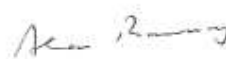
BDB Pitmans LLP  
For and on behalf of BDB Pitmans LLP  
One Bartholomew Close  
London EC1A 7BL

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board of Trustees on 15 July 2021 and signed on behalf of the Board by



Michael Cole-Fontayn, MCSI  
Chairman



Alan Ramsay, FCA, FCSI(Hon)  
Deputy Chairman

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales and in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## Independent Auditor's Report to the Trustees of Chartered Institute for Securities and Investment

### Opinion

We have audited the financial statements of Chartered Institute for Securities and Investment for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, consolidated and charity balance sheet, consolidated statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2021 and of the group's income and expenditure, for the 31 March 2021 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;



## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

or

- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were:

- General Data Protection Regulation (GDPR)
- Health and safety legislation
- Taxation legislation
- Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, detailed testing of journals (including the use of data analytics), reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Companies House, HMRC and the ICO, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP  
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**Crowe U.K. LLP**  
Statutory Auditor  
**London**

Date: 20 August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>INCOME FROM:</b>			
Charitable activities:			
Membership subscriptions		4,920,146	5,002,333
Membership entry fees		58,095	90,019
Qualifications and development		5,724,198	7,585,318
Publications and conferences		2,320,312	3,069,810
Investment income	5	167,320	199,563
Other income	6	194,678	275,190
<b>TOTAL INCOME</b>		<b>13,384,749</b>	<b>16,222,233</b>
<b>EXPENDITURE ON:</b>			
Charitable activities			
Dissemination & advancement of knowledge	4	9,309,973	9,648,588
Ethics	4	1,641,395	2,031,252
Consultation & research	4	3,011,296	4,038,847
<b>TOTAL EXPENDITURE</b>	<b>3,4</b>	<b>13,962,664</b>	<b>15,718,687</b>
Net investment gains/(losses)	8	1,586,081	(220,104)
<b>NET INCOME AND MOVEMENT IN FUNDS</b>		<b>1,008,166</b>	<b>283,442</b>
<b>UNRESTRICTED FUNDS AS AT 1 APRIL 2020 &amp; 2019</b>		<b>13,652,712</b>	<b>13,369,270</b>
<b>UNRESTRICTED FUNDS AS AT 31 MARCH 2021 &amp; 2020</b>		<b>14,660,878</b>	<b>13,652,712</b>

The notes on pages 20 to 31 form part of these financial statements.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## BALANCE SHEETS

As at 31 March 2021

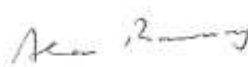
	Note	GROUP		CHARITY	
		2021	2020	2021	2020
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8	285,157	419,469	285,157	419,469
Intangible assets	8	-	13,344	-	13,344
Investments	8	10,183,095	8,465,723	10,283,095	8,565,723
		<u>10,468,252</u>	<u>8,898,536</u>	<u>10,568,252</u>	<u>8,998,536</u>
<b>CURRENT ASSETS</b>					
Stock		4,713	7,738	4,713	7,738
Debtors: amounts falling due after one year	10	63,851	1,278,203	63,851	1,278,203
Debtors: amounts falling due within one year	10	2,939,832	2,984,885	2,939,832	2,984,885
Cash at bank and in hand		8,892,163	7,220,492	8,890,062	7,219,452
		<u>11,900,559</u>	<u>11,491,318</u>	<u>11,898,458</u>	<u>11,490,278</u>
<b>CREDITORS:</b> amounts falling due within one year	11	(6,940,394)	(5,642,611)	(7,285,628)	(5,924,691)
Provisions for liabilities	17	-	-	-	-
<b>NET CURRENT ASSETS</b>		<u>4,960,165</u>	<u>5,848,707</u>	<u>4,612,830</u>	<u>5,565,587</u>
Amounts falling due after more than one year	11	(767,539)	(1,094,531)	(767,539)	(1,094,531)
<b>TOTAL NET ASSETS</b>		<u><u>14,660,878</u></u>	<u><u>13,652,712</u></u>	<u><u>14,413,543</u></u>	<u><u>13,469,592</u></u>
<b>REPRESENTED BY:</b>					
Unrestricted income fund		<u><u>14,660,878</u></u>	<u><u>13,652,712</u></u>	<u><u>14,413,543</u></u>	<u><u>13,469,592</u></u>

