

Company Registration No. RC000834

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 2022

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

REPORT AND FINANCIAL STATEMENTS 2022

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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 2021 to 31 March 2022. 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 is incorporated by Royal Charter (Registration No. RC000834) 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. This company did not trade during 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. This company did not trade during the year.
- j) Chartered Institute for Securities & Investment Cyprus Ltd is registered as a wholly owned subsidiary in Cyprus. This company did not trade during the year.

Trustees

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

Chris Allen MCSI
 Fionnuala Carvill, Chartered FCSI*±
 Debbie Clarke, Chartered MCSI
 Michael Cole-Fontayn MCSI (Chair)
 Danny Corrigan MCSI
 Tracey Davidson, Chartered FCSI
 Charles Ferry, Chartered FCSI
 Petros Florides, Chartered FCSI
 Robert Hughes-Penney, Chartered FCSI
 Clair Mills *
 Peter Moores, Chartered FCSI
 Graham Nicoll, MCSI
 Claire Perryman, Chartered MCSI
 Ravikumar Puranam FCSI(Hon)
 Alan Ramsay FCSI(Hon) (Deputy Chair)
 Amyr Rocha Lima, CFP™ Chartered Financial Planner
 Chartered FCSI
 Martin Ruskin, Chartered FCSI
 Nick Swales, DL, Chartered FCSI±
 Rebecca Taylor, Chartered FCSI
 Jane Valls *

Resigned 22 April 2021

Appointed 15 October 2021

Appointed 15 October 2021

Resigned 15 October 2021

Resigned 15 October 2021

Committee

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

* 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 and Risk 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 FCSI

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).

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).

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

The first few months of the financial year saw many countries, including the UK, still experiencing Covid restrictions. When these were lifted during the spring and summer, a significant release of pent-up demand for qualifications was experienced. The number of examinations taken rose by 9,150 (31%) to 35,800 against the previous year's total of 26,500, representing a return to pre-pandemic levels. Of those over 13,000 were taken outside the UK, 5% more than two years ago, and this was despite significant difficulties in India which experienced major Covid-related disruption.

Once again there was strong demand in the Gulf region, especially from the UAE. Demand for exams also comes increasingly from Saudi Arabia where we will be launching a suite of new exams shortly. These have been in development for three years, created on behalf of the Saudi Capital Markets Authority. We continue to grow our presence in Africa, and Europe was another bright area, despite the UK's exit from the EU.

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

Last year we highlighted a changing trend in how people learn, which has continued to evolve. We were pleased to support the UK regulator suggested changes to the continuous professional development (CPD) criteria, by recommending the inclusion of short bursts – bite sized - of knowledge and the removal of a minimum learning time.

A further refinement is that whilst watching, the viewer is also likely to be multi – tasking, especially in a work environment, often using a second other device (or screen) to find further information or possibly respond to an external email (business or social). We first saw a rapid increase in multi-tasking as the pandemic started and everyone moved to video calls, with individuals quickly recognising that during the less exciting moments of a meeting, they could be more productive. To ensure that members are fully engaged when watching CISI TV, or our Professional Refreshers, we have included a short test at the end to check understanding and full credit for learning, in terms of CPD, is only applied if the test is passed.

To increase public access, the Institute has again increased its output on its own dedicated YouTube channel and created its first video advert “Making of a professional” filmed, in part, on handheld devices and during a Covid lockdown which gave it a grainy, authentic feel. Over five million people have viewed the 60 second video in this successful and innovative marketing campaign.

A highlight of the year was the increase in the number of Certified Financial Planner™ holders alongside much greater interest in the new pathways we developed at the end of last year. Record numbers of new entrants sat the level four and level six Financial Planning exams, resulting in a strong pipeline of people preparing to sit for the level seven CFP case study exam. Towards the end of the year, we launched our new Financial Planning Professional Assessment which provides professionals who have taken other high level financial qualifications (at level six or above) to acquire the specific top up knowledge they need in preparation to undertake the CFP case study. 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. 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 £12,627,880 in the pursuance of this charitable objective, compared to £9,309,973 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.

