



CHARTERED INSTITUTE FOR  
SECURITIES & INVESTMENT

2022/23

Full form  
accounts

**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 2023**

# **CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**

## **REPORT AND FINANCIAL STATEMENTS 2023**

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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 2022 to 31 March 2023. 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 1132642-1 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 & 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)

		Committee
Chris Allen MCSI		
Nandika Buddhipala MCSI	Appointed 29 September 2022	A
Fionnuala Carvill, FCSI(Hon)*±	Resigned 29 September 2022	
Debbie Clarke, Chartered MCSI		A, C, H, I
Michael Cole-Fontayn MCSI (Chair)		B, G, H, I
Danny Corrigan MCSI		E
Tracey Davidson, Chartered MCSI		D, H, I
Petros Florides, Chartered FCSI		G
Robert Hughes-Penney, Chartered FCSI		A, D, F
Catherine McGuinness *	Appointed 29 September 2022	H, I
Clair Mills *		A
Peter Moores, Chartered FCSI		G, H, I
Graham Nicoll MCSI		C
Claire Perryman, Chartered MCSI		B, F
Ravikumar Puranam FCSI(Hon)		E
Alan Ramsay FCSI(Hon) (Deputy Chair)		A, H, I
Amyr Rocha Lima, CFP™ Chartered Financial Planner		H, I
Chartered FCSI		
Rebecca Taylor, Chartered FCSI		G, H, I
Jane Valls *		E, H, I

\* 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 commercial interest in the company or its subsidiaries.

*The Trustees served on the following Committees:*

A	Audit and Risk Committee	F	Investment Committee
B	Editorial Panel	G	Membership Committee
C	Examinations Board	H	Nomination Committee
D	Integrity & Ethics Committee	I	Remuneration Committee
E	International 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 learning and qualifications, membership & professional standards, operations, global business development, corporate governance & support and services (Chartered Institute for Securities & Investment (Services) Ltd).

### Chief Executive

Simon Culhane, Chartered FCSI (stepped down 2 September 2022)

Tracy Vegro, OBE (appointed 5 September 2022)

### 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](http://www.cisi.org)).

## REVIEW OF ACTIVITIES

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

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

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

### **ATTAINING COMPETENCE**

More than 42,000 examinations were taken in the year, an increase of 18% on the previous year. Examinations taken outside of the UK contributed 17,600 to the total. CISI's global reach continues to grow, with the number of examinations taken up 4,500 on the previous year.

There was notably strong growth in the Gulf region. Demand for examinations has remained high in the UAE with Saudi Arabia seeing rising demand after the development of examinations, created on behalf of the Saudi Capital Markets Authority. In addition, we continue to grow our presence in Africa and Europe.

During the year we expanded further 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 Mandarin.

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

### **MAINTAINING COMPETENCE**

Global membership continues to grow, as we build on our networks, partnerships, and regulatory approvals in new jurisdictions. As a result, at 31 March 2023 we had 27,300 fully qualified members and a further 19,000 student members.

Last year, we were pleased to support the changes by the UK regulator to the Continuous Professional Development (CPD) criteria, by recommending the inclusion of 'short bursts' – or bite-sized - knowledge modules and the removal of a minimum learning time. We have now launched a series of micro-modules within our Professional Refresher suite.

This year the CISI has continued to see growth in the number of Certified Financial Planner™ holders, alongside the relaunch of the Wayfinder tool, and new events. The inaugural CHANGE event last October was just one example of the CISI leading events for the planning profession to meet, network and pass information on careers in planning to graduates. The programme was shortlisted for Diversity Awards at the Professional Advisor awards. The launch of the sell – out Administrator series, available to members and non-members, is just one demonstration of the CISI commitment to upskilling all those working across the planning community.

Our examinations are accredited by the UK regulators Ofqual, Qualifications Wales, and the Northern Irish Council for the Curriculum, Examinations and Assessment, CCEA. 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 £10,742,935 in the pursuance of this charitable objective, compared to £12,627,880 in the preceding year.

**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 the Financial Services sector, and our products and services aim to promote and reinforce an expectation of professionalism and high standards.

## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

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

A further 11,500 IntegrityMatters tests were completed during the year, taking the total number to tests since inception to more than 100,000. This unique integrity test is a required gateway for those taking capital market exams. 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 expectations and during the year 66 disciplinary cases were reviewed by our Disciplinary Review Panel, ten of those were sufficiently serious to be referred to the Disciplinary Hearing Panel, an independent review body made up of CISI and lay members. Eight cases remain under investigation and twelve cases are on hold pending regulatory or legal outcomes. A further three cases have been referred to the Disciplinary Panel to be heard in the next few months.

The cases that were heard by the Disciplinary Panel, which included two cases that were referred prior to 2022/23, received the following outcomes:

- Reprimand to remain on the member's record for 12 months, and to retake the IntegrityMatters test within six months and complete three hours of additional CPD.
- Expulsion from membership for a period of five years, which would run conterminously with the sanction imposed by the regulator.
- Reprimand and suspension of Chartered status for 12 months.
- Membership suspended for one month. The member is also required to retake IntegrityMatters within six months and complete three hours of additional CPD.
- Reprimand to stay on the member's file for 12 months and to retake IntegrityMatters.
- Severe reprimand to stay on file for 12 months.
- Severe reprimand, and a suspension of membership for 12 months. Also the member is required to complete 35 hours of CPD and retake IntegrityMatters.
- Reprimand to remain on their record for 12 months, a suspension of Chartered Status for a period of six months and to retake IntegrityMatters within 12 months.
- Severe reprimand and suspension of Chartered status for 18 months and the member to retake IntegrityMatters within six months.
- In three cases it was deemed that no offence had been committed.

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 £2,432,220, compared to £1,636,598 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 with a wide variety of commentary, debate 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 2022/23 included resilience in challenging times, and indices – why we have them, the companies behind them, and how the new generation of indices in the passive world compares with more traditional ones.

Financial Planning Week and World Financial Planning Day in October 2022 were both great successes with more financial planners involved than ever before, showcasing the ways in which financial planners give good quality

## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

advice. Our members supported the public in developing their understanding of what outstanding 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 co-operation between the three bodies, who meet quarterly, has proved helpful in presenting a united and common approach with many interactions with regulators, especially on sustainability. The Alliance's first common qualification on Climate Change 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 £3,327,285, compared to £3,055,905 in the previous year.

### **How the CISI provides Public Benefit**

Whilst the Institute's primary function is to provide education, 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.
- Served as 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 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 archive.

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 2023/24 are:

1. Improve the value of our member offer with accessible, flexible and personalised qualifications and CPD, through the Learning Platform and other digital first initiatives.
2. Evolve our operating model, develop our people and culture, reflecting a clear ESG strategy to ensure we have the capability and capacity to deliver value for all stakeholders.
3. Invest in our digital resources to enable a relevant, customer focused digital strategy and service offering.
4. Ensure regulatory compliance, adhering to requirements in all our activities. Maintaining engagement with regulators and other awarding organisations to ensure we are up to date with changes to policies.
5. Collaborate and contribute to research and public debate on topics concerning the financial services sector.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## REVIEW OF FINANCIAL POSITION

Including investment losses of £365,334 (gains of £582,516 in 2021/22), the Institute recorded a retained surplus of £2,146,601 (£293,987 in 2021/22) from income of £19.01m (£17.03m in 2021/22).

Income increased by £1,982,521 (11.64%), and operating expenditure decreased by £817,943 (4.72%).

The Institute's reserves increased by £2,146,601 (2021/22 £293,987) to a total of £17,101,466 (2021/22: £14,954,865) after the Board made a donation of £nil (2021/22: £275,000) to the CISI Educational Trust, and £nil (2021/22: £2,500,000) to the CISI 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 11.6 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.

The Institute's wholly owned UK trading subsidiary, which undertakes non-charitable activities, recorded a loss after tax and distributions of £93,854 (2021/22: profit of £45,647).

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 £13.9m and a maximum of £15.4m has been agreed as the new policy level of reserves. The Trustees have agreed this increase from a minimum of £10.2m and a maximum of £11.7m in the prior year. This is due to a planned reinvestment in the operations of the Institute. Areas for investment are membership development, qualifications and learning resources, people and technology.