These financial statements were approved and authorised for issue by the Board of Trustees on 15 July 2021

Signed on behalf of the Board of Trustees:



Michael Cole-Fontayn, MCSI  
Chairman



Alan Ramsay, FCA, FCSI(Hon)  
Deputy Chairman

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	13	<u>1,876,595</u>	<u>910,036</u>
<b>Cash flows and investing activities</b>			
Dividends, interest and rents from investments	5	167,320	199,563
Purchase of tangible fixed assets	8	(240,952)	(76,819)
Purchase of investments, at cost		(131,292)	(135,959)
Cash transfer from/(to) investments		-	(1,000,000)
<b>Net cash (used in) investing activities</b>		<u>(204,924)</u>	<u>(1,013,215)</u>
Change in cash and cash equivalents in the reporting period		1,671,671	(103,179)
Cash and cash equivalents at the beginning of the reporting period		7,220,492	7,323,671
<b>Cash and cash equivalents at the end of the reporting period</b>		8,892,163	7,220,492
Cash in hand		5,380,163	2,208,492
Notice deposits		3,512,000	5,012,000
<b>Total cash and cash equivalents</b>		<u>8,892,163</u>	<u>7,220,492</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 March 2021**

**1. CHARITY INFORMATION**

The Chartered Institute for Securities & Investment (“CISI”) is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company was incorporated by Royal Charter (Registration No. RC00834) and is governed by said Charter and its associated Bye Laws and domiciled in the UK and is a public benefit entity. The address of the registered office is 20 Fenchurch Street, London, EC3M 3BY.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The Chartered Institute for Securities & Investment (“CISI”) meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Basis of Consolidation**

The group financial statements consolidate the financial statements of Chartered Institute for Securities & Investment and its subsidiaries, as reported in note 9, up to 31 March 2021 on a line-by-line basis. Other than Chartered Institute for Securities & Investments (Services) Limited, all international branches, liaison offices and subsidiaries’ results are included in the Charity’s results. The net movement in funds of the Charity for the year was an increase of £1,008,166 (2020: £283,442).

The Charity has taken advantage of the exemptions in FRS 102 from the requirements to present a Charity only Cash Flow Statement and certain disclosures about the Charity’s financial instruments.

**Going Concern**

The trustees have a reasonable expectation that the charity and group has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 13. The Trustees have reviewed forecasts for a period beyond 12 months from the date of signing the accounts. These have been prepared by management and the assumptions have been stress tested in light of the Covid-19 pandemic post year-end. The Trustees are satisfied that processes are in place to identify, report and remedy any sustained losses, and there are significant reserves and available cash for the Institute to utilise if required. The Trustees will continue to review this position regularly.

**Foreign Currency Translation**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are shown in the balance sheet at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the Statement of Financial Activities in the expenditure of the charitable activities having been allocated amongst the other support costs shown in note 4 in the notes to the financial statements.

The functional currency of The Chartered Institute for Securities & Investment and its subsidiaries is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity/group operates. The consolidated financial statements are also presented in pounds sterling.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## Notes to the financial statements year ended 31 March 2021 (Continued)

### Membership Subscriptions

The membership subscription year runs from 1 April to 31 March. Subscriptions received from members are included in the financial statements in full for the year to which they relate. Sums received prior to the year end in respect of the forthcoming subscription year are treated as subscriptions received in advance in the balance sheet and taken to income in the new subscription year. Entry fees are taken to income as they are received.

### Examination Entry Fees

The qualification registration fee attracts one year's free student membership and as such this income is recognised over the year.

Examination fees are recognised only when the exam is taken.

### Training Services Income

Income from courses and training services are accounted for on an accruals basis.

### Investment Income

Income from bank deposits is accounted for on an accruals basis.

