

Full Form Accounts 2015/16

Professionalism

Integrity

Excellence

TRUSTEES' REPORT

The Trustees present their annual report and financial statements for the year from 1 April 2015 to 31 March 2016. The Chartered Institute for Securities & Investment ("CISI") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The company was incorporated by Royal Charter (Registration No. RC00834), and is governed by said Charter and its associated Bye Laws. The group results combine the results of the charity with the results of the following:

- Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned subsidiary, which runs the trading activities of the Institute.
- Securities & Investment Institute, a registered charity number 1036566 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is dormant and a wholly owned subsidiary of CISI.
- Chartered Institute for Securities & Investment (India), a wholly owned subsidiary, established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore, which runs the trading activities of the Institute in South East Asia.
- 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.
- Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE which runs the consulting activities of the Institute in the Gulf Cooperation Council countries.
- 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.

INVESTMENT POWERS

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

ORGANISATION

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

Chief Executive

Simon Culhane, Chartered FCSI

Director of Global Business Development

Kevin Moore, Chartered MCSI

Global Director of Finance and IT

Colin Warner, FCA

Global Director of Learning

Lydia Romero

Trustees

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

	Committee
Robert Barnes, Chartered FCSI	
Charlotte Black MCSI ³	H,J
Fionnuala Carvill, Chartered FCSI	L,H ² ,J ²
Richard Charnock, Chartered FCSI	E
Philippa Foster Back CBE ¹	E
Chris Harris-Deans, Chartered FCSI	F
Paul Hedges, Chartered FCSI ³	F
David Kane MCSI	C
Frank Moxon, CF, Chartered FCSI	C,F,H ² ,J ²
David Nicol, Chartered FCSI ³	C,H,J
Clare Perryman, Chartered MCSI ^{1,4}	G
Nick Parkes, Chartered FCSI	A
Alan Ramsay FCSI(Hon) (Deputy Chairman)	C,E,H,J
Clive Shelton, Chartered FCSI	B
Richard Stockdale, Chartered FCSI	
Nick Swales, Chartered FCSI	B,D,K
Rebecca Taylor, CFP™, Chartered FCSI ⁴	F
Richard Wastcoat ¹	H,I,J
Martin Watkins, Chartered FCSI	F
Andrew Westenberger, MCSI ⁴	C
Sir Alan Yarrow, Chartered FCSI(Hon) (Chairman)	F,G,H,I,J

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

The Trustees served on the following Committees:

A	Accredited Body
B	Examinations Board
C	Audit Committee
D	Education (to Nov 2015) ⁵
E	Integrity & Ethics Committee
F	Membership Committee
G	Securities & Investment Review Editorial Panel
H	Nomination Committee
I	International Committee
J	Remuneration Committee
K	Investment Committee
L	Educational Trust

1. Denotes a co-opted Trustee

2. Denotes a trustee that joined the committee during the reporting period

3. Resigned 17 September 2015

4. Appointed 17 September 2015

5. Education Committee was absorbed into the Educational Trust in November 2015

CHARITABLE OBJECTIVES

The Institute's charitable objectives are to:

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

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

REVIEW OF ACTIVITIES

The financial results for the year were satisfactory. After allowing for investment losses of £176,695 (£382,166 gain in 2014/15), the Institute recorded a retained surplus of £844,706 (£1,469,401 in 2014/15) from income of £14.42m (£13.27m in 2014/15).

Income increased by £1,151,588 (8.7%), while expenditure increased by £1,217,422 (10.0%).

Reserves have increased from £10.40m to £11.24m after the Board had made a donation of £300,000 to the CISI Educational Trust, which is a charity in its own right with a separate Board of Trustees.

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

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

ATTAINING COMPETENCE

The number of CISI examinations sat remained relatively stable over the year at a little over 40,000, a respectable performance given that last year's figure included over 5,000 exams to Caixa bank as part of a one-off programme to enhance and upgrade the professionalism of its senior managers. As well as promoting professionalism, the Institute has a mandate to promote public learning. We also recognise that training and education are an effective gateway to employment and therefore offer a 50% discount on CISI examination fees for anyone who is unemployed.

