

Responsible Banking
**ANNUAL
REPORT
2020**

Chartered Banker



Foreword by President of the Chartered Banker Institute, Bill McCall	3
The Institute in Numbers	5
Trustees' Report	6
The Role of the Chartered Banker Institute	7
Learning and Assessment	8
Engaging with our Members	12
Building Influence	16
Building Capability at the Institute	17
Financial Review and Results	18
Future Plans	20
Legal and Administrative Information	22
Structure, Governance and Management	24
Trustee Selection, Appointment and Competence	25
Trustees' Responsibilities Statements	29
Independent Auditor's Report	30
Statement of Financial Activities	33
Balance Sheet	35
Statement of Cash Flows	37
Notes to the Financial Statements	39

Foreword

by *Bill McCall FCBI*



The week before I was appointed President in June 2019, the headline in a broadsheet newspaper pointed to trouble ahead and reminded me that I'm part of a long line of Presidents who will become past Presidents in due course.

As I said in my opening remarks at last year's AGM in June 2019, choppy waters in our economy were overdue and a correction of sorts in financial markets too. However, none of us could have anticipated the scale of the global challenges we now face.

One of the key strengths of this Institute of ours, the oldest banking institute in the world, is our resilience, and that of course, is testament to our people. Over almost one-and-a-half centuries, the Institute has borne witness to wars, rationing, epidemics and more than a few financial shocks, and as we now face the Covid-19 pandemic, I am sure that we will once again rise to the challenge of supporting our members, staff, customers and the wider economy both in the short and longer term.

Throughout the decade that I've served on Council and now on the Board of Trustees, I've come to appreciate that our Executive and wider staff team are some of the most

dedicated and diligent people I've ever had the pleasure of working alongside, in a career which has included Chairing some 60 companies. I am extremely honoured and proud to be the current President of an Institute whose demographic, diversity and talent reflect the banking profession of today.

We undoubtedly find ourselves in a very different world from that of June 2019 (when I addressed last year's AGM). However, our professional qualifications and standards remain a differentiator for us, and the three key areas of focus I highlighted at that time, remain highly relevant to our 2025 plan, which our Board, Executive and wider staff teams and supporting banks are working hard to deliver, with your help. These areas of focus are:



I have a huge amount of respect for learning from the lessons of the past, while recognising that the future will demand different solutions.



- 1. Advancing our Royal Charter Mission:** Ensuring the direction of travel that continues to educate and promote professionalism in our profession is key, so I'm delighted to see how our new *Royal Charter* has successfully modernised our Institute's governance. In June 2019, our former Governing Council structure was replaced by a new Board of Trustees. And importantly, a newly created Membership Forum was also established, which is a true reflection of the 30,000 members we collectively are, in the UK and worldwide. Crucially, this Forum is providing a pulse-beat analysis from our members.
- 2. International Influence and Collaboration:** We have been building this through our partnerships with professional bodies in Australia, the Bahamas, Hong Kong, India, Ireland, Malaysia, Malta, New Zealand and Pakistan, and continuing to do so will remain a key focus of the Institute. We are now proud to have both student and professionally qualified members in over 100 countries across the globe, all of whom share a commitment to the *Chartered Banker Code of Professional Conduct*.
- 3. Green Finance Initiatives:** Given the importance of sustainable finance, underscored by the United Nations and the Governor of the Bank of England, among other central bankers, we will continue to stand full square behind the development of this.

After launching the *Green Finance Certificate™*, the world's first benchmark qualification for green finance professionals, in 2018, we were one of the first organisations to endorse the *UN Principles for Responsible Banking*. We continue to promote the *Principles* to our members, and through our international networks.

Foreword by President of the Chartered Banker Institute, Bill McCall FCBI *Continued*

We have also been leading the formation of the *Green Finance Education Charter* (to be launched in Summer 2020). The *Charter* represents a significant commitment from national and international professional bodies to integrate green finance and sustainability into their core curricula, new qualifications and continued professional development (CPD) of members. I hope and indeed expect that in due course, so called 'green finance', will simply become mainstream.

In the year ended, we have also made considerable efforts to update and extend our qualification offering. We relaunched our *Professional Banker Certificate (PBC)*, the Institute's flagship introductory banking certificate. Our new *PBC* supports the emerging needs of banks and bankers in the digital era. We also expanded our qualification offering by launching *Chartered Banker by Experience* for experienced banking professionals, as a flexible, accelerated yet rigorous route to the highly sought after Chartered Banker status.

In the Autumn of 2019, the final of our annual Young Banker of the Year competition was held at the Mansion House in London, with Sarah Walker from Santander winning both the main prize, and the audience prize. Sarah's winning idea *MyDebtAdvisor* is an app that helps people to reduce their debt more quickly and minimise interest paid. Sarah's idea also demonstrates, in a very practical way, the social purpose of banking, helping to reconnect banks and society.

Through the work of the Chartered Body Alliance (the Alliance), with our counterparts at the Chartered Insurance Institute (CII) and the Chartered Institute for Securities and Investments (CISI), we have continued to raise the profile of Chartered status to financial services professionals and

other key stakeholders. The fact that all three CEOs have been sitting on H.M. Treasury's Financial Services Skills Taskforce (FSST) and the Financial Conduct Authority's (FCA) Purpose in Financial Services Working Group for the past year, demonstrates the rising influence of the Alliance, which culminated in the publishing of a *Final Report* by the FSST earlier this year and an *FCA essay series on purpose*, featuring both an Alliance and an Institute essay.

The Alliance is crucial to our reach and impact with regulators and policymakers, evidenced by the considerable efforts of the Alliance to persuade and challenge the FCA in respect to the upcoming *FCA Directory of Individuals*, which will now include reference to their respective professional standing and affiliation to accredited bodies, of which we are one.

