



TRUSTEE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 12830814
Charity Number: 1195030

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FOREWORD FROM OUR CEO

This is our first retrospective of our accomplishments since the charity was formed in April 2021, and of our partnership working with the formation team led by the IET, the industry, DCMS, and since September, with our new members!

I am hugely proud of how far we have come over the last nine-months and all the contributors to our story, from the original four Board Directors who led us from inception, through the start-up process and into on-boarding members, under the experienced leadership of Dr Claudia Natanson. The four new Directors who have added so much more fullness to our Board and are already making their mark on the future of the organisation. And of course, my team, who have been so adaptable, dependable and innovative in responding to the needs of a new enterprise, evolving requirements and strategies. I have been humbled by their collective enterprise, and to them all, a huge thank you!

From my initial days, I have sought to develop the Council along four-core strategic aims.

- ▶ **Structure the council to deliver the UK Cyber Security Strategy**
- ▶ **Develop a sustainable & diverse workforce of cyber professionals**
- ▶ **Engage with & listen to industry**
- ▶ **Make every contact matter**

All decisions and actions have been driven by this agenda and I am extremely proud of the achievements my team are already making and the changes we are driving through the industry.

I have already noted how I have structured the Council to achieve Charitable Status, no mean feat.

We can now work with members and partners to have professionals in the industry able to become chartered for the first-time.

Speaking of members, we now have over 30 from across the industry, large and small, professional, not for profit and academic. These will be the 'life-blood' of the Council. Driving our thought-leadership agenda through volunteering on our committees, currently looking at Diversity and Inclusion, Industry Ethics and Career Mapping; all areas I am personally phenomenally passionate about, and I look forward to seeing their recommendations.

These engagements are continued in our upcoming series of roadshows where I will be out and about in the regions, further building our working relationships with our partners in all four nations and meeting our new members in person. As the world opens back up after the last two-years, I want to make sure that cyber security is front and centre.

Even through the various lockdowns, I, and my Board, have managed to be out and about, either virtually or in person.

I have held almost 100 strategic partnership meetings and met regularly with DCMS, NCSC and the Cabinet Office. For many, we are now the organisation to call should they need advice in our sector, and we consult regularly with government and beyond on their research and strategies.

There is much to be done and I look forward to leading it, but I am also delighted to take the opportunity of this Trustee Report to chronicle just how far we have already come.



Professor Simon Hepburn
Council Chief Executive Officer

PURPOSE AND PUBLIC BENEFIT

The purpose of the UK Cyber Security Council is to act as the voice of the cyber security profession and help ensure that the UK is the safest place to live and work online, as set out in the original National Cyber Security Strategy (2016-2021).

Its aims are to:

- ▶ Inspire, inform and advance public cyber security awareness and knowledge
- ▶ Create an open, inclusive and professional cyber security culture
- ▶ Influence cyber security best practices that proactively benefit the public in the UK and beyond
- ▶ Act as the reference point for cyber security professional standards, competence and commitment

We have established 5 pillars to deliver our aims, these pillars are:

- ▶ Professional Standards - Setting the standards for practitioners across the sector
- ▶ Professional Ethics - Creating and ensuring cyber professionals adhere to our Code of Ethics
- ▶ Careers & Learning - Providing guidance on how to join and progress within cyber security
- ▶ Outreach & Diversity - Striving for an inclusive and representative sector
- ▶ Thought Leadership & Influence - Positioning the Council as the voice of the profession

By bringing together professionals within the cyber security sector, with stakeholders, government, and third sector organisations, we will establish professional standards and ethics, alongside our work to encourage progression within the sector.

We will work in collaboration with the wider industry to tackle issues such as closing the skills gap and make sure we see a more representative workforce.

Public Benefit

One of our key values is inclusion. This means everyone. We embrace diversity of all kinds and the rich knowledge this empowers us with.