### Allocation of Expenditure

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Other salaries are allocated between expense headings on the basis of time spent, and other costs are allocated in proportion to direct costs relating to each charitable activity.

### Funds

All funds currently belonging to the Charity are unrestricted. Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

### Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. An asset is capitalised when its original cost is in excess of £2,500. Depreciation is provided at rates calculated to write off the cost of fixed assets over the estimated useful lives of the assets. The rates of depreciation used in the year are as follows:

Computer equipment and telephones	Straight line, over three years
Fixtures and fittings	Straight line, over four years
Leasehold improvements	Straight line, over five years

### Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives using the straight-line method. Intangible assets are amortised over the following useful economic lives:

Goodwill amortisation (IFP)	Straight line, over five years
-----------------------------	--------------------------------

### Financial Instruments

Investments, including bonds held as part of an investment portfolio are held at fair value as quoted on the market at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in Subsidiary undertakings are held at cost less impairment.

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and the group's debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group's short and long-term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

# **CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**

## **Notes to the financial statements year ended 31 March 2021 (Continued)**

### **Investment in Subsidiary Undertaking**

The investment in subsidiary undertaking is stated at cost less provision for any impairment.

### **Cash at bank and in hand**

Included in cash at bank and in hand are all current account balances in the UK and abroad, all petty cash and foreign currency accounts plus all treasury investments on one year's notice or less.

### **Stocks**

Stocks of workbooks and publicity items are valued at the lower of cost and selling price less costs to complete and sell.

### **Leases**

Operating lease rentals are charged to the statement of financial activities in equal annual amounts over the lease term.

### **Pension Costs**

The Charity offers a defined contribution pension scheme in the UK and other appropriate arrangements overseas. In the UK the Charity contributes fixed percentage rates of salary to an employees' personal pension scheme and has no further liability for the scheme, which is administered on behalf of the Chartered Institute for Securities & Investment's employees by an independent manager. The Institute's pension policy fulfils the requirements of the Employment Equality (Age) Regulations Act 2006. There are two levels of contribution, dependent upon the length of service of each employee.

### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation rising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

### **Taxation**

The Institute is registered as a charity and therefore benefits from exemption from corporation tax on certain sources of income, so long as the income is applied for charitable purposes.

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, with are described in note 2, Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

#### **Dilapidations provision**

The Charity has provided for its possible liability in relation to its leasehold property which has been estimated based on standard costs geographically adjusted and is included in accruals.

The Charity has reviewed the ongoing value of its investment in IFP and, being satisfied that the membership income is substantial and continuing, see no reason to provide for any impairment in the investment.

#### **Redundancy/Termination Payments**

Redundancy and termination payments are accounted for in the period in which they are agreed.

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

**3. INFORMATION REGARDING TRUSTEES AND EMPLOYEES**

None of the Trustees who served during the year received any emoluments from the Charity in the current or prior year, with the exception of the Chairman. The Charity's Royal Charter provides for the Chairman to be remunerated for his services and emoluments totalling £42,578 (2020: £40,000) were paid to the holder of that post during the year. The emoluments including payment in lieu of pension, of the highest paid employee, the Chief Executive, were £362,778.

During the year, none of the Trustees were reimbursed by the Institute for travel and subsistence expenses incurred (2020: eight Trustees, £8,136).

Staff costs during the year	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	6,484,486	6,809,314	6,482,086	6,806,914
Social security costs	653,842	594,486	653,842	594,486
Pension costs	439,208	417,691	439,208	417,691
	<u>7,577,536</u>	<u>7,821,491</u>	<u>7,575,136</u>	<u>7,819,091</u>

During the year, there were redundancy or termination payments made which amounted to £64,831 (2020: £28,111). There were no such payments outstanding at the year-end (2020: £nil).