To complement this, as part of our commitment to improving public trust in the sector, the Institute has launched a new *Register of Banking Professionals*. The *Register* has been designed to provide basic confirmation as to the professional standing of Institute members, including whether they have any approved status (qualified in retail investment advice or mortgage advice). The service has been warmly welcomed by the FCA and we hope that the public, and members, will find it simple to use.

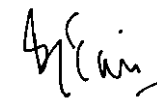
Finally, to return to Covid-19, which is at the time of writing, dominating the news agenda – those choppy waters are with us, and uncertainty is all around for now. At some point, hopefully in the not too distant future, our focus will shift to mitigating and recovering from the financial impacts of the pandemic. Banks and bankers will play a key role alongside government to help rebuild businesses, communities and personal finances.

Our sector, and our banking profession, is comprised of thoughtful, purposeful individuals, the overwhelming majority of whom (whether in the mutual or for-profit sector) come to work every day with the desire to support customers, their families and their businesses. Financial services professionals are collectively ready to play their part and show how much they care for society, and it's vital that we, as an Institute, support those engaged in this mammoth task, taking the necessary decisions to keep our people safe and providing for our members.

Our Institute has been through much and will deal with current challenges just as our predecessors have. I have a huge amount of respect for learning from the lessons of the past, while recognising that the future will demand different solutions.

My final words should be for the Institute staff, I could not be prouder to be your President and would like to offer our collective thanks for the significant effort you put into our Institute.

Bill McCall, FCBI



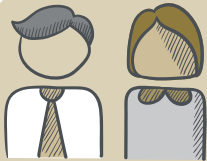
More Info: If you have any further questions about this *Annual Report* or anything relating to the Institute, please don't hesitate to get in touch with us at: info@charteredbanker.com

THE INSTITUTE IN NUMBERS

2019-2020

30,428

30,428 members
48% male and
52% female



9,424

9,424 new and
continuing learners
currently working
towards an Institute
qualification



6,620

6,620 assessments
undertaken



614
apprenticeship
enrolments



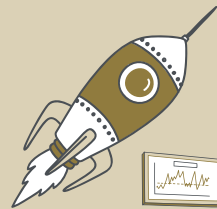
3,736 qualification
completions



Young Banker
of the Year
competition
revised with
a sustainable
focus



New exam
delivery
with remote
proctoring



Launched
the new
*Professional
Banker
Certificate*



*Green
Finance
Certificate™*
has been
updated



Opportunities
for members:
over 60 online
and face-to-
face events



We work in over
100 countries
over 6 continents



654 students
from 15
university
partners



6,522 new
learners
enrolled to
study in 2019





Responsible Banking

Trustees' Report

The Role of the Chartered Banker Institute

Responsible Banking for Professional Bankers

Our Institute – the first Institute of bankers in the world – was founded in 1875, over 145 years ago. In December 2018, we received a new, supplementary Royal Charter from HM The Queen, establishing ourselves as the Chartered Banker Institute, the UK’s professional body for bankers with growing global impact and influence.

Becoming the Chartered Banker Institute provides us with an excellent opportunity to ensure we remain relevant to bankers across the UK and beyond, and gives our growing membership a new, global identity linked by a common commitment to high standards of professionalism in banking.

The objectives for which the Institute is constituted are set out in our *Royal Charter* as follows:

- To encourage the highest standards of professionalism and conduct amongst its members in the public interest;
- To improve and extend the knowledge and expertise of those engaged in banking and financial services;
- To conduct examinations and promote the continued study of banking and financial services in all their aspects and to award certificates to candidates who meet the standards laid down by the Institute;
- To establish links and to co-operate with other professional or educational bodies with a view to the pursuit of common objectives and to represent the banking profession both nationally and internationally.

Governance Changes

Our new *Royal Charter* modernised our Institute’s governance and, in June 2019, we welcomed a new Board of Trustees. The Board is responsible for the overall governance, strategic direction and functioning of the

Institute as set out in the Institute’s *Royal Charter, Rules and Regulations*, and its *Terms of Reference*. The Board is also responsible for ensuring the Institute’s activities are compatible with its charitable aims, and that the Institute complies with relevant legislative and regulatory requirements.

Last year also saw the introduction of the Institute’s new Membership Forum, which provides an opportunity for a large and diverse group of members to help shape the strategy and activities of the Institute.

Professional Standards

The Chartered Banker Professional Standards Board (CB:PSB) was conceived in 2008 against the backdrop of the global financial crisis. Prompted by the Institute, and Dame Susan Rice (CB:PSB Chair since its inception), Chairmen and CEOs agreed the need to work collectively to rebuild banking on a solid foundation of ethical professionalism. A decade later, the CB:PSB has delivered considerable success, including:





- A common *Code of Conduct* that covers around 600,000 individuals globally
- The *CB:PSB Foundation Standard*, the largest professionalism programme in modern banking, which was met and re-validated 845,548 times between 2013 and 2017
- The *Foundation Standard*, which 163,448 members met in 2018 (demonstrating its longevity and continuing appeal)
- An open architecture approach, which recognises the range of professional qualifications, pathways and providers that exist in banking.

Taking advantage of the opportunity provided by the new supplementary *Charter*, the work of the CB:PSB was transitioned into the Institute in June 2019, as CB:PSB

member banks recognised that working with the Institute was now the most effective way to continue to enhance and sustain professionalism in banking.

Finally, in this arena in 2019, we also launched our new *Corporate Chartered Framework*. The *Framework* recognises banks that invest in the professionalism of their people and brings standards together with professional qualifications, CPD, peer networking and membership to provide seamless professional progression recognising both individuals and institutions.