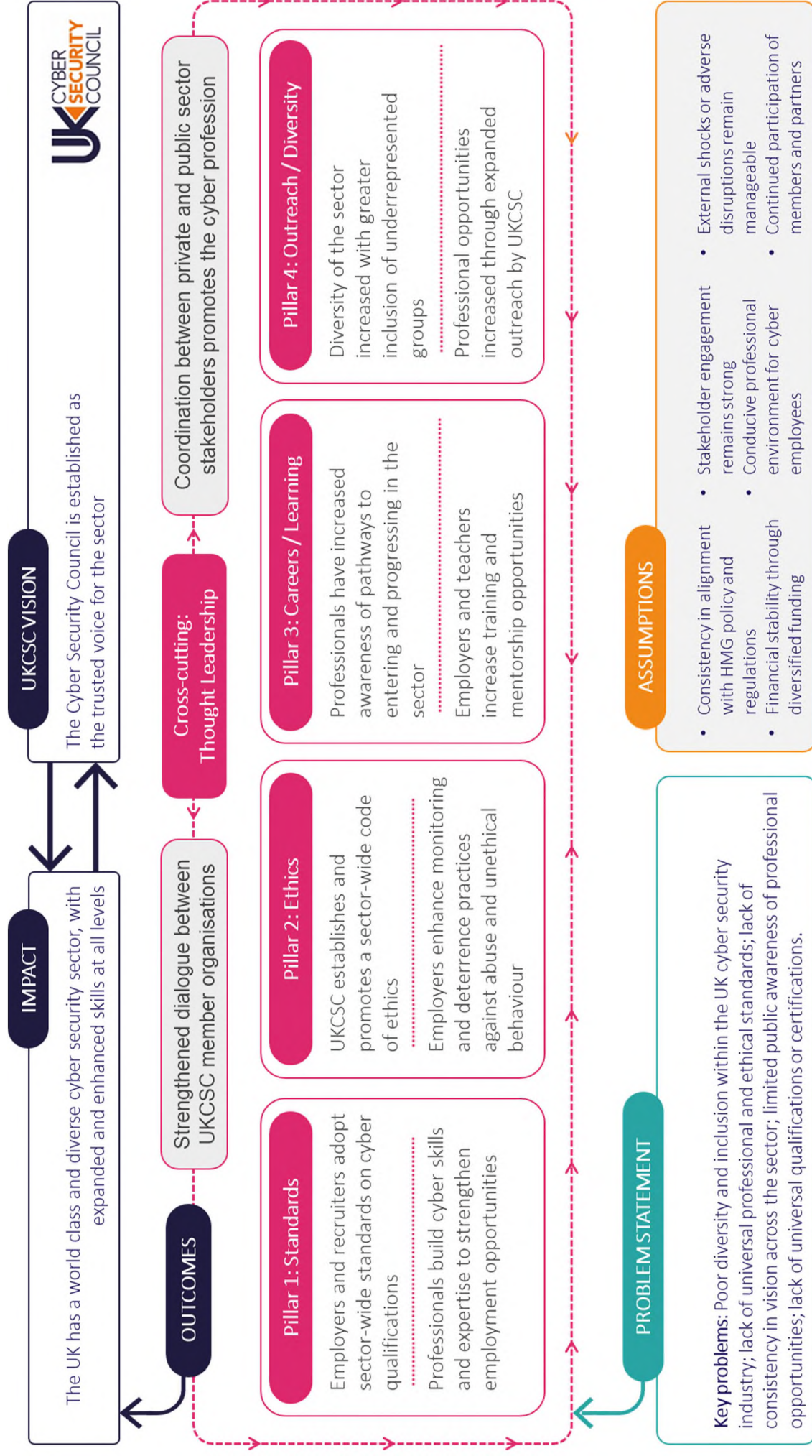
We break down barriers, promote fairness and champion the need and the benefits for inclusion.

We will benefit the public through our work to demystify and simplify career paths within cyber security, which will have a tangible impact through the reduction of the skills gap in the sector.

We will ensure those in the profession are working to a defined standard and code of ethics, and make sure anyone wanting to start a career in or progress within cyber security can.

This not only benefits individuals, but also employers, businesses, and the wider community; creating a world where the whole of society is safe and secure in cyber space.

BUILDING FORWARD: FUTURE STRATEGY



YEAR IN REVIEW: FIRST HALF YEAR SUMMARY

The Council Formation Project ran for almost two years and was led by the Institute of Engineering Technology (IET) under the chair of Dr Budgie Dhanda MBE working in partnership with DCMS and several industry partners and industry volunteers, all now Founder Members of the Council.

The volume of work that came out of this project was considerable and covered all the key areas in the UK's Cyber Security Strategy. Most of this work has subsequently been taken forward into the GFA and the Council's own planning. Of the areas not fully developed, key were the business planning and financial sustainability.

The Formation Project defined four key strategic aims that sought to respond to the DCMS's original requirements in:

- ▲ **Professional Development**
 - ▲ **Outreach & Diversity in Cyber Security to develop the next generation**
 - ▲ **Professional Ethics**
 - ▲ **Thought Leadership & Influence**
- These aims have now been subsumed into the Council's four strategic aims.
- ▲ **Structure the council to deliver for the UK Cyber Security Strategy**
 - ▲ **Develop a sustainable & diverse workforce of cyber professionals**
 - ▲ **Engage with & listen to industry**
 - ▲ **Make every contact matter**
- Which have then been augmented by the specific requirements of the DCMS Grant Funding Agreements, the second of which is due to be entered into early in 2022-23.

Through the first six months of this financial year, the Council put in place its Phase One Strategy, focused upon the evolution from the Formation Project to a live organisation.

There were six aims in all driven by an interim MD with the initial four Board Trustees.

- ▲ **Successfully launch brand & build positive presence**
- ▲ **Launch and on-board initial members positively with a clear role (Phase One)**
- ▲ **Secure successful relationships with government and be seen to 'add value' and be the first point of call at all levels**
- ▲ **Develop new business areas of potential income**
- ▲ **Establish all management functions and secure the team**
- ▲ **Prepare for phase two**

This Phase One Strategy was treated as a project, fully programmed, baselined and tracked, with specific outcomes to be achieved and KPIs presented in a balanced scorecard format to the board and DCMS.

YEAR IN REVIEW: SECOND HALF YEAR SUMMARY

Into the second half of the year, Simon was appointed with all the knowledge and experience he brings to the role. With the business established, workflows underway and the remaining Board posts filled, the Council was able to begin to focus on its deliverables under the DCMS GFA and the Board's wider ambitions for the organisation's role in the sector.