Of these payments, £64,831 related to redundancy (2020: £28,111) and £nil to termination (2020: £nil)

The emoluments (including taxable benefits in kind, payments in lieu of pension, and bonuses but excluding pension contributions) of persons employed by the group as at the year-end that exceeded £60,000 were as follows:

	2021	2020
	No	No
£60,001 - £70,000	7	6
£70,001 - £80,000	2	1
£80,001 - £90,000	4	4
£90,001 - £100,000	-	3
£100,001 - £110,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	2	2
£180,001 - £190,000	2	1
£190,001 - £200,000		1
£360,001 - £370,000	1	1

The key management personnel of the Charity comprised the Trustees, the Chief Executive, the Global Director of Finance, the Chief Operating Officer, the Director of Global Business Development and the Global Director of Learning. The total employee benefits of the key management personnel were £1,172,096 (2020: £1,143,497).

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

The average number of persons employed by the group in the year (including term contract posts) was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Dissemination & advancement of knowledge	113	111
Ethics	24	22
Consultation & research	34	38
Governance	4	2
	<u>174</u>	<u>173</u>
	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Operations	30	33
Qualifications & development (including international)	30	30
Management and administrative support	12	14
Business Development	20	10
Membership, professional development and marketing	20	25
	<u>112</u>	<u>112</u>
Overseas staff	62	61
	<u>174</u>	<u>173</u>

**4. EXPENDITURE**

Expenditure includes the following:

	<b>2021</b>	<b>2020</b>
	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
Depreciation and amortisation of assets	388,608	427,533
Rentals under operating leases	1,150,607	1,069,896
Auditors' remuneration for audit work	32,000	29,500
Auditors' remuneration for other services	19,768	3,545
Foreign currency losses	41,194	27,995



**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

**ANALYSIS OF EXPENDITURE**

<b>GROUP</b>	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Direct £</b>	<b>Other Support £</b>	<b>Total 2020-21 £</b>	<b>Total 2019-20 £</b>
<b>Charitable activities:</b>						
Dissemination & advancement of knowledge	5,070,203	275,309	1,773,252	2,191,209	9,309,973	9,648,588
Ethics	1,118,428	33,959	218,727	270,281	1,641,395	2,031,252
Consultation & research	1,789,483	79,338	511,014	631,461	3,011,296	4,038,847
<b>Total</b>	<b>7,978,114</b>	<b>388,606</b>	<b>2,502,993</b>	<b>3,092,951</b>	<b>13,962,664</b>	<b>15,718,687</b>

Other direct costs comprise the non-staff costs associated with the delivery of the different charitable activities whilst the other support costs comprise the overall establishment and office costs of the Charity, which are allocated across the charitable activities.

Included within charitable activities are governance costs which amount to £131,776 (2020: £157,985). Governance costs comprise board and committee expenses, audit and legal fees and costs relating to the provision of company secretarial and corporate registration services.

Staff costs include all staff related costs including insurances, payroll costs, recruitment expenses and payments to long-term foreign consultants.

**Analysis of Other Support Costs:**

	<b>Dissemination &amp; advancement of knowledge £</b>	<b>Ethics £</b>	<b>Consultation &amp; research £</b>	<b>Total 2020-21 £</b>	<b>Total 2019-20 £</b>
Premises	936,233	115,482	269,803	1,321,518	1,418,816
Printing, postage & stationery	16,196	1,998	4,667	22,861	82,782
Marketing travel & subsistence	6,105	753	1,759	8,617	8,607
Irrecoverable VAT	385,426	47,541	111,072	544,039	815,276
Communications & IT	420,915	51,919	121,299	594,133	337,376
Equipment hire	44,557	5,496	12,841	62,894	48,923
Other	358,633	44,237	103,350	506,220	477,248
Governance	23,144	2,855	6,670	32,669	53,962
<b>Total</b>	<b>2,191,209</b>	<b>270,281</b>	<b>631,461</b>	<b>3,092,951</b>	<b>3,242,990</b>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

<b>5. INVESTMENT INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
UK bank interest receivable	36,028	63,604
Dividends receivable	131,292	135,959
	<u>167,320</u>	<u>199,563</u>

**6. OTHER INCOME**

The figure of other income in the Statement of Financial Activities includes income relating to the issuance of Statements of Professional Standing of £127,798 (2020: £194,683).