About us

 <p>First year as the Chartered Banker Institute under new <i>Royal Charter</i></p>	 <p>Membership locations hubs around the world</p>
 <p>30,428 members – 48% male and 52% female</p>	 <p>New Membership Forum</p>

Learning and Assessment



With constant advances in technology and customer expectations, we continually review our framework of digital qualifications to ensure that they meet the ever-changing needs of the modern professional banker. Highlights of our 2019 advancements include the following...

The Advanced Diploma in Banking and Leadership in a Digital Age

Leading to Chartered status, the *Advanced Diploma in Banking and Leadership in a Digital Age* is the Institute's gold standard qualification. Developed by industry experts and informed by student feedback, the syllabus blends core

banking skills with a technological edge, to help students develop the strategic judgement and expertise required when working in a digital age.

Each module within the *Advanced Diploma* is delivered via an interactive study guide, accessible online, which breaks the learning into bite-size units, offering a structured pathway for learners. At the end of each unit, students can complete an online knowledge check and receive feedback on their responses to confirm their understanding of key ideas.

A particular highlight of 2019 was the launch of each *Advanced Diploma* module as a qualification in its own right, resulting in the provision of five new qualifications:

- *Certificate in Bank Strategy, Operations and Technology*
- *Certificate in Bank Risk Management*
- *Certificate in Professionalism and Ethics*
- *Certificate in Personal and Private Banking*
- *Certificate in Commercial Lending*.

The *Certificates* give learners the flexibility to develop their skills in a core aspect of banking, and all credits attained by completing individual certificates can be used towards the full *Advanced Diploma in Banking and Leadership in a Digital Age*.

Professional Banker Certificate

October 2019 saw the launch of our new version of the *Professional Banker Certificate* (PBC), the Institute's flagship introductory banking qualification. The programme of study that leads to the award of *PBC* has been renamed *Professional and Responsible Banking in a Digital Age* to better reflect its purpose and new content, which includes information on:

- The *UN Principles for Responsible Banking*
- What it means to be a professional in banking today
- The forces that are transforming the way we bank
- How banks are responding to meet the changing expectations of customers in an increasingly competitive environment
- The study and practice of core banking principles
- Responsible and sustainable banking.

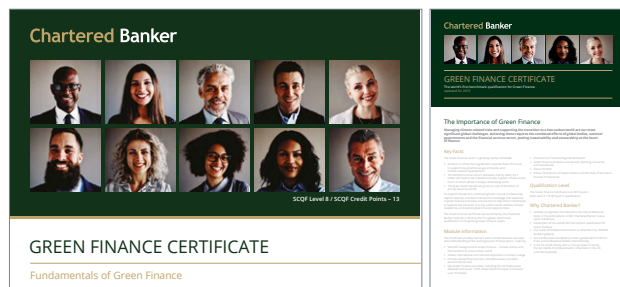
The aim of the programme is to develop the learner's knowledge, understanding and skills relating to the business of banking in a digital age, so that they will be better able to apply those principles to help their bank deliver its strategy; perform well at work and serve customers, communities, and the wider environment well.

The programme is delivered online through our Learning Management System (LMS), which means that students can access the learning materials anywhere, anytime. Resources include:

- An interactive study guide for core reading and learning activities
- Interactive e-learning modules and quizzes
- Case studies, online resources and videos
- Recommended further reading
- Online knowledge checks, with feedback on responses to enhance learning and help students prepare for their exam.

Learning and Assessment

Continued



Green Finance Certificate™

Managing climate-related risks and supporting the transition to a low-carbon world are our most significant global challenges. Addressing these requires the combined efforts of global bodies, national governments and the financial services sector, putting sustainability and stewardship at the heart of finance. To support the sector's continued growth, finance professionals need to develop and demonstrate the knowledge and expertise of green finance principles and practice. This will help to direct investments to support the transition to a low-carbon world; address climate-related risk and explore green finance opportunities.

Originally launched in 2018, our *Green Finance Certificate™* is the first global, benchmark qualification for the growing green finance sector. In 2019, we updated it to further develop financial services professionals' knowledge of the principles and practice of green finance, as well as the science behind it. This year, we will be launching a 2020 version of our green finance qualification – the *Certificate in Green and Sustainable Finance* – to ensure it continues to be up to date and relevant for our members and client banks.

Supported by *Principles and Practice of Green Finance*, the world's first *Green Finance Practitioner Guide*, the *Green Finance Certificate™* is delivered through our LMS via an online study guide that breaks up learning into bite-size units. The interactive e-learning modules include audio, video and short learning activities, and each unit is followed by a short concept-check test to ensure understanding of the material.

Experiential Route to Chartered Banker

Launched in the summer of 2018, our experiential route to Chartered Banker membership status – *Chartered Banker by Experience* – continues to prove popular, attracting new students both in the UK and internationally.

Chartered Banker by Experience provides the opportunity for experienced professionals to reflect on, and gain recognition for, their expertise, experience, and contribution to banking. It also allows them to consider how their career in banking and personal and professional development, can be shaped by participating in this programme – an accelerated and flexible, yet rigorous, route to becoming a qualified Chartered Banker.

Following successful pre-screening, candidates complete:

- A critical self-evaluation
- A professional ethics assignment
- A presentation
- Professional discussion.

They are supported and guided through the programme by our experienced assessors.

Apprenticeships

Apprenticeships in the UK offer a combination of work experience and structured learning, making them an attractive opportunity for both employers and individuals.

The Institute is proud to have been closely involved with the development of current apprenticeships.

- We support/participate in the Financial Services Advisory Board (FISAB) Apprenticeship workstream with financial services employers and Skills Development Scotland (SDS) to identify improvements; make recommendations for change and simplify/tailor the apprenticeship system for financial services employers.
- We are involved in the UK Chancellor's Financial Services Skills Taskforce (FSST).
- We are involved in the Scottish Apprenticeship Advisory Board (SAAB)'s Standards and Framework group with cross-sectoral employers and leading Scottish skills agencies.