During the year CISI gained accreditation for the Government's Trailblazer apprentice scheme and our exams are already embedded in five live Trailblazer apprenticeship programmes. We also partnered with the International Baccalaureate to promote our pre-employment exams which will enable us to offer them to a sizeable new market in both the UK and abroad. We have also expanded the range of coverage of our operations examinations to 38 exams – a smaller expansion than planned – and gave further depth to our existing exams by substantially increasing the size of our question banks.

The UK remains the Institute's largest market, but over 14,000 qualifications were taken internationally in 2015/16, with significant growth in the Middle East and Cyprus. A new representative office was opened in the Philippines during the year; final legal and administrative procedures to complete this are ongoing.

MAINTAINING COMPETENCE

People become members of the CISI primarily because of the continuous, relevant and cost effective learning opportunities we offer. We arranged over 400 events during the year (including 25 in Scotland), over 300 of which were free to members, which not only are a vehicle to exchange ideas and information, but also provide an opportunity for members to build up personal links and enjoy fellowship with each other. During the year we increased the number of live events we were able to broadcast via CISI TV and increased the amount of uploaded videos by 52%. We can now offer almost unlimited capacity for many thousands of members to participate actively via the internet through a variety of media.

We are accredited in the UK by the FCA and, as an accredited body, we continue to provide many thousands of individuals with their personal Statement of Professional Standing (SPS). During the year we were awarded a UK license 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 and the Accredited Financial Planning Firm status.

During the year, the Institute spent £8,674,084 in the pursuance of this charitable objective, compared to £7,932,312 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 financial services, and our products and services aim to promote and reinforce an expectation of professionalism and high standards. We have also continued to run a considerable number of seminars and courses on Integrity, particularly abroad.

We ask all new CISI members to complete and pass the Integrity Matters test as a requirement of being a CISI member. We introduced this initiative as part of an active commitment to raising professional standards within the financial services industry and to enable our members to demonstrate tangible evidence of their commitment to integrity. We want to help build confidence and trust in the wider financial sector by reassuring the public that anyone who is a member of the CISI has the highest level of personal integrity.

During the year we produced our fifth book of case studies in the "Integrity at Work" series, which we distributed to our members.

Resources expended during the year in connection with this charitable objective amounted to £1,656,055 compared to £1,424,863 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.

Our members' quarterly publication, the Securities & Investment Review, has changed name to The Review. This has been done to reflect the incorporation of financial planning content. The CISI's separate financial planning publication, Financial Planner, has been discontinued, with July being the last issue. The Review will now include 12 pages of financial planning content, spread throughout the magazine. It will continue to inform CISI members around the world by providing topical analysis of key developments within financial services, with the revised strapline being: "Providing insight and analysis for financial service professionals."

In March 2016 our quarterly publication, Change – the Regulatory Magazine, was mostly moved from a print to a digital platform, with four pages of Change content now being incorporated into The Review. Previously, the target audience for Change was the compliance community, a key constituency for the CISI but ultimately a minority of the 40,000 CISI members overall. Covering compliance related topics in The Review will bring them to a much wider audience to whom such items can also be quite relevant

Costs incurred in connection with this charitable objective during the year amounted to £3,074,578, compared to £2,830,120 in the previous year.

How the CISI provides Public Benefit

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

During the year, the CISI:

- Provided free reference copies of its foundation workbooks to libraries throughout the UK.
- 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.
- 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 'train the trainer' 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 industry.
- Worked with other professional and charitable bodies, offering our knowledge and expertise to help advance appropriate projects.
- Offered Charity Days: CISI employees can take a charity day each year to work for a charity or on a community project of their choice.
- Provided the public with delayed, free access to its industry journal.