The Board had postponed the release of existing reserves in 2021/22, considering it appropriate to hold reserves above the suggested maximum level due to the economic and political turbulence 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 are continuing and it is expected that a planned further reduction of reserves will occur over a 3–5-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 £16,828,750 (2021/22: £14,723,021), which represented 11.6 months' worth of the expected running costs for 2023/24.

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 £17,101,466 (2021/22: £14,954,865).

## 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 is 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'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.

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## INVESTMENT POLICY

The Board has delegated the regular review and supervision of the investment of surplus funds to an Investment Committee, 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

Across the cash portfolio there should be a spread of at least five institutions with no one institution comprising more than 30% or less than 10 % of the amount in the portfolio, or holding more than £2m. Deposits of over £100k should only be placed with banks with an investment grade credit rating from Fitch, S&P, or Moody's. 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 Investment Committee 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 (5+ years). The risk profile of the MLTP is medium risk. The Investment Committee 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 Investment Committee 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 £9,662,052 on 31 March 2023.

The Investment Committee monitors the investments on a regular basis; however, any appointment of managers requires the Board to delegate authority to the Investment Committee on a case-by-case basis. The Board and the Investment Committee 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 £nil to this charity (2021/22: £275,000).

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 £nil to this entity (2021/22: £2,500,000).

## 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.

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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 qualifications. 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, Qualifications Wales and CCEA 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.

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;
- people and culture
- 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

Tracy Vegro was appointed Chief Executive with effect from September 2022, following a Board initiated search process using a specialist search firm. Her predecessor, Simon Culhane, had announced in January 2022 that he would step down in September 2022 after almost 19 years' service.

## 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.

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## **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:

**Economic Uncertainty** – CISI is conscious of limiting exposure to economic and political events through diversity of product mix and a geographical spread of revenues. The Trustees are informed through monthly reporting to enable prompt action if needed.

**Data Breaches and Cybercrime** – CISI 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** – Many of the Institute's employees are based in Sri Lanka, which has experienced significant economic difficulties in recent months. We have active contingency plans in place for all locations and there are no critical systems located in Sri Lanka.

**IT Infrastructure** – The Institute 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** – CISI is reliant on Ofqual for its status as an examination provider. The Charity has in place an ongoing programme of training, internal audit, and continuous improvement.

**Reputation and Accredited Body status** – The Institute 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.

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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 five 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

**Registered Office**  
20 Fenchurch Street  
London EC3M 3BY

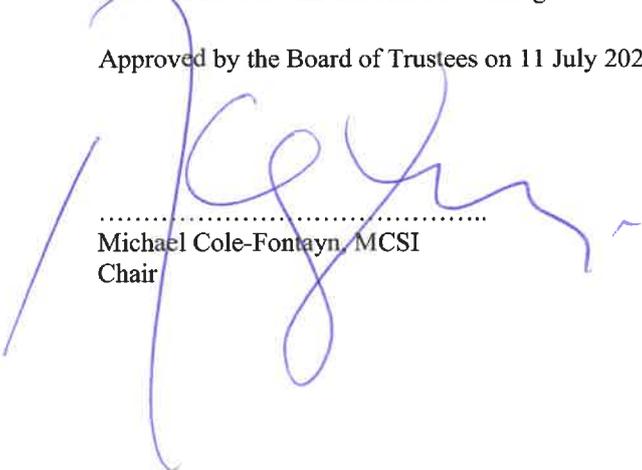
**Bankers**  
Bank of Scotland  
600 Gorgie Road  
Edinburgh EH11 3XP

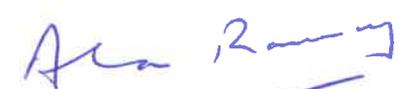
**Auditors**  
Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

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

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

Approved by the Board of Trustees on 11 July 2023 and signed on behalf of the Board by

  
.....  
Michael Cole-Fontayn, 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 2023 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 2023 and of the group's income and expenditure, for the 31 March 2023 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