We are involved in the review of the Scottish Providing Financial Services Framework, with financial services employers and other key stakeholders.

We co-ordinated the production of an England/Scotland Apprenticeship Translation Tool and a report on the findings on behalf of seven financial services organisations. The Chartered Banker Institute is both a Professional Qualification Provider and an End-Point Assessment Organisation (EPAO) within the Apprenticeships Framework.

Learning and Assessment

Continued

Five of our professional qualifications are approved for use within the UK Apprenticeship Standards. These are:

- *Professional Banker Certificate* (in Scotland only)
- *Professional Banker Diploma*
- *Certificate in Complaint Handling*
- *Associate Chartered Banker Diploma*
- *Advanced Diploma in Banking and Leadership in a Digital Age*.

We work collaboratively with banks and training providers to offer advice and guidance relating to our professional qualifications during the development phase of apprenticeship provision.

End-Point Assessment

As an approved End-Point Assessment Organisation (EPAO), the Institute carries out the End-Point Assessment for the following standards:

- *Level 2 Financial Services Customer Adviser*
- *Level 3 Senior Financial Services Customer Adviser*
- *Level 6 Relationship Manager (Banking)*
- *Level 7 Senior Investment/Commercial Banking Professional*.

We support employers and training providers in administering apprenticeships by providing:

- Advice on the type and format of evidence and portfolio required for the End-Point Assessment
- Review of Gateway Assessment processes
- Formal End-Point Assessment
- Independent assurance that apprentices have successfully completed all components of an apprenticeship.

We are keen to drive forward our End-Point Assessment

service in 2020 to achieve new business and strengthen current relationships.

Accreditation and Certification

Our accredited routes and bespoke pathways developed for individual banks are core to the work we do with UK banking groups and are used towards gaining professional qualifications. During the financial year, 2,368 individuals attained the *Professional Banker Certificate* via accredited and bespoke routes.

This is a clear demonstration of the value placed on our external validation of the quality of internal learning programmes, both by banks and individual learners.

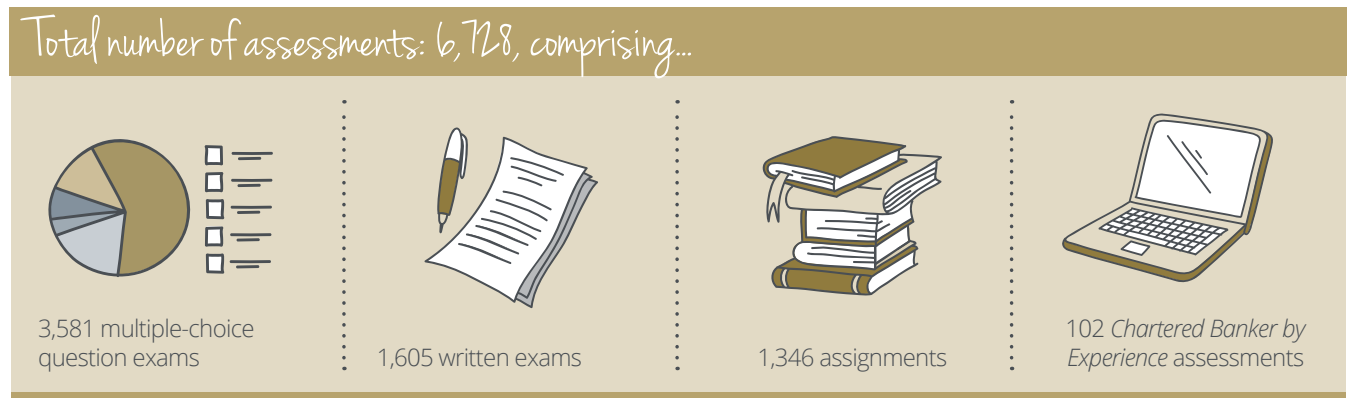
Our International Work

Our strategic work with the Financial Services Institute of Australasia (FINSIA) has been a major focus over the past

year, with significant qualification developments. *Professional Banker Fundamentals*, the entry level qualification, had a refresh and the range of intermediate technical modules available to achieve *Certified Professional Banker* status was widened to include business lending, personal lending and risk management.



At the advanced qualification level, 2019 saw the launch of the *Chartered Banker Diploma* featuring Australian-oriented content, derived from our flagship *Advanced Diploma in Banking and Leadership in a Digital Age*. Australian bankers have also embraced the *Chartered Banker by Experience* qualification.



Learning and Assessment

Continued



We also continued our close engagement with the Asian Institute of Chartered Bankers (AICB) in Malaysia, through educational development consultancy, examination delivery and collaborative qualifications delivery.

AICB offers a varied range of qualifications, associated membership services including CPD, and networking and industry-wide conferences. An intense period of development through to 2021 will see the introduction of a new qualification framework, new membership and customer relationship management systems, as well as a move to new purpose-built premises.

The *Chartered Banker MBA*, delivered in partnership with Bangor University, remains popular, with students from over 80 countries. Likewise, our relationship with our colleagues in the Institute of Banking in Ireland is strong, with over 596 Chartered Bankers registered as international members.

International partnership arrangements have been set up in countries including Portugal, Hong Kong and Singapore. Building on the *Memorandum of Understanding* between the City of London Corporation and the Monetary Authority of Singapore to deepen collaboration in financial services, we have been working with the Institute of Banking & Finance in Singapore to accredit and launch the *Green Finance Certificate*TM.

UK Academic Partnerships

In the UK, 10 universities are now recognised as Centres of Excellence, with the welcome addition of the University of St Andrews in 2019.