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

FUTURE ACTIVITIES

The CISI's key objectives for 2016/17 are:

1. To strengthen our position in the Financial Planning market by hiring senior staff with experience of managing the Financial Planning community.
2. To complete the move to new premises at 20 Fenchurch Street over the summer.
3. To complete the setup of a representative sales office in the Philippines and enhance our service provision to the growing number of operations centres based there.
4. As part of our objective to promote integrity and ethics, we complete the redesign of our key "Integrity Matters" test, incorporating more scenarios and a new user interface.
5. To continue to enhance our role in the new "Trailblazer" apprentice scheme initiative as it develops.
6. To complete the upgrade of our suite of exam delivery software both to enhance its functionality and to keep it up to date with the latest platforms and operating systems.

REVIEW OF FINANCIAL POSITION

The Institute has continued to maintain its healthy financial position, with free reserves of over eight months months' operating costs, considered by the Trustees as prudent (see reserves policy below). This year the Institute saw an increase in group funds of £844,706 (2015: £1,469,401), bringing net assets up to £11,240,299 (2014: £10,395,593). 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 lease on the head office premises at 8 Eastcheap will expire in August 2017. Attempts to negotiate a deal in advance of that date proved difficult as the overall future of the building is uncertain, and in January 2016 the decision was taken to look for alternative premises, even if that meant a period of 'double running'. A suitable location has been found at 20 Fenchurch Street, which will keep the Institute in the very heart of the City at a reasonable cost while providing over 20% more floor space and bringing all the staff onto a single floor. The lease has been signed and commenced on 8th April 2016.

During the year, the Institute acquired the members and intellectual property of the Institute of Financial Planning (IFP) for a consideration of £366,160. As well as swelling our membership by over 2,000, this has given the CISI access to a vibrant professional community and a respected

programme of financial planning exams. Development is underway for a level four exam which will make the CISI the only provider of a full suite of exams for financial planning professionals and para planners.

The Institute's wholly owned UK trading subsidiary, which undertakes the commercial activities of the Institute, recorded a loss before tax of £3,465 (2015: £8,311). There is an expectation that the expenses incurred during the year that brought about this loss will generate net income in future years in excess of those costs.

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 Board has therefore adopted a policy of maintaining free reserves at a level that is equivalent to between six and ten months' running costs. At the year end the total free reserves of the Institute amounted to £10,787,113 (2015: £10,237,603), which represented slightly over eight months of the expected running costs for 2016/17. While first discharging its obligations and carrying out its strategic plans, the Board hopes that, in the medium term, the Institute will be able to accumulate reserves closer to the upper end of the policy range. This policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. Such a review has been conducted during the year, including reviewing rates of interest received from the Charity's deposit facilities utilised, to ensure that the Institute's investments continue to contribute effectively to the achievement of the aims of the organisation and are in line with the adopted policy. The policy of the Charity with regard to payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

At the end of the year reserves totalled £11,240,299.

INVESTMENT POLICY

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

The Cash Portfolio

This consists of deposit accounts of various duration with institutions the ISC recommends, based on a review of credit risk, rates offered and administrative issues. There should be a spread of accounts and they will be reviewed regularly by the ISC. During the year the Board agreed to a formal policy of only placing deposits with banks that had received a credit rating A or A+ from Fitch or S&P, A1 or A2 from Moody's and had not received a rating lower than those from another of those three agencies. All policies have been followed successfully.

The Medium to Long Term Portfolio

The ISC and the Board will 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 will then fall within the Medium to Long Term Portfolio (MLTP) where there will be wider investment powers.

Funds in the MLTP will be invested with a view to achieving a total return in excess of that achievable on cash deposit over the medium to long term (3 to 5 years). The risk profile of the MLTP will be medium risk. The ISC will appoint qualified fund managers to manage the funds on a discretionary mandate and they will be expected to report to the ISC on a six monthly basis to a given benchmark agreed at the time of appointment. The Global Director of Finance will also monitor progress of the investments on a regular basis. Due to the poor performance of the markets over the year, the MLTP shrank by 2.4% over the year, although that compares favourably with the FTSE100 index, which fell by 10.4% over the same period.