A further 12,500 Integrity Matters tests were completed during the year 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. CISI also 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.

Regrettably, not every member lives up to the Institute's expectation and during the year 54 disciplinary cases were reviewed by our Disciplinary Review Panel and three of those were sufficiently serious to be heard by the Disciplinary Hearing Panel, an independent review body made up of CISI and lay members. Ten cases remain under investigation and nine are on hold pending regulatory or legal outcomes. A further three are currently under referral to a Disciplinary Panel.

Regrettably of those disciplinary cases reviewed by the Disciplinary Panel, one member was expelled from the Institute; one member was expelled from the Institute for a specific period of time; one member received a reprimand and was asked to complete additional CPD related to the CISI Code of Conduct; and for one member there was no case to answer. The public needs to have confidence in the integrity of members and we actively encourage the reporting of behaviour which falls short of the Institute's principles. In addition to the Membership Regulations, the code of conduct imposes an obligation on members to always act not only in compliance with the rules, but also to support the underlying values of the Institute.

Expenditure during the year in connection with this charitable objective amounted to £1,636,598, compared to £1,641,395 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 2021/22 included tackling financial crime, how the financial services sector is supporting customers in vulnerable circumstances, and Sustainable Development Goals in responsible finance.

Financial Planning Week and World Financial Planning Day in October 2021 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, who meet quarterly, has proved helpful in presenting a united and common approach with many interactions with regulators, especially on sustainability, where during the year, the Alliance created its first common qualification on Climate Change which was successfully launched in the summer, in time for the Global Climate Change conference in Scotland, COP 26. The exam is distributed by all three bodies and has seen good global demand.

Costs incurred in connection with this charitable objective during the year amounted to £3,055,905, compared to £3,011,296 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 2022/23 are:

1. Grow membership by net up to 2% in the UK and 10% internationally
2. Improve customer experience through the CISI Member App and increasing CISI's ICS scores for them to be in top quartile for both service and complaints
3. Continue to develop, promote and publish inclusion and diversity initiatives both internally and externally
4. Develop our people and culture through training and culture initiatives

REVIEW OF FINANCIAL POSITION

Including investment gains of £582,516 (£1,586,081 in 2020/21), the Institute recorded a retained surplus of £293,987 (£1,008,166 in 2020/21) from income of £17.03m (£13.38m in 2020/21).

Income increased by £3,647,105 (27.25%), and operating expenditure increased by £3,357,719 (24.05%). Expenditure in the current year includes a donation of £2.5m to the Chartered Institute for Securities & Investment Future Foundation (Future Foundation). Operating expenditure excluding this donation increased by £857,719 (6.14%).

The Institute's reserves increased by £293,987 (2020/21: £1,008,166) to a total of £14,954,865 (2020/21: £14,660,878) after the Board made a donation of £275,000 (2020/21: £250,000) to the CISI Educational Trust, and £2,500,000 (2020/21: £Nil) to the Future Foundation, which are legally separate entities with separate Board of Trustees.

The Institute has continued to maintain its healthy financial position, with free reserves of 10.8 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.

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The Institute's wholly owned UK trading subsidiary, which undertakes non-charitable activities, recorded a profit after tax and distributions of £45,647 (2020/21: £64,216).

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. As part of this review, reserves between a minimum of £10.2m and a maximum of £11.7m has been agreed as the new policy level of reserves. The Trustees have agreed this increase from a minimum of £8.5m and a maximum of £10.5m in the prior year due to an increase in obligations and economic turbulence.

The Board had postponed the release of existing reserves in 2020/21, considering it appropriate to hold reserves above the suggested maximum level due to the situation with Covid-19 at that time. In the current year, operational performance was stronger than expected despite commercial uncertainties, resulting in a contribution to reserves from operating activities.