The Centres of Excellence scheme enables appropriate degrees to be formally accredited, offering accelerated pathways to qualifications or to the award of membership status. To meet the Centre of Excellence criteria, a university must have a relevant banking and finance degree accredited against the *Advanced Diploma in Banking and Leadership in a Digital Age*; host jointly branded professional networking events and collaborate on areas of research which are of interest to our membership.

A further five universities are recognised as Accredited Universities by having accredited programmes, with Cranfield School of Management and Coventry University added in 2019. Over 275 students are currently undertaking accredited programmes and progressing through their studies.



Engaging with our Members



Over the last year, the Institute has been working to establish and develop its new Membership Forum. This is an advisory group, responsible for representing members and ensuring their views are appropriately reflected in the direction and activities of the Institute. Following the recruitment process, we brought together 31 individuals based both in the UK and internationally, representing a broad cross-section of the Institute membership. The Forum has already discussed a range of issues, including the public interest role of the Institute, future skills requirements and building new employer-based networks for member engagement.

Continuing Professional Development

Over the last year we have retained our member-centric focus in relation to development, delivery methods and accessibility for continuing professional development (CPD) content. We have also been working to make greater use of the Institute's Learning Management System (LMS).

A tailored CPD programme, focused on professionalism and ethics, was launched in 2019 to a 'large-scale' membership population of 9,000 individuals. This was well received and scored strongly on role-relevance and on delivering benefits to customers. We have also developed a follow-up programme for 2020, which was launched in January.

The Institute's *e-CC toolkit* has been expanded and enhanced with the addition of new resources relating to vulnerable customers and ethical issues in banking and technology. We've also added the new *Ethics Assessment*, a short course which aims to provide members with the confidence to apply the Institute's *Code of Professional Conduct* to different aspects of their working practice.

The *e-CPD toolkit* (our leadership, management and personal development resources toolkit) has also been regularly updated with topical content. In total, more than 11,000 resources have been accessed across the *e-CC* and *e-CPD toolkits* in the past year.

The Institute's *BrightTALK* channel now hosts 49 on-demand webcasts covering a wide range of topics. These have gained over 4,600 subscribers and attract organic views of around 48% compared to the platform average of 17% – a strong indicator of content relevance. New content added this year includes a focus on promoting integrity in organisations, protecting vulnerable customers and how to help women and girls improve their financial futures.

Following feedback from our Professional Financial Adviser members, the Institute has moved to Competent Adviser (CA) for the provision of specialist CPD resources to regulated financial advisers. CA has developed innovative

tools to help users assess and maintain their competence, and its reporting suite can also provide the evidence required by members to demonstrate compliance with the sector's regulatory requirements.

2025 Foundation

During 2019 we continued to promote and develop the work of the 2025 Foundation, which aims to provide young people and individuals historically under-represented in the banking profession with opportunities to pursue a career in banking. These include individuals from minority groups and specific socio-economic backgrounds who would not normally consider a career in the banking profession. Put simply, the Foundation's aim is to change lives.

To date, the Foundation has raised approximately £220,000, and our first small group of scholars who we are supporting through their university education, has been on-boarded through our partnership with the Robertson Trust. Our intention is to support another group of a similar or larger number from the start of the 2020-21 academic year.

We are also currently in the process of trying to establish a partnership with another charitable foundation and a group of banks, through which the 2025 Foundation will help co-fund an established programme for 17-18 year-olds and tailor this for the banking sector (including the addition of banking qualifications and mentoring from the 2025 Foundation).

Engaging with our Members

Continued

Member Communications and Research

In addition to the work with the Membership Forum, the Institute published the results of its 2019 *Diversity and Progression Report*, conducted in partnership with The Finance Foundation. This revealed that for men and women working in financial services, there are clear opportunities for progression, according to 70% of respondents.

However, for ethnic minority respondents, only half agreed that they had a good access to progression in the industry, with over 40% identifying unconscious bias as the leading issue that needs tackling, supported by diversity and inclusion training for all staff. As well as career progression, the survey captured the views of Institute members on pay negotiation and transparency, gender and ethnicity.

Additional survey activity looked at volunteering and there was also a piece of research with participants in a large-scale bespoke CPD programme. This indicated that members recognised significant benefits to customers and their own development from participating in CPD.

The Institute's *Chartered Banker* magazine was relaunched in a new quarterly format in 2019, following extensive consultation. Not only was there a complete redesign but also a full content review with new features added, longer more in-depth articles and a greater number of contributions from Institute members, including our *Institute Advocates* series.

The past year also saw the Institute's blog firmly established, with 73 articles posted across the year. The blog features articles that investigate key issues, both in the UK and globally, providing insight into current and topical sector

news, and offering focused reports to support professional development and understanding of wider banking matters. Both our magazine and blog are fully aligned with the Institute's thought leadership plan, which also influences the content of our annual event and webcast programmes.

Digital Transformation

The Institute operates a 'digital first' strategy, which prioritises delivering web-based services for members but also requires us to look differently at everything we do. By focusing on simplification and automation, wherever possible, we aim to build capacity within the organisation but above all to find opportunities to enhance the member experience.

One of the most significant projects undertaken so far has been the establishment of a new partnership with Pearson VUE for the delivery of our exams across the UK and internationally. Although members saw a smooth transition with very little change to the booking process, the new partnership will allow our members to take their exams in nearly 200 locations across the UK and Ireland, along with a large network internationally. It also offers learners the opportunity to take their exams at home or in the office via remote proctoring.

As part of our commitment to improving public trust in the sector, we were also pleased to launch a new *Register of Banking Professionals* on our website. The *Register* will return basic information about any qualified member eligible for a *Certificate of Professionalism*, showing their grade of membership, the organisation they work for, and whether they have any approved status (qualified in retail investment advice or mortgage advice).