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

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

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

## CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

or

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

### **Responsibilities of trustees**

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

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

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

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

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

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

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

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

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

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

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



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

Date: 21 August 2023

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 2023

	Note	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>INCOME FROM:</b>			
Charitable activities:			
Membership subscriptions		5,583,933	5,211,673
Membership entry fees		76,383	68,052
Qualifications and development		9,184,878	7,708,847
Publications and conferences		3,085,264	2,842,469
Investment income	5	240,593	144,554
Other income	6	843,324	1,056,259
<b>TOTAL INCOME</b>		<b>19,014,375</b>	<b>17,031,854</b>
<b>EXPENDITURE ON:</b>			
Charitable activities			
Dissemination & advancement of knowledge	4	10,742,935	12,627,880
Ethics	4	2,432,220	1,636,598
Consultation & research	4	3,327,285	3,055,905
<b>TOTAL EXPENDITURE</b>	3,4	<b>16,502,440</b>	<b>17,320,383</b>
Net investment (losses) / gains	8	(365,334)	582,516
<b>NET INCOME AND MOVEMENT IN FUNDS</b>		<b>2,146,601</b>	<b>293,987</b>
<b>UNRESTRICTED FUNDS AS AT 1 APRIL 2022 &amp; 2021</b>		<b>14,954,865</b>	<b>14,660,878</b>
<b>UNRESTRICTED FUNDS AS AT 31 MARCH 2023 &amp; 2022</b>		<b>17,101,466</b>	<b>14,954,865</b>

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

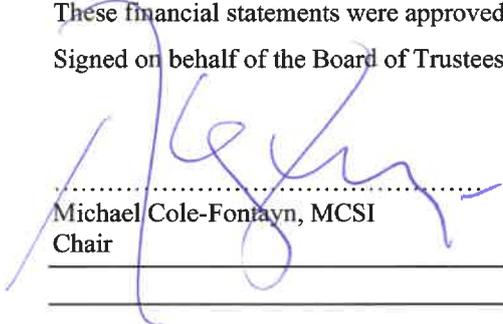
# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

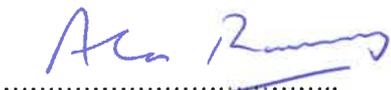
## BALANCE SHEETS As at 31 March 2023

	Note	GROUP		CHARITY	
		2023	2022	2023	2022
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8	272,716	231,844	272,716	231,844
Intangible assets	8	-	-	-	-
Investments	8	10,662,052	10,979,884	10,762,052	11,079,884
		<u>10,934,768</u>	<u>11,211,728</u>	<u>11,034,768</u>	<u>11,311,728</u>
<b>CURRENT ASSETS</b>					
Stock		5,580	8,369	5,580	8,369
Debtors: amounts falling due after one year	10	-	-	-	-
Debtors: amounts falling due within one year	10	4,188,875	3,286,538	4,188,875	3,286,538
Cash at bank and in hand		9,948,839	8,521,976	9,946,839	8,519,794
		<u>14,134,294</u>	<u>11,816,883</u>	<u>14,141,293</u>	<u>11,814,701</u>
<b>CREDITORS: amounts falling due within one year</b>					
Provisions for liabilities	17	-	-	-	-
		<u>6,663,502</u>	<u>4,489,189</u>	<u>6,276,714</u>	<u>4,096,206</u>
<b>NET CURRENT ASSETS</b>					
Amounts falling due after more than one year	11	(496,804)	(746,052)	(496,804)	(746,052)
		<u>17,101,466</u>	<u>14,954,865</u>	<u>16,814,678</u>	<u>14,661,882</u>
<b>TOTAL NET ASSETS</b>					
<b>REPRESENTED BY:</b>					
Unrestricted income fund		<u>17,101,466</u>	<u>14,954,865</u>	<u>16,814,678</u>	<u>14,661,882</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 11 July 2023

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 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	13	<u>1,380,390</u>	<u>(241,881)</u>
<b>Cash flows and investing activities</b>			
Dividends, interest and rents from investments	5	240,593	144,554
Purchase of tangible fixed assets	8	(146,618)	(58,587)
Purchase of investments, at cost		(132,929)	(128,846)
Cash transfer from / (to) investments		<u>85,427</u>	<u>(85,427)</u>
<b>Net cash provided by / (used in) investing activities</b>		<u>46,473</u>	<u>(128,306)</u>
Change in cash and cash equivalents in the reporting period		1,426,863	(370,187)
Cash and cash equivalents at the beginning of the reporting Period		8,521,976	8,892,163
<b>Cash and cash equivalents at the end of the reporting period</b>		9,948,839	8,521,976
Cash in hand		4,202,262	3,424,876
Notice deposits		<u>5,746,577</u>	<u>5,097,100</u>
<b>Total cash and cash equivalents</b>		<u>9,948,839</u>	<u>8,521,976</u>

# CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

## Notes to the financial statements year ended 31 March 2023

### 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 2023 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 £2,146,601 (2022: £293,987).