Discussions on using a proportion of reserves for broader strategic purposes led to the establishment of the Chartered Institute for Securities & Investment Future Foundation. Having consulted the members, the Board set up this new company, whose objectives are aligned with the main charity but whose focus is to award grants and seek partnerships, advancing financial literacy. During the year £2.5m was donated to the Future Foundation from reserves. Discussions on using a proportion of reserves for broader strategic purposes are continuing and it is expected that a planned further 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 £14,723,021 (2020/21: £14,375,721), which represented 10.8 months' worth of the expected running costs for 2022/23.

The policy of the Institute regarding 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 £14,954,865 (2020/21: £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, 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, in the prior year, 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), comprising suitably experienced members including two trustees, which is tasked with addressing the maintenance of a short-term cash portfolio and a medium to long term capital portfolio.

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

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

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 & HR also monitors progress of the investments on a regular basis. The MLTP was valued at £9,183,095 on 31 March 2022. 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 £275,000 to this charity (2020/21: £250,000).

In 2022, an independent entity, the Chartered Institute for Securities & Investment Future Foundation (the Foundation), was formed. Three CISI trustees are appointed to the board of the Foundation, but the other trustees (up to 6) are all independent from the main Board of the Institute. Its objectives are to promote financial literacy, both in the UK and internationally. During the year, the Institute donated £2,500,000 to this entity (2020/21: £Nil).

VOLUNTEERS

The Institute derives benefit from the services of unpaid volunteers, by virtue of the time given by its Trustees (other than the Chair who is remunerated for their 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.

During the year the Trustees have completed a review of the Institute's governance. As part of this a formal Governance Handbook has been compiled and is published on the website.

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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. One trustee has served more than nine years and Ms Carvill will not stand for re-election in October 2022.

The Board appoints the Chair 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.

Chief Executive

In January 2022, the Institute's Chief Executive, Simon Culhane, announced he will step down in September 2022 after almost 19 years' service. The Board initiated a search process using a specialist search firm and, from a wide range of high-quality applicants, have appointed his successor Tracy Vegro, with effect from September 2022. We look forward to introducing Tracy to our members, firms, volunteers and all CISI stakeholders.

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 and Risk Committee (formerly 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 them to other members of staff as they see 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 Chair 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 Chair, who is remunerated for their services, as allowed by the Institute's Charter.

Key Risks

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

Data Breaches and Cybercrime – The Charity ensures that ongoing, substantial work is 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.

Business Continuity and Disaster Recovery – A significant portion of the Charity's employees are based in Sri Lanka, which has experienced increasing economic difficulties in recent months. The Charity has active contingency plans in place for all locations and there are no critical systems located in Sri Lanka.

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. The Charity has in place an ongoing 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.

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.

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

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 and Risk Committee currently comprises four non-executive Trustees. 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 the Audit and Risk Committee monitors internal assurance work on an ongoing basis.

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

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Edinburgh EH11 3XP

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

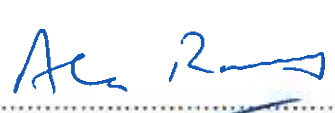
Solicitors
BDB Pitmans LLP
For and on behalf of BDB Pitmans LLP
One Bartholomew Close
London EC1A 7BL

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

Approved by the Board of Trustees on 13 July 2022 and signed on behalf of the Board by



Michael Cole-Fonteyn, MCSI
Chair



Alan Ramsay, FCA, FCSI(Hon)
Deputy Chair

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 2022 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 2022 and of the group's income and expenditure, for the 31 March 2022 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. 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 and regulatory framework for awarding qualifications.

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.

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

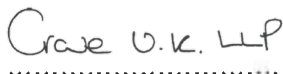
CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

with the Charity Commission, Companies House, HMRC, ICO and OfQual, 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.