Recognising and Rewarding Emerging Talent

The UK-wide Young Banker of the Year competition, which sees the banking sector put forward its highest calibre of candidates, is always a highlight in the Institute's annual events calendar. Once again, we were extremely impressed by the calibre of entries received in 2019.

The final of the competition returned to London's Mansion House where the finalists included Lauren Fuller and Paul MacLean from the Royal Bank of Scotland, and NatWest's Nika Muller. However, the accolade of Chartered Banker Young Banker of the Year 2019 went to Sarah Walker from Santander.



Engaging with our Members

Continued

Our membership



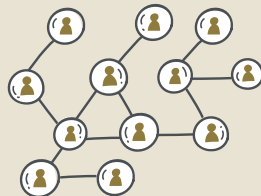
Expanded the Knowledge Hub to include an Institute blog, this resulted in a 20% increase in website visits



A total of 61 live and digital events delivered for members



Live streamed our AGM to members all over the world



Delivered 12 webcasts to an audience of 4,595



Fellowships and Prize Winners – we conferred 3 Fellowships and awarded 9 academic prizes



We also answered the following enquiries from our members:

2,252 webchats

10,731 emails

8,097 calls

Building Influence

Thought Leadership

Thought leadership plays an important role in helping to build the Institute's reputation with key stakeholders and influencers as the voice of responsible and sustainable professionalism. Our four key themes, supporting the overall aims and objectives of the Institute, are:

- Sustainable Banker
- Digital Banker
- Future Banker
- Ethical/Responsible Banker.

During the year, we developed thought leadership in support of all four areas, with highlights including: an FCA blog on *FCA Innovate* and the *Green FinTech Challenge*; our most popular blog, which featured our CEO writing about the *UN Principles for Responsible Banking*; and the most popular resource on our website, a video of an event we held jointly with the Bank of England.

Another key highlight was the publication of our *Sustainable Finance Essay Series* with the Social Market Foundation (SMF) think-tank. The *Essay Series* included a collection of essays from global green finance leaders and received considerable press coverage in the *Financial Times*, *Telegraph* and *CityAM*.

We also published a new *Diversity and Progression Report*, which emphasised the need for behavioural change to support ethnic diversity and progression.

Financial Services Skills Taskforce

Throughout 2019, our CEO sat on the HM Treasury's Financial Services Skills Taskforce (FSST). This concluded in the publishing of a *Final Report* by the FSST in January 2020. Moving forwards, a new skills agency, the Financial Services Skills Commission (FSSC), has been established to carry forward the *Report's* recommendations.

FCA Purpose Workstream

Our CEO led the 'round tables' for the retail banking sector as part of the FCA's Purpose Working Group, which culminated in the publication of the *Transforming Culture in Financial Services – Driving Purposeful Cultures* discussion paper. There was a high level of engagement in this work from across the sector, including representatives from banks, building societies, credit unions, customer groups and a wide range of other stakeholders.

Member Conduct

At the Institute we believe that ensuring our members comply with the Institute's *Code of Professional Conduct* is an important step towards enhancing and sustaining confidence and trust in our profession. To ensure that these standards are upheld, the Institute regretfully initiated disciplinary action against 11 members during the year.

- 10 members, admitted minor breaches of the *Code of Professional Conduct*, were admonished and accepted sanctions imposed by the Institute.
- 1 member was found to have breached the Institute's *Code of Professional Conduct* following investigation by Disciplinary Committees. Appropriate sanctions were applied.

Throughout the year we published:

1 research paper titled *Diversity: Pay, Progression and Gender*

4 special reports

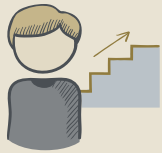
8 podcasts

19 videos

74 blog posts

Building Capability at the Institute

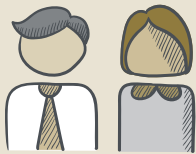
Key stats throughout 2019...