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 2023 (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 2023 (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 arising 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 2023 (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 £44,490 (2022: £44,299) were paid to the holder of that post during the year.

During the year, nine Trustees were reimbursed by the Institute for travel and subsistence expenses incurred for £7,509 (2022: £1,111).

Staff costs during the year	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	7,520,886	6,823,494	7,518,486	6,821,094
Social security costs	756,130	643,759	756,130	643,759
Pension costs	465,087	438,207	465,087	438,207
	<u>8,742,103</u>	<u>7,905,460</u>	<u>8,739,703</u>	<u>7,903,060</u>

During the year, there were redundancy or termination payments made which amounted to £nil (2022: £2,250). There were no such payments outstanding at the year-end (2022: £nil).

Of these payments, £nil related to redundancy (2022: £2,250) and £nil to termination (2022: £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:

	2023	2022
	No	No
£60,001 - £70,000	14	9
£70,001 - £80,000	3	4
£80,001 - £90,000	5	4
£90,001 - £100,000	3	3
£100,001 - £110,000	5	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	2
£160,001 - £170,000	1	-
£180,001 - £190,000	1	-
£200,001 - £210,000	-	3
£210,001 - £220,000	3	-
£240,001 - £250,000	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 £1,352,085 (2022: £1,306,701).

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

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

	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
Dissemination & advancement of knowledge	122	119
Ethics	34	34
Consultation & research	37	33
Governance	4	3
	<u>197</u>	<u>189</u>
	<b>2023</b>	<b>2022</b>
	<b>No</b>	<b>No</b>
Operations	29	29
Qualifications & development (including international)	30	29
Management and administrative support	10	9
Business Development	16	17
Membership, professional development and marketing	23	22
	<u>108</u>	<u>106</u>
Overseas staff	89	83
	<u>197</u>	<u>189</u>

**4. EXPENDITURE**

Expenditure includes the following:

	<b>2023</b>	<b>2022</b>
	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
Depreciation and amortisation of assets	105,746	111,900
Rentals under operating leases	1,144,551	1,151,012
Auditors' remuneration for audit work	37,200	31,500
Auditors' remuneration for other services	5,350	13,055
Foreign currency losses	23,868	45,739

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

**ANALYSIS OF EXPENDITURE**

<b>GROUP</b>	<b>Staff Costs</b>	<b>Amortisation &amp; Depreciation</b>	<b>Other Direct</b>	<b>Other Support</b>	<b>Total 2022-23</b>	<b>Total 2021-22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Charitable activities:</b>						
Dissemination & advancement of knowledge	5,919,418	71,475	2,226,391	2,525,651	10,742,935	12,627,880
Ethics	1,648,447	11,614	361,766	410,393	2,432,220	1,636,598
Consultation & research	1,798,304	22,657	705,732	800,592	3,327,285	3,055,905
<b>Total</b>	<b>9,366,169</b>	<b>105,746</b>	<b>3,293,889</b>	<b>3,736,636</b>	<b>16,502,440</b>	<b>17,320,383</b>

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

Included within charitable activities are governance costs which amount to £248,743 (2022: £150,604). Governance costs comprise board and committee expenses, audit and legal fees and costs relating to the provision of company secretarial and corporate registration services.