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Crowe U.K. LLP
Statutory Auditor
London

Date: 1 August 2022

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 2022

	Note	Unrestricted funds 2022 £	Unrestricted funds 2021 £
INCOME FROM:			
Charitable activities:			
Membership subscriptions		5,211,673	4,920,146
Membership entry fees		68,052	58,095
Qualifications and development		7,708,847	5,724,198
Publications and conferences		2,842,469	2,320,312
Investment income	5	144,554	167,320
Other income	6	1,056,259	194,678
TOTAL INCOME		17,031,854	13,384,749
EXPENDITURE ON:			
Charitable activities			
Dissemination & advancement of knowledge	4	12,627,880	9,309,973
Ethics	4	1,636,598	1,641,395
Consultation & research	4	3,055,905	3,011,296
TOTAL EXPENDITURE	3,4	17,320,383	13,962,664
Net investment gains	8	582,516	1,586,081
NET INCOME AND MOVEMENT IN FUNDS		293,987	1,008,166
UNRESTRICTED FUNDS AS AT 1 APRIL 2021 & 2020		14,660,878	13,652,712
UNRESTRICTED FUNDS AS AT 31 MARCH 2022 & 2021		14,954,865	14,660,878

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

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

BALANCE SHEETS

As at 31 March 2022

	Note	GROUP		CHARITY	
		2022	2021	2022	2021
		£	£	£	£
FIXED ASSETS					
Tangible assets	8	231,844	285,157	231,844	285,157
Intangible assets	8	-	-	-	-
Investments	8	10,979,884	10,183,095	10,979,884	10,283,095
		<u>11,211,728</u>	<u>10,468,252</u>	<u>11,211,728</u>	<u>10,568,252</u>
CURRENT ASSETS					
Stock		8,369	4,713	8,369	4,713
Debtors: amounts falling due after one year	10	-	63,851	-	63,851
Debtors: amounts falling due within one year	10	3,286,538	2,939,832	3,286,538	2,939,832
Cash at bank and in hand		8,521,976	8,892,163	8,519,794	8,890,062
		<u>11,816,883</u>	<u>11,900,559</u>	<u>11,814,701</u>	<u>11,898,458</u>
CREDITORS: amounts falling due within one year	11	(7,327,694)	(6,940,394)	(7,738,495)	(7,285,628)
Provisions for liabilities	17	-	-	-	-
NET CURRENT ASSETS		<u>4,489,189</u>	<u>4,960,165</u>	<u>4,076,206</u>	<u>4,612,830</u>
Amounts falling due after more than one year	11	(746,052)	(767,539)	(746,052)	(767,539)
TOTAL NET ASSETS		<u>14,954,865</u>	<u>14,660,878</u>	<u>14,441,882</u>	<u>14,413,543</u>
REPRESENTED BY:					
Unrestricted income fund		<u>14,954,865</u>	<u>14,660,878</u>	<u>14,441,882</u>	<u>14,413,543</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 13 July 2022

Signed on behalf of the Board of Trustees:

Michael Cole-Fontayn, MCSI
Chair

Alan Ramsay, FCA, FCSI(Hon)
Deputy Chair

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

CONSOLIDATED STATEMENT OF CASH FLOWS Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/ provided by operating activities	13	(241,881)	1,876,595
Cash flows and investing activities			
Dividends, interest and rents from investments	5	144,554	167,320
Purchase of tangible fixed assets	8	(58,587)	(240,952)
Purchase of investments, at cost		(128,846)	(131,292)
Cash transfer to investments		(85,427)	-
Net cash (used in) investing activities		(128,306)	(204,924)
Change in cash and cash equivalents in the reporting period		(370,187)	1,671,671
Cash and cash equivalents at the beginning of the reporting period		8,892,163	7,220,492
Cash and cash equivalents at the end of the reporting period		8,521,976	8,892,163
Cash in hand		3,424,876	5,380,163
Notice deposits		5,097,100	3,512,000
Total cash and cash equivalents		8,521,976	8,892,163

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

Notes to the financial statements year ended 31 March 2022

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. RC000834) 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 2022 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 £293,987 (2021: £1,008,166).