**7. TAXATION**

The Chartered Institute for Securities & Investment is a charity and enjoys certain exemptions from tax according to Part 11 Corporation Tax Act 2010. Accordingly, no liability to UK Corporation Tax arises on its activities.

The subsidiary company, the Chartered Institute for Securities & Investment (Services) Ltd, has no tax liability for the financial year.

The Singapore subsidiary is subject to local taxation requirements. There is no tax liability because of accumulated tax losses.

**8. FIXED ASSETS**

<b>TANGIBLE ASSETS</b>	<b>Computer equipment</b>	<b>Fixtures and fittings</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Group and Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
As at 31 March 2020	168,521	150,327	1,449,511	1,768,359
Additions	58,112	-	182,840	240,952
Disposals	(6,071)	(8,798)	(225,133)	(240,002)
As at 31 March 2021	<u>220,562</u>	<u>141,529</u>	<u>1,407,218</u>	<u>1,769,309</u>
<b>Depreciation</b>				
As at 31 March 2020	89,632	99,516	1,159,742	1,348,890
Charge for the year	56,043	27,952	291,269	375,264
Depreciation on disposals	(6,071)	(8,798)	(225,133)	(240,002)
As at 31 March 2021	<u>139,604</u>	<u>118,670</u>	<u>1,225,878</u>	<u>1,484,152</u>
Net book value 31 March 2021	<u>80,958</u>	<u>22,859</u>	<u>181,340</u>	<u>285,157</u>
Net book value 31 March 2020	<u>78,888</u>	<u>50,811</u>	<u>289,770</u>	<u>419,469</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

INVESTMENTS	2021		2020	
	Group £	Charity £	Group £	Charity £
Balance at market value as at 31 March 2020	7,465,723	7,565,723	7,549,868	7,549,868
Additions	-	-	750,000	750,000
Reinvested income	131,292	131,292	135,959	135,959
Unrealised gain/(loss)	1,586,080	1,586,080		
			(220,104)	(220,104)
Disposals	-	-		
			(750,000)	(750,000)
Balance at market value as at 31 March 2021	9,183,095	9,283,095	7,465,723	7,565,723
Long Term Deposit Account	1,000,000	1,000,000	1,000,000	1,000,000
Total Investments	10,183,095	10,283,095	8,465,723	8,565,723

The Group investment balance represents 22,035 units in CCLA's COIF Charities Investment Fund (2020: 22,035 units), 3,314,141 units in Sarasin's Alpha CIF for Endowments (2020: 3,161,505 units), and 585,102 units in Sarasin's Income and Reserves Fund (2020: 557,471 units), all at market value (combined original cost: £6,643,839; (2020: £6,512,547)).

The Charity includes the investment in CISI(Services) Ltd, as reported in note 9.

INTANGIBLE FIXED ASSETS	2021	2020
	£	£
Balance at 31 March 2020	13,344	71,887
Proceeds received	-	-
Amortisation during the year	(13,344)	(58,543)
<b>Balance as at 31 March 2021</b>	-	13,344

Intangible fixed assets represent the purchase of the membership and intellectual property of the Institute of Financial Planners in November 2015. The amortisation on this investment is charged to the charitable activities of the Company in proportion to their relative size. During 2017/18 the CISI received £73,442 per the terms of the purchase agreement, being the amount left in the IFP's bank account once all liabilities had been settled. This has been deducted from the cost price and will reduce the amortisation charge over the rest of the asset's useful economic life.

## 9. SUBSIDIARY COMPANIES

On 1 March 1994, the Charity's predecessor established a wholly-owned subsidiary company, Securities & Investment Institute (Services) Ltd, now known as Chartered Institute for Securities & Investment (Services) Ltd. The subsidiary company is registered in England and Wales.

The purpose of Chartered Institute for Securities & Investment (Services) Ltd is to carry on the trading activities of the Chartered Institute for Securities & Investment, which comprises bespoke training courses and non-charitable activities carried out on behalf of the Chartered Institute for Securities & Investment.