The CEO was quick to structure the work for the second half of the year around four key pillars:



Develop a sustainable workforce of cyber professionals

We will work with our partners in government, industry and academia to improve the expectations of the chartered/registered cyber security professional. We will develop understandable career pathways, coupled with accredited qualifications to achieve recognised career levels within the profession. We will do this in a manner that is fair, open and transparent, keeping our requirements and guidance relevant, effective, and representative of individuals' diverse requirements.



Engage with & listen to industry

We will continue to listen to the industry about the support it requires and its expectations of the chartered/registered cyber professional. We will continue to develop our work with industry partners to facilitate working committees on key cyber security and industry issues and ensure the findings are well understood across the industry and government.



Make every contact matter

We will treat every contact with every person and organisation as an opportunity to promote the work of the Council, the UK's Cyber Security Strategy, to promote the industry, our members, the profession and professionals. All types and forms of contact and contact points will be treated as opportunities for positive engagement and for learning.



Structure the council to deliver the UK Cyber Strategy

We will structure the Council to deliver the ambitions of DCMS, the industry and our members and ensure each area of work receives the resources it requires to be successful. We will put processes in place to develop our staff into key roles, creating a culture of positive leadership in an organisation that is innovative, professional and forward looking.

YEAR IN REVIEW: ACHIEVEMENTS



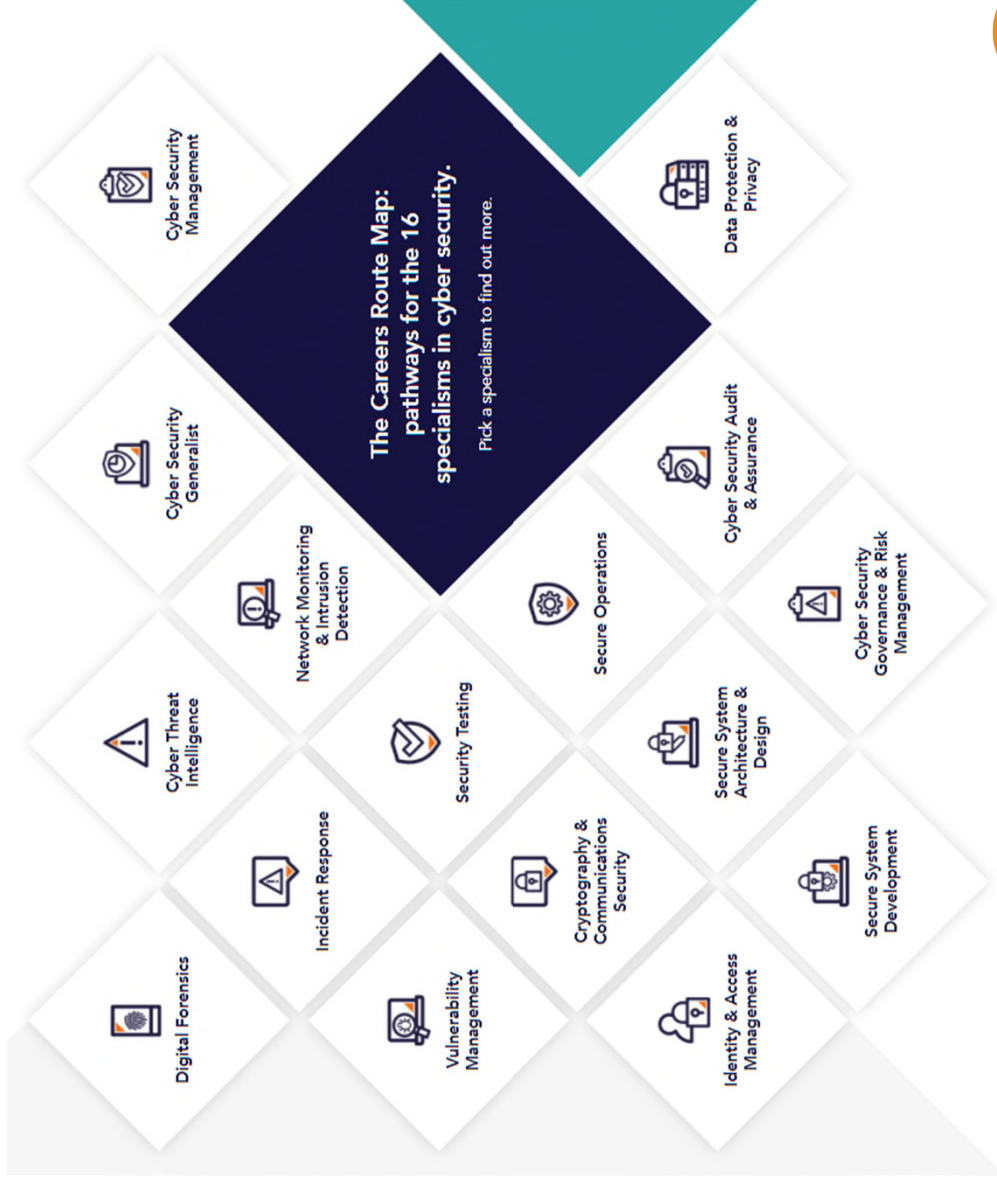
Develop a sustainable workforce of
cyber professionals



YEAR IN REVIEW: ACHIEVEMENTS

Some key achievements under the pillar of 'develop a sustainable workforce of cyber professionals' are as follows:

- ▶ Commenced phase 1 of mapping career choices & pathways through our industry. A free resource for any current or aspiring cyber professional at any point in their career
- ▶ Contributed & responded to the National Cyber Security Council's 'Decrypting Diversity' Report
- ▶ Commenced work on creating the charter specifications that are aligned to the cyber specialisms.