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

**Analysis of Other Support Costs:**

	<b>Dissemination &amp; advancement of knowledge</b>	<b>Ethics</b>	<b>Consultation &amp; research</b>	<b>Total 2022-23</b>	<b>Total 2021-22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Premises	888,474	144,368	281,632	1,314,474	1,293,333
Printing, postage & stationery	13,768	2,237	4,364	20,369	18,866
Marketing travel & subsistence	32,633	5,303	10,344	48,280	34,477
Irrecoverable VAT	281,881	45,803	89,352	417,036	410,824
Communications & IT	440,299	71,544	139,568	651,411	655,920
Equipment hire	48,387	7,862	15,338	71,587	58,210
Other	780,594	126,839	247,436	1,154,869	644,151
Governance	39,615	6,437	12,558	58,610	47,415
<b>Total</b>	<b>2,525,651</b>	<b>410,393</b>	<b>800,592</b>	<b>3,736,636</b>	<b>3,163,196</b>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

5. INVESTMENT INCOME	2023	2022
	£	£
UK bank interest receivable	107,664	15,708
Dividends receivable	132,929	128,846
	<u>240,593</u>	<u>144,554</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 £193,274 (2022: £185,410). Also included in other income is income under non-cancellable commercial property leases of £537,960 (2022: £506,359).

**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	£	£	£	£
<b>Cost</b>				
As at 31 March 2022	284,433	141,529	1,401,934	1,827,896
Additions	130,468	16,150	-	146,618
Disposals	-	-	-	-
As at 31 March 2023	<u>414,901</u>	<u>157,679</u>	<u>1,401,934</u>	<u>1,974,514</u>
<b>Depreciation</b>				
As at 31 March 2022	191,765	136,775	1,267,512	1,596,052
Charge for the year	65,266	3,663	36,817	105,746
Depreciation on disposals	-	-	-	-
As at 31 March 2023	<u>257,031</u>	<u>140,438</u>	<u>1,304,329</u>	<u>1,701,798</u>
Net book value 31 March 2023	<u>157,870</u>	<u>17,241</u>	<u>97,605</u>	<u>272,716</u>
Net book value 31 March 2022	<u>92,668</u>	<u>4,754</u>	<u>134,422</u>	<u>231,844</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

INVESTMENTS	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Balance at market value as at 31 March 2022	9,894,457	9,994,457	9,183,095	9,283,095
Additions	-	-	-	-
Reinvested income	132,929	132,929	128,846	128,846
Unrealised (loss) / gain	(365,334)	(365,334)	582,516	582,516
Disposals	-	-	-	-
Balance at market value as at 31 March 2023	9,662,052	9,762,052	9,894,457	9,994,457
Long Term Deposit Account	1,000,000	1,000,000	1,085,427	1,085,427
<b>Total Investments</b>	<b>10,662,052</b>	<b>10,762,052</b>	<b>10,979,884</b>	<b>11,079,884</b>

The Group investment balance represents 22,035 units in CCLA's COIF Charities Investment Fund (2022: 22,035 units), 3,406,282 units in Sarasin's Alpha CIF for Endowments (2022: 3,406,282 units), and 603,802 units in Sarasin's Income and Reserves Fund (2022: 603,802 units), all at market value (combined original cost: £6,382,064 ; (2022: £6,514,993)).

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

INTANGIBLE FIXED ASSETS	2023	2022
	£	£
Balance at 31 March 2022	-	-
Proceeds received	-	-
Amortisation during the year	-	-
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>-</b>

Intangible fixed assets represent the purchase of the membership and intellectual property of the Institute of Financial Planners in November 2015. This intangible fixed asset is still in use but fully written down.

**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 2023 (Continued)**

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

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.

	<b>Investment in Subsidiary £</b>
Chartered Institute for Securities & Investments (Services) Ltd.	
Cost at 31 March 2022 and 31 March 2023	<u>100,000</u>

For the year ended 31 March 2023, the subsidiary's profit and loss account showed:

	<b>2023 £</b>	<b>2022 £</b>
Income	200,640	191,167
Expenses	<u>(111,668)</u>	<u>(16,782)</u>
Profit for the year before gift aid and taxation	<u>88,972</u>	<u>174,385</u>
Gift aid payments	<u>(182,826)</u>	<u>(128,738)</u>
<b>(Loss) / Profit for the year</b>	<u>(93,854)</u>	<u>45,647</u>
Its balance sheet showed:		
Current assets	299,128	412,983
Current liabilities	-	20,000
<b>Funds</b>	<u>299,128</u>	<u>392,983</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