The ISC will monitor the investments and review new opportunities on a regular basis; however, any appointment of managers will require the Board to delegate authority to the ISC on a case by case basis.

The Board and the ISC will consider styles of investment and any ethical or other restrictions it may have on a regular basis.

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 £300,000 to this charity.

VOLUNTEERS

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

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 FCA's list of appropriate exams. The Institute is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is recognised by Ofqual as an awarding body for the securities and investment industry, and is also accredited by the FCA for the issuance of Statements of Professional Standing to retail investment advisers.

RESULTS

The results for the financial year are shown on page 15. The group's net retained resources for the year, including investment losses of £176,695 (2015: gains of £382,166) were £844,706 (2015: £1,469,401).

CORPORATE GOVERNANCE

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to guidance in respect of public benefit published by the Charity Commission.

Board

The Board of the Chartered Institute for Securities & Investment now meets four times per year (previously six times) 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 articles. 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 which contains information on the institute, its activities and their responsibilities under charity law.

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

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

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

Committees

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

Remuneration Policy

The remuneration Committee (as detailed in the Trustees report) 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 the Executive Team on an individual basis with regard to their performance reviews and current levels of remuneration. A new set of terms of reference are currently being devised by the Committee.

Trustees' Remuneration

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

Financial Reporting

A review of the Institute's operating performance is shown on pages 4 to 8. The Board considers that such information presents a balanced view of the group's position and prospects.

Key Risks

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

IT Infrastructure – The Charity is very reliant on IT but mitigates the risk through employing expert consultants, completing penetration tests and updating and renewing its key software regularly. During the year a review of legacy systems was undertaken and nearly all have now been updated or replaced.

Reputation and Accredited Body status – The Charity relies heavily on being accredited to set and manage exams and award qualifications accordingly. This could be put at risk by a serious lapse that damages its reputation. To mitigate this risk, the Charity has many procedures in place 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.

Loss of key staff – The charity takes steps to identify key staff and to protect against their departure. During the year, extended notice periods were adopted as standard for any staff deemed as critical. Staff surveys are undertaken regularly to assess employee attitudes.

Data breaches and Cybercrime – During the year we implemented a number of improvements in our IT security systems and continue to focus resources in this key area.

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. However, as part of an overall and continuing drive for quality, an ongoing review of internal controls is addressing those areas where controls may be improved. 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.

The Board has conducted a review of the effectiveness of the system of internal control for the year ended 31 March 2016. In pursuit of the above control objectives the Institute has in place a number of key internal controls and processes that include:

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

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

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

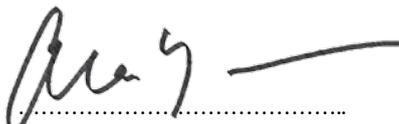
Registered Office 20 Fenchurch Street, London EC3M 3BY

Solicitors Bircham Dyson Bell LLP, 50 Broadway, London SW1H 0BL

Auditors Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London EC4Y 8EH

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

Approved by the Board of Trustees on 7 July 2016 and signed on behalf of the Board by



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Sir Alan Yarrow, Chartered FCSI(Hon)
Chairman

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT

We have audited the financial statements of The Chartered Institute for Securities & Investment for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 March 2016 and of the group's income and application of expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland; 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- returns adequate for our audit have not been received from branches not visited by us; or
- sufficient 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.

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Crowe Clark Whitehill LLP

Statutory Auditor, St Bride's House, 10 Salisbury Square, London EC4Y 8EH

15 August 2016

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2016

		2016	2015
		£	£
INCOMING FROM:			
Charitable activities:			
Membership subscriptions		4,026,286	3,576,053
Membership entry fees		61,670	51,474
Qualifications and development		6,548,010	6,133,030
Publications and conferences		3,291,321	3,044,388
Investment income	5	156,992	87,134
Other incoming resources	6	341,839	382,451
TOTAL INCOMING RESOURCES		14,426,118	13,274,530
EXPENDITURE ON:			
Charitable activities			
Dissemination & advancement of knowledge	4	8,674,084	7,932,312
Ethics	4	1,656,055	1,424,863
Consultation & research	4	3,074,578	2,830,120
TOTAL EXPENDITURE	3,4	13,404,717	12,187,295
Net investment gains (losses)	8	(176,695)	382,166
NET MOVEMENT IN FUNDS FOR THE YEAR		844,706	1,469,401
FUNDS AS AT 1 APRIL 2015 & 2014		10,395,593	8,926,192
FUNDS AS AT 31 MARCH 2016 & 2015		11,240,299	10,395,593