YEAR IN REVIEW: ACHIEVEMENTS

Some key achievements under the pillar of 'engage and listen to the industry' are as follows:

- ▶ On-boarded over 30 new members from across the industry
- ▶ Delivered our 'spotlight on' series. An opportunity for professionals to learn from others
- ▶ Implemented the first of our thought leadership committees, Standards and Careers.
- ▶ Led a series of workshops for and with industry, with the Department for Digital, Culture, Media and Sport (DCMS) to engage with the pathways and careers consultation.
- ▶ Planned and delivered high profile events including a celebration of women in cyber event to celebrate International Women's Day and a finance symposium for finance and cyber leaders.

In addition to this there are some areas highlighted in the next section that overlap with this pillar.



Engage and listen to industry



YEAR IN REVIEW: ACHIEVEMENTS

Some key achievements under the pillar of 'make every contact count' are as follows;

- ▶ Strategic meetings with over 100 sector leaders to inform the development of the Council and our work
- ▶ Planned a UK-wide roadshow for the first quarter of 2022 to sense-check our work on standards, ethics, careers and qualifications
- ▶ Established a regular presence in industry & business media including in City AM, Computer Weekly, CSO Online and InfoSecurity Magazine
- ▶ Built positive working relationships with all devolved administrations in Scotland, Wales and Northern Ireland
- ▶ Became a formal member of the CyBOK (Cyber Body of Knowledge) Steering Committee



Make every contact matter



YEAR IN REVIEW: ACHIEVEMENTS



Structure the council to deliver on UK Cyber Security Strategy

- ▶ **Some key achievements under the pillar of 'structure the Council to deliver on the UK Cyber Security Strategy' are as follows:**
- ▶ Secured an industry-leading Chair in Dr. Claudia Natanson MBE
- ▶ On-boarded a further seven high calibre experienced Board Trustees from our industry & beyond
- ▶ Secured Simon Hepburn as our first CEO, a charity and education executive with over twenty years' experience in a variety of national and international organisations
- ▶ Built a dedicated & industrious team to deliver for the Council & the Industry
- ▶ Established our governance arrangements, including sub-committees & thought workshops
- ▶ Launched our organisational membership programme and exceeded our full financial year target
- ▶ Secured three-year funding from DCMS

REFERENCE & ADMINISTRATION:

Company Number: 12830814

Charity Number: 1195030

Registered Address: 3rd Floor, 106
Leadenhall Street, London, EC3A 4AA

Bankers:

Lloyds Bank PLC. 25 Gresham Street,
London EC2V 7HN
Co-operative Bank PLC. PO Box 101, 1
Balloon Street, Manchester, M60 4EP

Solicitors:

Birkett's LLP. Providence House 141-145
Princes Street, Ipswich, Suffolk, IP1 1QJ

Auditors:

Moore Kingston Smith, 9 Appold Street
London EC2A 2AP

Trustees:

- ▶ Claudia Natanson - Chair (appointed October 2020)
- ▶ Jessica Figueras - Vice Chair (appointed October 2020)
- ▶ Mike Watson - Treasurer (appointed October 2020)
- ▶ Carla Baker - Trustee (appointed October 2020)
- ▶ Chitra Balakrishna - Trustee (appointed October 2021)
- ▶ Nathan Nagaiah - Trustee (appointed October 2021)
- ▶ Edward Goodchild - Trustee (appointed October 2021)
- ▶ Frances Le Grys - Trustee (appointed October 2021)

The UK Cyber Security Council was incorporated as a company limited by guarantee on 21 August 2020.

The UK Cyber Security Council was registered as a Charity on 01 July 2021.



RESERVES POLICY

The Trustees treat the unrestricted reserves as available for activities which forward the Charities objectives, and for funding the requirements for support and governance costs.

Free reserves are that part of the Council's unrestricted funds that are freely available to spend on any of its charitable purposes.

The Council may maintain free unrestricted reserves for the following reasons:

- a) to provide a level of working capital that protects the continuity;
- b) to provide a level of funding for unexpected opportunities; and
- c) Forman to provide cover for risks such as unforeseen expenditure or unanticipated loss of income.

The Trustees will review the above criteria with reference to the Council's strategy and Annual Plan and determine the target level of free reserves to meet these.

They may at times designate funds from free reserves for significant project costs or replacement of major assets.

RISK MANAGEMENT

The UK Cyber Security Council Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established policies, systems and procedures to manage them accordingly.

The risk register is updated at least quarterly, but is regularly reviewed within the operational team to ensure key changes are reflected in the risk log and appropriate plans to mitigate are put in place.