Subsidiary operations were also incorporated in Singapore (3 April 2006), in India (8 July 2006), in the People's Republic of China (20 August 2007). The companies in India and Dubai are liaison offices which represent and promote the interests of Chartered Institute for Securities & Investment. Chartered Institute for Securities & Investment (Singapore) PTE Ltd began trading during the year to 31 March 2007 but does not currently trade and Securities & Investment Institute (China) received its WOFE (wholly owned foreign enterprise) licence in January 2008, but does not currently trade.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## Notes to the financial statements year ended 31 March 2021 (Continued)

In January 2011 an office was registered in Sri Lanka. This company acts as liaison office, in the same way as the ones in India and Dubai, and does not trade in its own right.

In December 2014, a wholly owned representative office was registered in Hong Kong. This company does not trade in its own right.

In January 2016, a representative office was registered in the Philippines. This company does not trade in its own right.

In January 2018, a wholly owned subsidiary was established in the Republic of Ireland. This company did not trade during the year.

In June 2018, a wholly owned subsidiary was established in Cyprus. This company did not trade during the year.

There are also the following wholly-owned dormant companies in the group:

Institute of Wealth Management Ltd  
Securities & Investment Institute  
The Compliance Institute  
The Financial Planning Association Limited  
Financial Planning (CISI) Limited  
FPSB (UK) Limited

All companies were incorporated in England and Wales.

No details of the income/expenditure and assets/liabilities of the overseas subsidiaries are included in the figures below which relate to the UK services company (Chartered Institute for Securities & Investment (Services) Ltd). Any income and funding costs of the overseas subsidiaries are reflected in the Charity and the group figures.

	Investment in Subsidiary £
Chartered Institute for Securities & Investments (Services) Ltd.	
Cost at 31 March 2020 and 31 March 2021	<u>500,000</u>
Provision for impairment at 31 March 2020 and 31 March 2021	(400,000)
Net book Value at 31 March 2021	<u>100,000</u>
Net book value at 31 March 2020	<u>100,000</u>

For the year ended 31 March 2021, the subsidiary's profit and loss account showed:

	2021 £	2020 £
Income	200,418	175,450
Expenses	(75,356)	(113,728)
Profit for the year before gift aid and taxation	<u>125,062</u>	<u>61,722</u>
Gift aid payments	(60,847)	(45,308)
<b>(Loss)/profit for the year</b>	<u>64,215</u>	<u>16,414</u>
Its balance sheet showed:		
Current assets	347,336	283,120
Current liabilities	-	-
<b>Funds</b>	<u>347,336</u>	<u>283,120</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

**10. DEBTORS**

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,054,036	2,054,036	2,290,737	2,290,737
Other debtors	249,148	249,148	1,577	1,577
Prepayments and accrued income	636,648	636,648	692,571	692,571
	<u>2,939,832</u>	<u>2,939,832</u>	<u>2,984,885</u>	<u>2,984,885</u>

Debtors due in more than one year comprises a lessor's deposit on the Charity's premises at 20 Fenchurch Street of £nil (2020: £1,148,628), and prepaid rent on our Sri Lanka office of £63,851 (2020: £127,701).

**11. CREDITORS**

**Amounts falling due within one year**

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Subscriptions received in advance	2,426,427	2,426,427	1,702,090	1,702,090
Trade creditors	34,558	34,558	96,653	96,653
Other taxes and social security	339,918	339,918	449,116	449,116
Other creditors	72,450	72,450	53,058	53,058
Accruals and deferred income	4,067,041	4,067,041	3,341,694	3,341,694
Amounts owed to subsidiary undertaking	-	345,234	-	282,080
	<u>6,940,394</u>	<u>7,285,628</u>	<u>5,642,611</u>	<u>5,924,691</u>

**Amounts falling due after more than one year**

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals and deferred income	<u>767,539</u>	<u>767,539</u>	<u>1,094,531</u>	<u>1,094,531</u>

Amounts due over one year related to deferred bonuses (£193,225) and to the apportionment of the rent-free period on the premises at 20 Fenchurch Street (£574,314).