**10. DEBTORS**

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	3,171,845	3,171,845	2,325,569	2,325,569
Other debtors	203,332	203,332	301,508	301,508
Prepayments and accrued income	813,698	813,698	659,461	659,461
	<u>4,188,875</u>	<u>4,188,875</u>	<u>3,286,538</u>	<u>3,286,538</u>

**11. CREDITORS**

**Amounts falling due within one year**

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Subscriptions received in advance	2,633,139	2,633,139	2,703,493	2,703,493
Trade creditors	119,920	119,920	5,244	5,244
Other taxes and social security	532,464	532,464	405,992	405,992
Other creditors	44,852	44,852	62,561	62,561
Accruals and deferred income	4,149,417	4,149,417	4,150,404	4,150,404
Amounts owed to subsidiary undertaking	-	297,128	-	410,801
	<u>7,479,792</u>	<u>7,479,792</u>	<u>7,327,694</u>	<u>7,738,495</u>

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

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Accruals and deferred income	<u>496,804</u>	<u>496,804</u>	<u>746,052</u>	<u>746,052</u>

Amounts due over one year related to deferred bonuses (£209,647) and to the apportionment of the rent-free period on the premises at 20 Fenchurch Street (£287,157).

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

	Balance brought forward at 1 April 2022	Received during the year	Balance carried forward at 31 March 2023	Income recognised during year
	£	£	£	£
Membership subscriptions (including received from students)	2,724,763	5,526,259	2,667,089	5,583,933
Qualifications & development	1,492,069	9,170,207	1,477,398	9,184,878
Publications & conferences	147,029	3,086,382	148,147	3,085,264
Other income	-	843,324	-	843,324
	<u>4,363,861</u>	<u>18,626,172</u>	<u>4,292,634</u>	<u>18,697,399</u>

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

**12. OPERATING LEASES**

Future minimum operating lease payments are as follows:

	<b>2023</b>	<b>2022</b>
	<b>Land and</b>	<b>Land and</b>
	<b>Buildings</b>	<b>Buildings</b>
	<b>£</b>	<b>£</b>
Within one year	1,092,733	1,212,788
Between one and five years	2,146,262	3,499,343
Over 5 years	-	-

During the year the Charity spent a total of £1,152,909 (2022: £1,151,012) on operating lease commitments.

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

	<b>2023</b>	<b>2022</b>
	<b>Land and</b>	<b>Land and</b>
	<b>Buildings</b>	<b>Buildings</b>
	<b>£</b>	<b>£</b>
Within one year	402,203	402,203
Between one and five years	765,552	1,167,755
Over 5 years	-	-

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the Statement of Financial Activities)	2,146,601	293,987
Adjustments for:		
Net investment losses / (gains)	365,334	(582,516)
Dividends, Interest and rents from investments	(240,593)	(144,554)
Depreciation and amortisation	105,746	111,900
Decrease / (Increase) in stocks	2,789	(3,656)
(Increase) in debtors	(902,337)	(282,855)
(Decrease) / Increase in creditors	(97,150)	365,813
Net cash provided / (used) by operating activities	<u>1,380,390</u>	<u>(241,881)</u>

**14. 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 2022/23 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 (2021/22: £2,652). CISI Services made a donation under gift aid during the year of £182,826 (2021/22: £128,738).

At the year end the Charity owed CISI Services Limited £384,787 (2021/22: £410,801).

During the year, the Charity paid expenses on behalf of its overseas offices totalling £1,360,975 (2021/22: £1,124,427). At the year end the Charity was owed £1,407,181 (2021/22: £1,407,181) by Chartered Institute for Securities and Investment (Singapore) Pte. Ltd.

**CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT**  
**Notes to the financial statements year ended 31 March 2023 (Continued)**

**15. FINANCIAL INSTRUMENTS**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets/liabilities</b>				
Financial assets that are measured at amortised cost	14,155,795	11,966,647	14,155,795	11,966,647
Financial liabilities that are measured at amortised cost	(3,018,439)	(3,276,980)	(3,018,439)	(3,276,980)
Financial assets measured at fair value through the Statement of Financial Activities	9,662,052	9,894,457	9,662,052	9,894,457