8 colleagues studying Institute qualifications



461 learning hours completed



Gender profile of our people: male 21, female 29

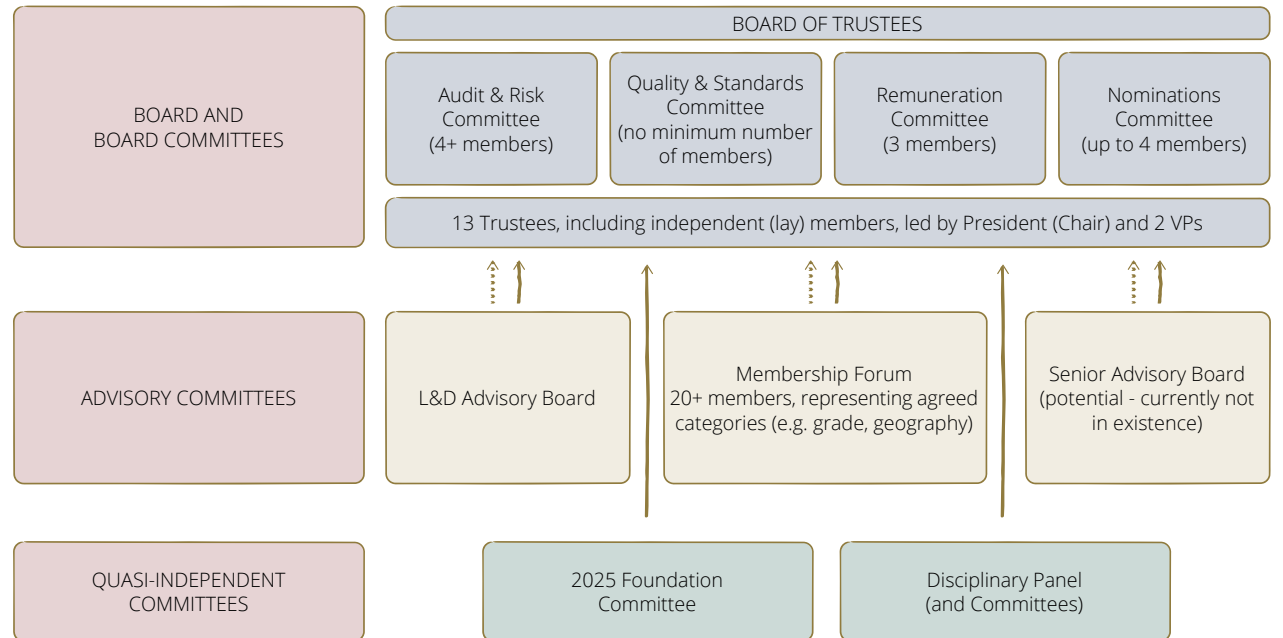


86% response rate on employee engagement survey



Charities supported: Salvation Army, Macmillan Cancer Support, Crisis, SSPCA, Mind

Chartered Banker Institute Governance Overview



Financial Review and Results

During the year ended 29 February 2020, the Institute recorded a turnover of £4.57m (2019: £4.83m).

During the year ended 29 February 2020, the Institute had net outgoing resources of £96,339 (2019: net outgoing resources of £446,045).

The Institute has net assets at 29 February 2020 of £3,273,649 (2019: £3,369,988).

Having built up a strong reserves position in previous years, due to recording significant surpluses, the Institute made significant investments and spending decisions in 2018 and 2019. These mainly supported the development of new qualifications, including the *Advanced Diploma in Banking and Leadership in a Digital Age*, and the *Green Finance Certificate™*, including the capability of staff and technology to deliver these.

Investment Policy

The cash reserves of the Institute are held in interest-bearing accounts. Trustees keep this arrangement under regular review and pay particular attention to the requirements to ensure that sufficient liquidity is maintained to enable the Institute to manage its commitments.

Reserves Policy

The Institute's *Reserves Policy* requires that readily realisable reserves be maintained at a level that ensures the Institute's core activities could continue during a period of unforeseen difficulty. Council considers that readily realisable reserves should normally be maintained to achieve this desired level, at approximately 6 months of expected future total resources expended.

The balance held as unrestricted funds at 29 February 2020 was £3,228,618, of which £1,833,210 is regarded as free reserves, after allowing for funds retained in tangible fixed assets and investments. The Trustees consider the level of free reserves to be sufficient to comply with the *Reserves Policy*.

The Trustees consider the reserve requirements of the restricted funds separately. The income from the restricted CB:PSB funds is generated from support which was pledged until June 2019. The CB:PSB funds retained at 29 February were nil, against an annual spend of £305,850. Other restricted funds retained at 29 February amounted to £45,031 against an annual spend of £900.

Risk Management

As a Chartered, professional body with an objective of raising standards of professionalism in banking, the Institute has a cautious and prudent approach to its activities, seeking to manage for the long term with a low appetite for risk.

Oversight of the Institute's Risk Management policies and procedures, including financial control systems and procedures, is delegated to the Audit and Risk Committee, which has taken over responsibility from the former Audit Committee, and reports to the Board of Trustees on this matter. The former Audit Committee undertook a full review of the governance and management of risk in 2014, creating a new *Risk Register*, risk scoring methodology and *Risk Treatment Plans* for those risks categorised as high. The *Risk Register* and *Risk Treatment Plans* are reviewed by the Audit and Risk Committee at each of their meetings and the annual *Risk Report* is considered by the Board of Trustees.

In line with good practice elsewhere, identifying, monitoring, mitigating and managing risk is fully incorporated into the operational and management processes of the Institute. The Institute's Chief Executive and Directors discuss risk at their regular leadership meetings, where the full *Risk Register* and detailed *Risk Treatment Plans* for risks identified as 'high' are reviewed.

The Institute's new Audit and Risk Committee will review the current approach during 2020, with the intention of enhancing the governance and management of risk still further.

The Audit and Risk Committee believes that, for the current year, the risks identified appear to be appropriate to the Institute's risk appetite, size and the nature of its operations, and that where major risks have been identified, appropriate plans have been made, and are being implemented, to mitigate these as far as possible.



Financial Review and Results

Continued

The Chief Executive, Directors and Trustees have identified the following key risks and uncertainties facing the Institute over the next 12 months...

i) Covid-19

At the time of writing, the Covid-19 pandemic has already had a major impact on banking, business, education and society during 2020, and will likely have a significant impact on the Institute too.

The safety and wellbeing of our members, students, staff and partners is our key priority. Our investments in recent years in remote working, delivery and assessment capabilities, mean that we are able to support colleagues, members and students in working and studying from home, and early indications are that this is proving successful.

We anticipate that the pandemic will impact on student recruitment and progression, particularly in the second half of the year should restrictions on movement and economic activity continue. This may prove particularly challenging for some of our international partners who rely on traditional examination diets and who can't easily switch to remote invigilation.

It will also substantially impact our UK university partners in terms of student recruitment. This could have a significant financial impact on the Institute, and we are planning, therefore, for a wide range of scenarios to make sure that we can continue to support our members, students, staff and partners during challenging times.

ii) Economic Uncertainty and Volatility

A significant and sustained economic downturn would be likely to lead to a fall in student enrolments and Institute membership. To counter this, we adopt a prudent approach to diversification, including increasing international and online enrolments, to seek to mitigate as far as possible any possible downturn. Our digital transformation, optimisation and restructuring, completed during 2019, means we are well-placed compared with peers to cope with a challenging economic environment.

iii) Member Conduct Issues

Unprofessional behaviour by members, particularly members in senior positions in the banking industry, could impact negatively on the Institute's reputation and bring the Institute into disrepute. We continually review regulatory investigations and decisions where they may involve Institute members. In addition to more rigorous disciplinary regulations introduced in 2015, a wide range of resources to help members identify, understand and work through ethical dilemmas has been introduced, and is continually being updated. Further enhanced processes (including interviews) for new Fellowship applications and reinstatements have been introduced to help reinforce appropriate member conduct to an even greater degree.