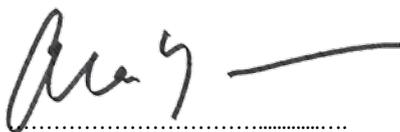
BALANCE SHEETS

As at 31 March 2016

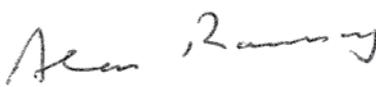
	Note	GROUP		CHARITY
		2016	2015	2016
		£	£	£
FIXED ASSETS				
Tangible assets	8	117,539	157,990	117,539
Intangible assets	8	335,647	-	335,647
Investments	8	4,516,407	4,628,220	4,616,407
		<u>4,969,593</u>	<u>4,786,210</u>	<u>5,069,593</u>
CURRENT ASSETS				
Stock		38,477	27,848	38,477
Debtors: amounts falling due after one year		1,148,628	-	1,148,628
Debtors: amounts falling due within one year	10	2,657,108	2,328,707	2,657,108
Cash at bank and in hand		6,681,854	7,074,643	6,681,854
		<u>10,526,067</u>	<u>9,431,198</u>	<u>10,526,067</u>
CREDITORS: amounts falling due within one year	11	(4,255,361)	(3,821,815)	(4,503,745)
		<u>6,270,706</u>	<u>5,609,383</u>	<u>6,022,322</u>
NET CURRENT ASSETS				
		<u>11,240,299</u>	<u>10,395,593</u>	<u>11,091,915</u>
TOTAL NET ASSETS				
		<u>11,240,299</u>	<u>10,395,593</u>	<u>11,091,915</u>
REPRESENTED BY:				
Unrestricted income fund		<u>11,240,299</u>	<u>10,395,593</u>	<u>11,091,915</u>
		<u>10,392,484</u>	<u>10,392,484</u>	<u>10,392,484</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 7 July 2016.

Signed on behalf of the Board of Trustees:



.....
Sir Alan Yarrow, Chartered FCSI(Hon)
Chairman



.....
Alan Ramsay FCA, FCSI (Hon)
Deputy Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	13	(73,744)	751,062
Cash flows and investing activities			
Dividends, interest and rents from investments	5	92,110	87,134
Purchase of tangible fixed assets	8	(44,995)	(188,852)
Purchase of intangible fixed assets	8	(366,160)	-
Proceeds from sale of investments		-	4,052,183
Purchase of investments, at cost		-	(4,152,183)
Net cash (used in) investing activities		(411,155)	(288,852)
Change in cash and cash equivalents in the reporting period		(392,789)	549,344
Cash and cash equivalents at the beginning of the reporting period		7,074,643	6,525,299
Cash and cash equivalents at the end of the reporting period		6,681,854	7,074,643
Cash in hand		2,131,854	1,169,643
Notice deposits		4,550,000	5,905,000
Increase in cash in the year		6,681,854	7,074,643

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2016

1. CHARITY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparation

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

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

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 up to 31 March 2016 on a line by line basis.

The net movement in funds of the charity for the year was an increase of £844,706 (2015: £1,469,401).

Going Concern

After making enquires, 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 12.

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.

Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £76,045. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided:

	1 April 2014	31 March 2015
	£	£
Fund balances as previously stated	8,973,110	10,471,638
Short term compensated absences	(46,918)	(76,045)
Fund balances as restated	8,926,192	10,395,593

Reconciliation of 2015 surplus for the period

	2015
	£
2015 Surplus as previously stated	1,498,528
Short term compensated absences	(29,127)
2015 surplus as restated	1,469,401

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 5 in the notes to the financial statements.