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

Income received in advance during the year can be summarised as follows:

	<b>Balance brought forward at 1 April 2020</b>	<b>Received during the year</b>	<b>Balance carried forward at 31 March 2021</b>	<b>Income recognised during year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Membership subscriptions (including received from students)	1,718,320	5,649,257	2,447,431	4,920,146
Qualifications & development	1,034,258	6,088,129	1,398,189	5,724,198
Publications & conferences	226,892	2,338,801	245,381	2,320,312
Other income	-	194,678	-	194,678
	<b>2,979,470</b>	<b>14,270,865</b>	<b>4,091,001</b>	<b>13,159,334</b>

**12. OPERATING LEASES**

Future minimum operating lease payments are as follows:

	<b>2021 Land and Buildings £</b>	<b>2020 Land and Buildings £</b>
Within one year	1,161,607	1,178,893
Between one and five years	4,335,874	4,414,180
Over 5 years	26,222,	1,079,157

During the year the Charity spent a total of £1,150,607 (2020: £1,203,535) on operating lease commitments.

The total future minimum lease income under non-cancellable commercial property leases is as follows:

	<b>2021 Land and Buildings £</b>	<b>2020 Land and Buildings £</b>
Within one year	402,203	-
Between one and five years	1,569,957	-
Over 5 years	-	-

**13. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2021 £</b>	<b>2020 £</b>
Net income for the reporting period (as per the Statement of Financial Activities)	1,008,166	283,453
Adjustments for:		
Net investment (gains)/losses	(1,586,081)	220,104
Dividends, Interest and rents from investments	(167,320)	(199,563)
Depreciation and amortisation	388,608	427,533
Decrease in stocks	3,025	92
Decrease in debtors	1,257,405	787,102
Increase/(Decrease) in creditors	970,791	(608,685)
Net cash provided by operating activities	<b>1,876,595</b>	<b>910,036</b>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2021 (Continued)**

**14. JOINT VENTURE**

Chartered Institute for Securities & Investment had a 50% holding in Investing In Integrity Limited, which was incorporated in England and Wales and was dissolved on 29 September 2020. The total cost of this investment was £5,000 with 5,000 shares issued at £1 each. That company's principal activity was the promotion of integrity in business practices by the granting of a charter mark to approved organisations. The company's result for the year was a surplus before gift aid of £Nil (2020: £Nil).

**15. RELATED PARTY TRANSACTIONS**

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, Chartered Institute for Securities & Investment (Services) Limited, as set out below:

In 2020/21 the Charity charged CISI Services Limited for salary costs as the costs of staff are borne by Chartered Institute for Securities & Investment and are recharged to the company monthly based on an estimate of activity. This amounts to £2,652 in the year (2019/20: £2,652). CISI Services made a donation under gift aid during the year of £60,847 (2019/20: £45,308).

At the year end the Charity owed CISI Services Limited £345,234 (2019/20: £282,080).

During the year, the Charity paid expenses on behalf of its overseas offices totalling £1,071,023 (2019/20: £1,195,566). At the year end the Charity was owed £1,407,181 (2019/20: £1,407,181) by Chartered Institute for Securities and Investment (Singapore) Pte. Ltd.

**16. FINANCIAL INSTRUMENTS**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets/liabilities</b>				
Financial assets that are measured at amortised cost	12,194,768	10,709,591	12,194,768	10,709,591
Financial liabilities that are measured at amortised cost	(3,238,299)	(3,351,853)	(3,238,299)	(3,351,853)
Financial assets measured at fair value through the Statement of Financial Activities	9,183,095	7,465,723	9,183,095	7,465,723

**17. PROVISIONS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Opening balance	-	100,285
New provisions in year	-	-
Provision used during the year	-	(100,285)
Closing balance	-	-

The provision used during the year comprised onerous leases of £Nil (2019/20: £91,102) for our premises at Pinnacle House, London, released after the lease ended in February 2020 and £Nil (2019/20: £9,184) for our office in Singapore, released after the lease ended in June 2019.