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. 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 2022 (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 2022 (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 2022 (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 Chair. The Charity's Royal Charter provides for the Chair to be remunerated for their services and emoluments totalling £44,299 (2021: £42,578) 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 £382,386.

During the year, six Trustees were reimbursed by the Institute for travel and subsistence expenses incurred for £1,111 (2021: no Trustees were reimbursed).

Staff costs during the year	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	6,823,494	6,484,486	6,821,094	6,482,086
Social security costs	643,759	653,842	643,759	653,842
Pension costs	438,207	439,208	438,207	439,208
	<u>7,905,460</u>	<u>7,577,536</u>	<u>7,903,060</u>	<u>7,575,136</u>

During the year, there were redundancy or termination payments made which amounted to £2,250 (2021: £64,831). There were no such payments outstanding at the year-end (2021: £nil).

Of these payments, £2,250 related to redundancy (2021: £64,831) and £nil to termination (2021: £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:

	2022	2021
	No	No
£60,001 - £70,000	9	7
£70,001 - £80,000	4	2
£80,001 - £90,000	4	4
£90,001 - £100,000	3	-
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	0	1
£130,001 - £140,000	0	2
£150,001 - £160,000	2	-
£180,001 - £190,000	0	2
£200,001 - £210,000	3	-
£360,001 - £370,000	-	1
£390,001 - £400,000	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 £1,306,701 (2021: £1,172,096).

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

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

	2022	2021
	No	No
Dissemination & advancement of knowledge	119	113
Ethics	34	24
Consultation & research	33	34
Governance	3	3
	<u>189</u>	<u>174</u>

	2022	2021
	No	No
Operations	29	30
Qualifications & development (including international)	29	30
Management and administrative support	10	12
Business Development	17	20
Membership, professional development and marketing	22	20
	<u>106</u>	<u>112</u>
Overseas staff	<u>83</u>	<u>62</u>
	<u>189</u>	<u>174</u>

4. EXPENDITURE

Expenditure includes the following:

	2022	2021
	Group	Group
	£	£
Depreciation and amortisation of assets	111,900	388,608
Rentals under operating leases	1,151,012	1,150,607
Auditors' remuneration for audit work	31,500	32,000
Auditors' remuneration for other services	13,055	19,768
Foreign currency losses	45,739	41,194

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

ANALYSIS OF EXPENDITURE

GROUP	Staff Costs £	Amortisation & Depreciation £	Other Direct £	Other Support £	Total 2021-22 £	Total 2020-21 £
Charitable activities:						
Dissemination & advancement of knowledge	5,279,055	91,232	4,678,636	2,578,957	12,627,880	9,309,973
Ethics	1,164,499	5,861	300,562	165,676	1,636,598	1,641,395
Consultation & research	1,863,196	14,807	759,339	418,563	3,055,905	3,011,296
Total	8,306,750	111,900	5,738,537	3,163,196	17,320,383	13,962,664

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 £150,604 (2021: £131,776). 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:

	Dissemination & advancement of knowledge £	Ethics £	Consultation & research £	Total 2021-22 £	Total 2020-21 £
Premises	1,054,456	67,740	171,137	1,293,333	1,321,518
Printing, postage & stationery	15,382	988	2,496	18,866	22,861
Marketing travel & subsistence	28,109	1,806	4,562	34,477	8,617
Irrecoverable VAT	334,946	21,517	54,361	410,824	544,039
Communications & IT	534,772	34,355	86,793	655,920	594,133
Equipment hire	47,459	3,049	7,704	58,210	62,894
Other	525,177	33,738	85,236	644,151	506,220
Governance	38,657	2,484	6,274	47,415	32,669
Total	2,578,957	165,676	418,563	3,163,196	3,092,951

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

5. INVESTMENT INCOME	2022	2021
	£	£
UK bank interest receivable	15,708	36,028
Dividends receivable	128,846	131,292
	<u>144,554</u>	<u>167,320</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 £185,410 (2021: £127,798). Also included in other income is income under non-cancellable commercial property leases of £506,359 (2021: £Nil).