The functional currency of The Chartered Institute for Securities & Investment and its subsidiaries is considered to be in 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.

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 & telephones	Straight line, over three years
Fixtures and fittings	Straight line, over three years
Leasehold improvements	Straight line, over four 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 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.

Investment in Subsidiary Undertaking

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

Stocks

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

Leases

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

Pension Costs

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

Provisions

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

Taxation

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, with are described in note 1, 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.

Redundancy/Termination Payments

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

3. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

None of the Trustees who served during the year received any emoluments from the charity in the current or prior year, with the exception of the Chairman. The charity's Royal Charter provides for the Chairman to be remunerated for his services and emoluments totalling £35,000 (2015: £35,000) were paid to the holder of that post during the year.

During the year, nine of the Trustees were reimbursed by the Institute for travel and subsistence expenses incurred; these amounted to £5,024 (2015: six Trustees, £2,107).

Staff costs during the year	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Wages and salaries	5,557,915	5,302,477	5,555,515	5,300,077
Social security costs	447,695	436,070	447,695	435,818
Pension costs	503,111	397,109	503,111	397,109
	<u>6,508,721</u>	<u>6,135,656</u>	<u>6,506,321</u>	<u>6,133,004</u>

During the year there were redundancy or termination payments made which amounted to £35,063. There were no such amounts outstanding at the year end.

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

	2016	2015
	No	No
£60,001 - £70,000	5	4
£70,001 - £80,000	2	2
£80,001 - £90,000	3	2
£90,000 - £100,000	3	-
£100,001 - £110,000	-	1
£130,001 - £140,000	-	1
£140,000 - £150,000	1	-
£150,001 - £160,000	-	1
£300,001 - £310,000	-	1
£320,000 - £330,000	1	-

The key management personnel of the Charity comprised the Trustees, the Chief Executive, the Global Director of Finance and IT, the Global Director of Learning and the Director of Global Business Development. The total employee benefits of the key management personnel were £671,932 (2015: £806,310)

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

	2016	2015
	No	No
Dissemination & advancement of knowledge	105	92
Ethics	16	14
Consultation & research	30	26
Governance	2	2
	<u>153</u>	<u>134</u>
Operations	32	30
Business development	7	7
Chartered Institute for Securities & Investment (Services) Ltd	1	1
Membership, professional development & marketing	22	19
Qualifications & development (including international)	34	33
Management & administrative support	9	10
	<u>105</u>	<u>100</u>
Overseas staff	38	28
Temporary positions	9	6
	<u>152</u>	<u>134</u>

4. EXPENDITURE

Expenditure includes the following:

	Group	Group
	£	£
Depreciation and amortisation of assets	115,959	89,182
Rentals under operating leases	742,444	812,587
Auditors' remuneration for audit work	26,200	25,700
Auditors' remuneration for other services	6,000	10,550

ANALYSIS OF TOTAL EXPENDITURE

GROUP	Amortisation		Other Direct	Other Support	Total 2015-16	Total 2014-15
	Staff Costs	& Depreciation				
	£	£	£	£	£	£
Charitable activities:						
Dissemination & advancement of knowledge	4,821,427	69,642	2,134,941	1,648,074	8,674,084	7,932,312
Ethics	740,044	16,558	507,605	391,848	1,656,055	1,424,863
Consultation & research	1,428,265	29,759	912,301	704,253	3,074,578	2,830,120
Total	<u>6,989,736</u>	<u>115,959</u>	<u>3,554,847</u>	<u>2,744,175</u>	<u>13,404,717</u>	<u>12,187,295</u>

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 £112,173 (2014-15 £78,723). Governance costs comprise board and committee expenses, audit and legal fees and costs relating to the provision of company secretarial and corporate registration services.