The principal risks are:

- Loss of funding or inability to secure sufficient funding to carry out the core work of the organisation
- Significant delays in the development and roll out of specialist cyber standards
- Breach of data security or compliance with key regulatory authorities
- Loss of key staff and personnel
- Lack of support and buy in from the cyber security profession

GOVERNANCE STRUCTURE

The Council was conceived initially as part of the UK Government's National Cyber Security Strategy, which set out ambitions to develop and accredit the cyber security profession. It seeks to do this by "reinforcing the recognised body of cyber security excellence within the industry and providing a focal point which can advise, shape and inform national policy."

This was developed further in the Initial National Cyber Security Skills Strategy (2018). This declared intentions to establish a new, independent, UK Cyber Security Council to act as an umbrella body for existing professional organisations and drive progress against the key challenges the profession faces.

Following a competitive tender process, the Department for Digital, Culture, Media and Sport (DCMS) awarded the contract to design and deliver the Council in September 2019 to a consortium of cyber security professional bodies known as the Cyber Security Alliance.

The first four Trustees were appointed by the Cyber Security Alliance in October 2020. The Board expanded to 8 Trustees in October 2021, with the four new Trustees appointed by the Board, in conjunction with the Interim Chief Executive. Four places remain available on the Board, and will be appointed by the Council's member organisations, with the first two elected Trustees taking up post in October 2022.

Our Board of Trustees has a broad range of relevant skills, knowledge and experience, spanning education, skills and professional development, commercial and business development, income generation and fundraising, legal, cyber security, financial management, risk management, business risk, professional standards and ethics, Government affairs and policy and furthering diversity, equality and inclusion.

The Council considers each of the Trustees independent in character and judgement.

Declarations of interest are acquired from new Trustees and updated by all trustees annually. No remuneration is provided other than reasonable travel and subsistence costs. Trustees regularly review the progress of the charity and its funding and work in conjunction with the executive team and membership bodies to set the strategy for the organisation.

Remuneration

The Chair reviews the remuneration of the Chief Executive and makes a recommendation to the Remuneration Committee for consideration. The Remuneration Committee also review the salaries of the Leadership Team.

Auditors

The Board of Trustees approved the appointment of Moore Kingston Smith as the Auditors on 23/3/22

The Council are governed by our Articles of Association (as a Charity Body)

There are a maximum of 12 Trustee spaces; 10 spaces are currently taken - 8 by general appointment, 2 appointed by the membership.

The Trustees are also responsible for the appointment of the Chief Executive, to which they delegate the day-to-day running of the Charity.

The Board has 4 sub-committees.

The Programme Board ensures the Council's programme directorate activity including standards development and career route mapping is fit for purpose and in line with strategy and priorities of the organisation.

The Finance and Audit Board review the risks, controls, and financial management of the organisation.

The Remuneration Committee provides a forum, independent of the Council's other governance bodies, for the review and approval of the remuneration of the Chief Executive, the Leadership Team, and any ex-gratia payments.

The Governance and Nominations Sub-Committee ensures the Council's governance is fit for purpose and that it is populated by suitably diverse and skilled individuals, in line with strategy and representation.

ORGANISATION STRUCTURE AND MANAGEMENT

As a start up organisation it is important that the operational and management structure of the organisation is fit for purpose to deliver on the Council's mission and objectives.

As such the Leadership Team working with the Human Resource Partner, review where there are any pinch points within the organisation and then seek to mitigate this through increased human resource or re-prioritisation of tasks.

This along with the development and implementation of new systems and processes helps staff to be more effective and efficient.

Our updated structure is made up of four directorates

- ▶ The Standards Directorate
Led by the Director of Professional Standards, this directorate is focussed on developing the professional standards based upon our 16 cyber specialisms.
- ▶ The Chief Executives Office
Led by the CEO, this directorate is focussed on strategic planning, technical cyber, governance, external engagement and government relationships

- ▶ The Programme Directorate
Led by the Director of Programmes and Partnerships, this directorate is focussed on developing the careers road map, outreach programmes and the transition of programmes to the Council.

- ▶ The Finance & Ops Directorate
Led by the Director of Finance and Operations, this directorate is focussed on managing areas including the organisations finance, marketing, membership and events.

In the 2023/2024 financial year we will be enacting the incorporation of our Royal Chartership, which in practical terms will mean the closure of the current charity and company incorporations, and transition to the new Chartered Charity and Organisation.

All contracted staff will be transferred over to the new organisation as part of this process.

FUTURE PLANS

The 2022-23 financial year will be the first year of delivering against our new strategy plan 'Chartering a Cyber Future', which was released in October 2022.

Our core focus in on the development and the **design of schemes that award professional titles** for the specialist areas representing the cyber security lifecycle, producing an agreed standard for Chartered, Principal and Associate.

To support this, our additional priorities are to:

- ▶ Raise the profile of the cyber security profession and the UK Cyber Security Council
- ▶ Develop an ethical framework in which the cyber security profession should operate
- ▶ Create cyber skills frameworks that are linked to the mapping of certifications and qualifications within the sector
- ▶ Carry out outreach activities to address the long-term skills gap in the sector
- ▶ Produce thought leadership pieces based on engagement with academia, members and other key stakeholders
- ▶ Establish the Royal Incorporated organisation to deliver on our mission



TRUSTEE ROLE, APPOINTMENT & INDUCTION

The role of a Trustee is to ensure that the Council fulfils its duty to its beneficiaries and delivers its vision, mission and values. Working together with the other Trustees – and in collaboration with the CEO they are instrumental in ensuring that the Council delivers its charitable objectives, and values equality, diversity and inclusion.