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

TANGIBLE ASSETS

	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
Group and Charity				
Cost				
As at 31 March 2021	220,562	141,529	1,407,218	1,769,309
Additions	63,871	-	(5,284)	58,587
Disposals	-	-	-	-
As at 31 March 2022	<u>284,433</u>	<u>141,529</u>	<u>1,401,934</u>	<u>1,827,896</u>
Depreciation				
As at 31 March 2021	139,604	118,670	1,225,878	1,484,152
Charge for the year	52,161	18,105	41,634	111,900
Depreciation on disposals	-	-	-	-
As at 31 March 2022	<u>191,765</u>	<u>136,775</u>	<u>1,267,512</u>	<u>1,596,052</u>
Net book value 31 March 2022	<u>92,668</u>	<u>4,754</u>	<u>134,422</u>	<u>231,844</u>
Net book value 31 March 2021	<u>80,958</u>	<u>22,859</u>	<u>181,340</u>	<u>285,157</u>

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

INVESTMENTS	2022		2021	
	Group £	Charity £	Group £	Charity £
Balance at market value as at 31 March 2021	9,183,095	9,283,095	7,465,723	7,565,723
Additions	-	-	-	-
Reinvested income	128,846	128,846	131,292	131,292
Unrealised gain	582,516	582,516	1,586,080	1,586,080
Disposals	-	-	-	-
Balance at market value as at 31 March 2022	9,894,457	9,994,457	9,183,095	9,283,095
Long Term Deposit Account	1,085,427	1,085,427	1,000,000	1,000,000
Total Investments	10,979,884	11,079,884	10,183,095	10,283,095

The Group investment balance represents 22,035 units in CCLA's COIF Charities Investment Fund (2021: 22,035 units), 3,406,282 units in Sarasin's Alpha CIF for Endowments (2021: 3,314,141 units), and 603,802 units in Sarasin's Income and Reserves Fund (2021: 585,102 units), all at market value (combined original cost: £6,514,993; (2021: £6,643,839).

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

INTANGIBLE FIXED ASSETS	2022	2021
	£	£
Balance at 31 March 2021	-	13,344
Proceeds received	-	-
Amortisation during the year	-	(13,344)
Balance as at 31 March 2022	-	-

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.

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.

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.

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

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 2021 and 31 March 2022	<u>100,000</u>

For the year ended 31 March 2022, the subsidiary's profit and loss account showed:

	2022 £	2021 £
Income	191,167	200,418
Expenses	<u>(16,782)</u>	<u>(75,356)</u>
Profit for the year before gift aid and taxation	<u>174,385</u>	<u>125,062</u>
Gift aid payments	<u>(128,738)</u>	<u>(60,847)</u>
Profit for the year	<u>45,647</u>	<u>64,215</u>
Its balance sheet showed:		
Current assets	412,983	347,336
Current liabilities	<u>-</u>	<u>-</u>
Funds	<u>412,983</u>	<u>347,336</u>

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

10. DEBTORS

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	2,325,569	2,325,569	2,054,036	2,054,036
Other debtors	301,508	301,508	249,148	249,148
Prepayments and accrued income	659,461	659,461	636,648	636,648
	<u>3,286,538</u>	<u>3,286,538</u>	<u>2,939,832</u>	<u>2,939,832</u>

Debtors due in more than one year comprises prepaid rent on our Sri Lanka office of £Nil (2021: £63,851).