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

Analysis of other support costs:

	Dissemination & advancement of knowledge	Ethics	Consultation & research	Total 2015-16	Total 2014-15
	£	£	£	£	£
Premises	570,668	135,682	243,857	950,207	906,282
Printing, postage & stationery	114,655	27,260	48,994	190,909	152,758
Marketing travel & subsistence	5,186	1,233	2,216	8,635	9,106
Irrecoverable VAT	323,440	76,901	138,212	538,553	521,271
Communications & IT	438,472	104,251	187,367	730,090	572,810
Equipment hire	14,923	3,548	6,377	24,848	101,160
Other	180,730	42,973	77,230	300,933	314,455
Total	<u>1,648,074</u>	<u>391,848</u>	<u>704,253</u>	<u>2,744,175</u>	<u>2,577,842</u>

5. INVESTMENT INCOME

	2016 £	2015 £
UK bank interest receivable	92,110	85,449
Dividends receivable	64,882	1,685
	156,992	87,134

6. OTHER INCOME

The figure of other income in the Statement of Financial Activities includes income from regional, social and networking activities of £105,293 (2015: £138,144), consultancy services in Singapore of £34,466 (2015: £27,971), income to defray the costs of the London annual dinner of £18,440 (2015: £21,407), and income relating to the issuance of Statements of Professional Standing of £152,370 (2015: £141,278).

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

Group and Charity	Computer equipment	Fixtures and fittings	Leasehold improvements	Total
Cost	£	£	£	£
As at 31 March 2015	282,282	114,346	497,912	894,540
Additions	11,453	3,146	30,396	44,995
As at 31 March 2016	293,735	117,492	528,308	939,535
Depreciation				
As at 31 March 2015	227,231	89,642	419,677	736,550
Charge for the year	36,551	17,105	31,790	85,446
As at 31 March 2016	263,782	106,747	451,467	821,996
Net book value 31 March 2016	29,953	10,745	76,841	117,539
Net book value 31 March 2015	55,051	24,704	78,235	157,990

INVESTMENTS

	2016		2015	
	Group	Charity	Group	Charity
	£	£	£	£
Balance at market value as at 31 March 2015	4,628,220	4,728,220	4,146,054	4,396,054
Disposals at market value during the year	-	-	(3,738,556)	(3,738,556)
Reinvested income	64,882	64,882	4,152,183	4,152,183
Unrealised gain/(loss)	(176,695)	(176,695)	68,539	68,539
Balance at market value as at 31 March 2016	4,516,407	4,616,407	4,628,220	4,878,220

The Group investment balance represents 17,361 units in CCLA's COIF Charities Investment Fund, 2,170,250 units (2015:2,103,107 units) in Sarasin's Alpha CIF for Endowments, 939,043 units in Jupiter Strategic Reserve, all at market value (combined original cost: £4,552,183, 2015: £4,199,300).

INTANGIBLE FIXED ASSETS

	2016	2015
	£	£
Additions at Cost	366,160	-
Amortisation during the year	(30,513)	-
Balance as at 31 March 2016	335,647	-

The addition during the year was the purchase of the membership and intellectual property of the Institute of Financial Planners.

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. During the year the subsidiary underwent a capital reduction and has reduced its share capital to £100,000 from the previous level of £250,000.

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), and in Dubai (15 July 2009). 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 and Securities & Investment Institute (China) received its WOFE (wholly owned foreign enterprise) licence in January 2008, but does not currently trade.

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

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

The Company is in the process of setting up a representative sales office in the Philippines.

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

Institute of Wealth Management Ltd

The Compliance Institute

Both 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.

Chartered Institute for Securities & Investment (Services) Ltd	Investment in Subsidiary	
	£	
Cost at 31 March 2015 and 31 March 2016		500,000
Provision for impairment at 31 March 2015		250,000
Impairment provision in a year		150,000
Provision for impairment at 31 March 2016		400,000
Net book value at 31 March 2016		100,000
Net book value at 31 March 2015		250,000
For the year ended 31 March 2015, the subsidiary's profit and loss account showed:	2016	2015
	£	£
Income	40,737	24,699
Expenses	44,202	33,010
(Loss) for the year before taxation	(3,465)	(8,311)
Its balance sheet showed:		
Current assets	249,644	253,109
Current liabilities	-	-
Funds	249,644	253,109

For the year ended 31 March 2016, the subsidiary made no donation under gift aid (2015: Nil).