Our Trustees are individuals who have a strong empathy with our vision and mission combined with an in-depth understanding of our work and ambitions and they possess an understanding of the culture and needs of a values-driven organisation.

The role is one of legal liability and responsibility for the compliant running of a charity. Across the Board we seek skills and experience in running a professional organisation, although recognise that not all candidates will have these skills initially.

Trustees are legally required to act in the best interests of the Council and candidates should therefore not seek to influence the Board in terms of representing any other organisation.

For all Trustees, the following core skills are essential to undertake their duties:

- ▲ Excellent communication and influencing skills to be a strong ambassador for the Council
- ▲ A collaborative approach and openness to other views and feedback on own contribution
- ▲ An ability to think diversely, produce innovative ideas and challenge existing thinking and perspectives
- ▲ Commitment to the Council's mission and values
- ▲ Commitment to delivering public good
- ▲ Commitment to bringing high standards of ethics and transparency to the Council's governance
- ▲ Commitment to inclusion and diversity

Appointment of trustees

As set out in the articles of association, the board of trustees comprises

- ▲ not more than 12 trustees as Board Members
- ▲ Maximum of 4 elected from among and by the full members
- ▲ the chief executive of the Association as an ex-officio member of the Board
- ▲ Board members may serve up to two terms of three years

Trustees' induction and training

On appointment, new trustees are provided with information about the company including its constitution, strategy and plans, finances, staffing structure and its risk register.

Their attention is drawn to relevant Charity Commission guidance. They are offered the opportunity to meet with the chief executive and other staff for a full briefing on the organisation's work.

Organisation

The Board is responsible for the governance of the charity. The trustees delegate the running of the organisation to the chief executive, within a framework of delegated authority. The board meets at least quarterly.

YEAR IN REVIEW: FINANCIAL PERFORMANCE

Our first operating year was largely funded via a Grant Funding Agreement with the DCMS agreed in April 2021 with other income streams to be developed as the year progressed, to include membership levies, sponsorship and running of events.

Income

Overall income was £1,606 K comprised of £1,577 K from the DCMS Grant Funding Agreement and £29 K from new membership levies. A small amount (<£1 K) was also raised from speaking at events.

The Grant Funding Agreement had a funding ceiling of £1,581 K meaning the Charity underclaimed by just £4 K or 0.25%.

Expenditure

Total expenditure for the year was £1,539 k which was almost entirely spent on delivering against the DCMS's Grant Funding Agreement.

To be noted, is the impact of our VAT structure that meant a total of £214 K was spent and not reclaimable on VAT. This structure remains in-place but a review of this is on the agenda.

Cashflow

Cashflow at commencement was supported by several of our contractors and interim staff deferring their payments for the first three months, this enabled the Council to move forwards with its agenda without working capital and we are grateful to all of them for their contributions.

The Charity made a small surplus of £68 k at the year end. Total funds were £68 k with £14 k restricted and £ £54 k unrestricted in the first year of activity.

We are working with DCMS to ensure a three-month cover for total organisational expenses always remains in-place.

Into 2022-23

The DCMS have agreed a new Grant Funding Agreement that will provide income of up to £1,500 K to deliver against the contract KPIs.

Additionally, we expect to continue to on-board new members and see an increase in the total annual levies.

2022-23 will also be our first year of issuing Charterships to industry professionals and we will see substantive income against the delivery of the same.

Finally, our strategy for the coming years will ensure the financial sustainability of the organisation and develop appropriate additional income streams.



YEAR IN REVIEW: FINANCIAL PERFORMANCE

The UK Cyber Security Council's year ending Mar 2021 was the first year of activity for the charity.

Funded by the Department for Digital, Culture, Media & Sport (DCMS), the Council was able to:

- Recruit a board of Trustees
- Establish a governance structure
- Recruit its first employees, including a CEO
- Launch its website
- Engage and consult with stakeholders to inform the standard
- Launch its membership offering

This year was about establishing the core infrastructure, systems, and policies to enable the organisation to progress into our delivery phase.

The membership proposition, launched in October 2021, enables the council to recognise £28,958 of unrestricted income in the financial year, beginning the journey of financial sustainability for the council.

TRUSTEE STATEMENT OF RESPONSIBILITIES

The Trustees (who are also Directors of the UK Cyber Security Council for the purpose of company law) are responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom accounting practices.

Company and Charity law requires the Trustees to prepare financial statements for each financial year.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the charitable company and of the incoming resources and application of resources, including the income and expenditure for that period.

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company.

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 judgements and estimates that are reasonable and prudent
- ▶ State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation

They are also responsible for ensuring that the financial statements comply with the Companies act 2006.

As well as safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- ▶ There is no relevant audit information of which the charities auditor is unaware; and
- ▶ The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The financial statements have been prepared in accordance with the special provisions of part 15 of the companies act 2006 relating to small companies.

Approved and signed on behalf of the Trustees by



Dr Claudia Natanson MBE
Chair of Trustees

13 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK CYBER SECURITY COUNCIL

Opinion

We have audited the financial statements of The UK Cyber Security Council ('the charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year 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 Companies Act 2006.