11. CREDITORS

Amounts falling due within one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Subscriptions received in advance	2,703,493	2,703,493	2,426,427	2,426,427
Trade creditors	5,244	5,244	34,558	34,558
Other taxes and social security	405,992	405,992	339,918	339,918
Other creditors	62,561	62,561	72,450	72,450
Accruals and deferred income	4,150,404	4,150,404	4,067,041	4,067,041
Amounts owed to subsidiary undertaking	-	410,801	-	345,234
	<u>7,327,694</u>	<u>7,738,495</u>	<u>6,940,394</u>	<u>7,285,628</u>

Amounts falling due after more than one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals and deferred income	<u>746,052</u>	<u>746,052</u>	<u>767,539</u>	<u>767,539</u>

Amounts due over one year related to deferred bonuses (£315,317) and to the apportionment of the rent-free period on the premises at 20 Fenchurch Street (£430,735).

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (Continued)

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

	Balance brought forward at 1 April 2021	Received during the year	Balance carried forward at 31 March 2022	Income recognised during year
	£	£	£	£
Membership subscriptions (including received from students)	2,447,431	5,489,005	2,724,763	5,211,673
Qualifications & development	1,398,189	7,802,727	1,492,069	7,708,847
Publications & conferences	245,381	2,744,117	147,029	2,842,469
Other income	-	549,900	-	549,900
	<u>4,091,001</u>	<u>16,585,749</u>	<u>4,363,861</u>	<u>16,312,889</u>

12. OPERATING LEASES

Future minimum operating lease payments are as follows:

	2022 Land and Buildings £	2021 Land and Buildings £
Within one year	1,212,788	1,161,607
Between one and five years	3,499,343	4,335,874
Over 5 years	-	26,222

During the year the Charity spent a total of £1,151,012 (2021: £1,150,607) on operating lease commitments.

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

	2022 Land and Buildings £	2021 Land and Buildings £
Within one year	402,203	402,203
Between one and five years	1,167,755	1,569,957
Over 5 years	-	-

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

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	293,987	1,008,166
Adjustments for:		
Net investment (gains)	(582,516)	(1,586,081)
Dividends, Interest and rents from investments	(144,554)	(167,320)
Depreciation and amortisation	111,900	388,608
(Increase)/ Decrease in stocks	(3,656)	3,025
(Increase)/ Decrease in debtors	(282,855)	1,257,405
Increase in creditors	365,813	970,791
Net cash (used)/ provided by operating activities	<u>(241,881)</u>	<u>1,876,595</u>

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT
Notes to the financial statements year ended 31 March 2022 (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 (2021: £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 2021/22 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 (2020/21: £2,652). CISI Services made a donation under gift aid during the year of £128,738 (2020/21: £60,847).

At the year end the Charity owed CISI Services Limited £410,801 (2020/21: £345,234).

During the year, the Charity paid expenses on behalf of its overseas offices totalling £1,124,427 (2020/21: £1,071,023). At the year end the Charity was owed £1,407,181 (2020/21: £1,407,181) by Chartered Institute for Securities and Investment (Singapore) Pte. Ltd.

During the year, the Chartered Institute for Securities & Investment Future Foundation was established. This will be fully independent of the Charity once it has a fully-fledged Trustee Board, with a focus to award grants and seek partnerships, advancing financial literacy. The Future Foundation Board will have nine Trustees, of which the Charity can appoint up to three Trustees. During the year £2.5m was donated to the Future Foundation.

16. FINANCIAL INSTRUMENTS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Carrying amount of financial assets/liabilities				
Financial assets that are measured at amortised cost	12,329,967	12,194,768	12,329,967	12,194,768
Financial liabilities that are measured at amortised cost	(3,276,980)	(3,238,299)	(3,276,980)	(3,238,299)
Financial assets measured at fair value through the Statement of Financial Activities	9,894,457	9,183,095	9,894,457	9,183,095