10. DEBTORS

	2016		2015	
	Group £	Charity £	Group £	Charity £
Trade debtors	1,981,003	1,981,003	1,775,805	1,775,805
Other debtors	32,167	32,167	129,964	129,964
Prepayments and accrued income	505,277	505,277	422,938	422,938
Other Taxes	138,661	138,661	-	-
	2,657,108	2,657,108	2,328,707	2,328,707

Debtors due in more than one year comprises a lessor's deposit on the Charity's new premises at 20 Fenchurch Street of £1,148,628.

11. CREDITORS

Amounts falling due within one year

	2016		2015	
	Group £	Charity £	Group £	Charity £
Subscriptions received in advance	1,166,534	1,166,534	739,437	739,437
Trade creditors	81,360	81,360	44,778	4,778
Other taxes and social security	369,975	369,975	337,201	337,201
Other creditors	84,488	84,488	113,218	113,218
Accruals and deferred income	2,553,004	2,553,004	2,587,181	2,587,181
Amounts owed to subsidiary undertaking	-	248,384	-	251,824
	4,255,361	4,503,745	3,821,815	4,073,639

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

	Balance brought forward at 1 April 2015	Received during the year	Balance carried forward at 31 March 2016	Income recognised during year
	£	£	£	£
Membership subscriptions (including received from students)	861,937	4,563,198	1,337,179	4,087,956
Qualifications & development	738,554	6,518,066	708,610	6,548,010
Publications & conferences	76,143	3,236,271	21,093	3,291,321
Other income	-	341,839	-	341,839
	1,676,634	14,659,374	2,066,882	14,269,126

12. FINANCIAL COMMITMENTS

Operating lease commitments

Future minimum operating lease payments are as follows:

	2016	2015
	Land and Buildings £	Land and Buildings £
Within one year	1,835,331	855,084
Between one and five years	4,727,609	1,410,248
Over than 5 years	5,333,399	420,118

During the year the Charity spent a total of £742,444 on operating lease commitments.

13. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities) Adjustments for:		
Dividends, Interest and rents from investments	956,519	1,087,235
Depreciation	(92,110)	(87,134)
Increase in stocks	115,959	89,182
Increase in debtors	(10,629)	(15,672)
Increase in creditors	(1,477,029)	(898,960)
	433,546	576,411
Net cash (used in)/provided by operating activities	(73,744)	751,062

14. JOINT VENTURE

Chartered Institute for Securities & Investment has a 50% holding in Investing In Integrity Limited, which was incorporated in England and Wales. The total cost of this investment is £5,000. That company's principal activity is the promotion of integrity in business practices by the granting of a charter mark to approved organisations. The company's result for the year was a profit after taxation of £2,369.

15. RELATED PARTY TRANSACTIONS

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

In 2015/16 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 (2014/15: £2,652).

At the year end the charity owed CISI Services Limited £248,384 (2014/15 £251,824).

During the year, the Charity paid expenses on behalf of its overseas offices totalling £808,477. It supplied exams and related products valued at £54,393. At the year end the Charity was owed £991,093 by Chartered Institute for Securities and Investment (Singapore) Pte. Ltd.

16. FINANCIAL INSTRUMENTS

	2016		2015	
	Group £	Charity £	Group £	Charity £
Carrying amount of financial assets/liabilities				
Financial assets that are measured at amortised cost	9,863,809	8,898,476	9,963,809	9,148,476
Financial liabilities that are measured at amortised cost	(1,804,369)	(1,909,150)	(1,804,369)	(1,909,150)
Financial assets measured at fair value through the Statement of Financial Activities	4,516,407	4,628,220	4,516,407	4,628,220



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