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 financial statements section of our report. We are independent of the Corporation 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1 to the financial statements which explains that the trustees intend for the entity to cease trading and as a consequence, all activities will be transferred to a separate entity with effect from the 31 March 2023. At this point the trustees will liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK CYBER SECURITY COUNCIL

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK CYBER SECURITY COUNCIL

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UK CYBER SECURITY COUNCIL

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Moore Kingston Smith LLP." The signature is written in a cursive, flowing style.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 13 January 2023

The UK Cyber Security Council

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2022

	Note	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Income from:					
Donations and legacies	2	–	1,577,010	1,577,010	–
Charitable activities	3				
Membership		28,958	–	28,958	–
Other		500	–	500	–
Total income		29,458	1,577,010	1,606,468	–
Expenditure on:					
Raising funds		–	30,818	30,818	–
Charitable activities					
Membership		5,500	57,067	62,567	–
Setting Standards		–	1,445,566	1,445,566	–
Total expenditure	4	5,500	1,533,451	1,538,951	–
Net income / (expenditure) for the year	5	23,958	43,559	67,517	–
Transfers between funds		29,446	(29,446)	–	–
Net movement in funds		53,404	14,113	67,517	–
Reconciliation of funds:					
Total funds brought forward		–	–	–	–
Total funds carried forward	15	53,404	14,113	67,517	–

The charity was dormant in the previous financial period ended 31 March 2021.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

The notes on pages 28 to 34 form part of these financial statements

Balance sheet

Company no. 12830814

As at 31 March 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	10		27,967		–
			27,967		–
Current assets:					
Debtors	11	43,268		–	
Cash at bank and in hand		351,255		–	
		394,523		–	
Liabilities:					
Creditors: amounts falling due within one year	12	354,973		–	
Net current assets / (liabilities)			39,550		–
Total net assets / (liabilities)	14		67,517		–
The funds of the charity:	15				
Restricted income funds			14,113		–
Unrestricted income funds:					
General funds		53,404		–	
Total unrestricted funds			53,404		–
Total charity funds			67,517		–

Approved by the trustees on 13 December 2022 and signed on their behalf by:



Dr Claudia Natanson MBE – Trustee

The notes on pages 28 to 34 form part of these financial statements

Statement of cash flows

For the year ended 31 March 2022

	Note	£	2022 £	£	2021 £
Net income / (expenditure) for the reporting period			67,517		–
Depreciation charges			1,479		–
(Increase)/decrease in debtors			(43,268)		–
Increase/(decrease) in creditors			354,973		–
			<hr/>		<hr/>
Net cash from/(used in) operating activities			380,701		–
Cash flows from investing activities:					
Purchase of fixed assets		(29,446)		–	
		<hr/>		<hr/>	
Net cash provided by / (used in) investing activities			(29,446)		–
			<hr/>		<hr/>
Change in cash and cash equivalents in the year			351,255		–
Cash and cash equivalents at the beginning of the year			–		–
			<hr/>		<hr/>
Cash and cash equivalents at the end of the year			351,255		–
			<hr/>		<hr/>

Analysis of cash and cash equivalents

	At 31 March 2022 £	At 31 March 2021 £
Cash in hand and at bank	351,255	–
	<hr/>	<hr/>
Total cash and cash equivalents	351,255	–
	<hr/>	<hr/>

Analysis of changes in net debt

	At Start of year £	Cashflows £	At end of year £
Cash in hand and at bank	–	351,255	351,255
	<hr/>	<hr/>	<hr/>

1 Accounting policies

a) Company information

The UK Cyber Security Council is a charitable company limited by guarantee registered in England with registration number 12830814. Its registered office address is 3rd Floor, 106 Leadenhall Street, London, England, EC3A 4AA.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Update Bulletin 2, and the Charities Act 2011. The accounts are presented in GBP rounded to £1, which is the functional currency of the charity.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note. The charity was dormant in the previous financial period ended 31 March 2021. The functional currency is Sterling Pound (GBP).

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees of the charity took the decision during the year to transfer the trade and operations of the company to a new Royal Charter charitable company and this transfer will take place with effect from the close of business on 31 March 2023. From that date the company will cease trading. As a result the financial statements have been prepared on a basis other than that of a going concern. No adjustments to the recognition or measurement of assets, liabilities or other transactions have been made as a result of the financial statements being prepared on a basis other than that of a going concern. No additional provisions have been recognised as a consequence of adopting a basis of preparation other than going concern.

e) Income

Income, including from Government and other grants, whether 'capital' or 'income', is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Membership income is generally for a period of twelve months. Membership income relating to future financial years is deferred.

f) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets Unrestricted funds are donations and other incoming resources received or generated for the charitable Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party,

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to
- Expenditure on charitable activities includes the costs of offering fellowships and delivering related
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is not charged as a cost against the activity for which the expenditure was incurred but identified separately as a cost itself.

h) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity (support costs), comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Fundraising	0%
• Membership	0%
• Setting Standards	100%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

1 Accounting policies (continued)

i) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- IT and phone equipment 3 years

j) Financial Instruments

The charity only 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 their settlement value.

Financial assets

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Financial Liabilities

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

l) Pensions

The charity contributes towards the employees' personal pension schemes. The cost of the contribution is charged to the statement of financial activities on an accruals basis.

m) Significant accounting policies

In the application of the company's accounting policies, the charity is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised 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 both current and future periods.

There are no estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the financial statements in a future period.

2 Income from donations

	Unrestricted £	Restricted £	2022 total Total £	2021 Total £
Grant from Department of Digital, Culture, Media & Sport	-	1,577,010	1,577,010	-
	-	1,577,010	1,577,010	-

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Membership	28,958	-	28,958	-
Total income from charitable activities	28,958	-	28,958	-

4 Analysis of expenditure

	Cost of raising funds £	Membership £	Setting Standards £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 8)	18,624	50,647	57,928	6,798	133,997	-
Staff expenses	-	-	-	7,364	7,364	-
Staff recruitment	-	-	-	19,622	19,622	-
Computer and IT support	-	-	15,625	-	15,625	-
Contractors	-	6,420	424,886	172,252	603,558	-
Design and communication	-	-	181,624	-	181,624	-
Events Attendance & Conferences	-	-	52,877	-	52,877	-
General office costs	-	-	-	11,205	11,205	-
Legal and professional fees	-	-	-	61,561	61,561	-
Marketing	12,194	-	-	-	12,194	-
Office rent and insurance	-	-	-	15,970	15,970	-
Technical service	-	-	54,000	-	54,000	-
Website and web services	-	-	116,032	-	116,032	-
Bad debts	-	5,500	-	-	5,500	-
Audit	-	-	-	9,000	9,000	-
Trustee recruitment	-	-	-	25,200	25,200	-
Unrecoverable VAT	-	-	-	213,621	213,621	-
	30,818	62,567	902,973	542,594	1,538,951	-
Support costs	-	-	542,594	(542,594)	-	-
Total expenditure 2022	30,818	62,567	1,445,566	-	1,538,951	-
Total expenditure 2021	-	-	-	-	-	-

Of the total expenditure, £5,500 (2021: nil) was unrestricted and £1,533,451 was restricted (2021: nil).

5 Net incoming resources for the year

This is stated after charging / crediting:

	2022 £	2021 £
Depreciation	1,479	–
Auditors' remuneration (excluding VAT):		
Audit	9,000	–
Trustees' recruitment	25,200	–
	<u>25,200</u>	<u>–</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	118,710	–
Social security costs	10,144	–
Employer's contribution to defined contribution pension schemes	5,143	–
	<u>133,997</u>	<u>–</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year in bandings of costs greater than £60,000:

	2022 No.	2021 No.
£70,000 – £79,999	1	–

The total employee benefits including pension contributions of the key management personnel, made up of the Chief Executive Officer and the Project Manager were £107,429 (2021: nil).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

During the year, trustee was reimbursed travel expenses of nil (2021: nil).

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Cost of raising funds	0.4	–
Membership	1.1	–
Setting Standards	1.3	–
Governance and support	0.2	–
	<u>3.0</u>	<u>–</u>

8 Related party transactions

Two trustees were reimbursed meeting expenses of £94 (2021: none). There are no related party transactions to disclose for 2022 (2021: none).

There are no donations from related parties which are outside the normal course of business.

9 Taxation

The charitable company is exempt from corporation tax to the extent that all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	IT & phone equipment £	Total £
Cost		
At the start of the year	–	–
Additions in year	29,446	29,446
At the end of the year	29,446	29,446
Depreciation		
At the start of the year	–	–
Charge for the year	1,479	1,479
At the end of the year	1,479	1,479
Net book value		
At the end of the year	27,967	27,967
At the start of the year	–	–
All of the above assets are used for charitable purposes.		

11 Debtors

	2022 £	2021 £
Trade debtors	15,000	–
Prepayments and accrued income	28,268	–
	43,268	–

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	211,582	–
Taxation and social security	8,506	–
Other creditors	7,812	–
Accruals	51,531	–
Deferred income (note 13)	75,542	–
	354,973	–

Notes to the financial statements

For the year ended 31 March 2022

13 Deferred income

Deferred income comprises membership fee income received during the year for future years.

	2022 £	2021 £
Balance at the beginning of the year	–	–
Amount released to income in the year	–	–
Amount deferred in the year	75,542	–
Balance at the end of the year	75,542	–

14 Analysis of net assets between funds

	General unrestricted £	Restricted £	Total funds 2021 £
Tangible fixed assets	27,967	–	27,967
Net current assets	25,437	14,113	39,550
Net assets at the end of the year	53,404	14,113	67,517

15 Movements in funds

	At 1 April 2021 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At 31 March 2022 £
Restricted funds:					
Grant from DCMS	–	1,577,010	(1,533,451)	(29,446)	14,113
Total restricted funds	–	1,577,010	(1,533,451)	(29,446)	14,113
Unrestricted funds:					
General funds	–	29,458	(5,500)	29,446	53,404
Total unrestricted funds	–	29,458	(5,500)	29,446	53,404
Total funds	–	1,606,468	(1,538,951)	–	67,517

Transfers include:

Capitalised fixed assets funded by restricted funds where the fixed assets are for the general objects of the charity.

Purposes of restricted funds

The grant from the Department of Digital, Culture, Media & Sports is used to cover costs of setting standards for cyber security and delivering the pilot.

16 Capital commitments

There were no capital commitments not provided for in the financial statements (2021: none)