Future Plans

Each year, the Board of Trustees reviews the strategic purpose and aims of the Institute to ensure they remain relevant and fit for purpose. In September 2019, Trustees reviewed the Institute's five-year *Strategic Plan*, and began the development of the Institute's *Annual Business Plan for 2020-21* to ensure both remain well-aligned to the Institute's *Royal Charter* and strategic purpose, and that the Institute remains relevant and fit for purpose.

The Institute's strategic purpose remains unchanged. It is to lead the re-professionalisation of UK banking, and to play a significant role in re-professionalising banking internationally, contributing through this to rebuilding confidence and trust in banks and bankers, and restoring pride in the banking profession. In support of this purpose, our key aims are to:

Enhance and sustain professional standards in banking

- as the recognised and growing professional standard-setting body for individuals (a) working in UK banking, and, (b) overseas; and
- by growing professional membership and providing initial and continuing professional development to individuals to help them develop and demonstrate professional and technical competence.

Enhance the quality and provision of banking education

- by developing our role as the awarding, accrediting, assessment and certification body for banking education and development programmes in the UK and internationally; and
- by increasing the number of Institute learning partners in the UK and overseas offering high-quality learning and development programmes to help individuals achieve an Institute qualification and professional membership.

Our focus in 2020 will shift slightly, however, with a key priority being to support the continued development of green and sustainable finance, and responsible banking. The UN Climate Change Conference 2020 (COP 26) was due to be held in the UK (in Glasgow) in November 2020 and will now take place in 2021; we will support global and national policymakers and regulators in building green and sustainable finance capability in the UK and internationally through education and training.

The Institute was one of the earliest endorsers of the *UN Principles for Responsible Banking* in September 2019, and we will also embed these, and the *UN Sustainable Development Goals* within relevant education and training programmes, and the Institute's activities more broadly. In our view, **'responsible banking requires professional bankers'**, and this is a key message that we will seek to promote and disseminate throughout the year.

While the Institute's main area of operations remains in and on the UK, we will continue to play a more active role internationally, working both directly overseas and with carefully chosen international partners. Our intention is that by 2023, approximately 60% of our efforts and resources will be focused on the UK, and 40% will be focused internationally.

In addition to our work in Australia and Malaysia, we plan to launch a number of additional partnerships during the year, some focused on green and sustainable finance. The main aim of our international activities with partners and local banking institutions is to gain international recognition for the Institute and the Chartered Banker brand as the global standard-setter for building future banker capability. It will also reduce our dependency on a single national market and help us to maintain our status as an independent and sustainable professional body.

The short-term impacts of Covid-19 may affect our ability to support members, students, banks and our UK and international partners, although our recent investments in remote working, delivery and assessment mean we are in a stronger position than most to continue to deliver education and member services in the UK and globally.

In the longer term, though, we see an important, emerging role for the Institute in helping banks and bankers to support vulnerable customers, communities and businesses to recover and to rebuild lives. We plan to develop a range of educational and other resources for members and students to help them help those who will be most in need during very challenging times. We also plan to adapt these resources and make them available to others who can make use of them.

'The Institute was one of the earliest endorsers of the UN Principles for Responsible Banking in September 2019, and we will also embed these, and the UN Sustainable Development Goals within relevant education and training programmes, and the Institute's activities more broadly.'



Legal and Administrative Information

Chartered Banker Institute is a Charitable Body, number: SC013927. The Institute was founded in 1875 as an unincorporated body. In 1975, it received a Royal Charter of Incorporation, and Supplementary Charters were obtained in 1991 and 2018.

The Institute's principal office is at Drumsheugh House, 38b Drumsheugh Gardens, Edinburgh EH3 7SW. It also has an office at 2nd Floor, Bengal Wing, 9A Devonshire Square, London, EC2M 4YN.

We are grateful to the members of the previous Council of the Institute who helped oversee the successful transition to the Chartered Banker Institute and our new governance model. Council members serving between March and June 2019, when the Council was replaced by the new Board of Trustees, were:

President

R Dickie FCBI (re-elected 15 June 2017) (elected as President 15 June 2017)

Vice Presidents

W McCall FCBI, Chairman, McCall & Partners (re-elected 23 June 2016) (re-elected as Vice President 15 June 2017)

K Falconer FCBI (re-elected 20 June 2015) (re-elected as Vice President 15 June 2017)

S Pateman FCBI, CEO, The Aurora Group (elected 25 June 2015) (elected Vice President 15 June 2017)

Council Elected and Appointed

S Alexander FCBI, Chief Operating Officer, Hampden & Co (elected 23 June 2016)

A Brener FCBI (elected 23 June 2016)

R Bulloch FCBI, Managing Director, Lloyds Bank and Bank of Scotland, Retail (appointed December 2015)

S Gunn, Vice Chair Wheatley Group (appointed 26 June 2014)

I Hardcastle FCBI, (appointed 25 June 2015)

D May FCBI (appointed December 2016)

B McCrindle FCBI (elected 23 June 2016)

G McGregor FCBI, Head of Partner Management, Retail Chief Operating Office, Lloyds Banking Group (re-elected 23 June 2016)

W MacDonald FCBI, Managing Director, Craigcrook Management Services Limited (elected 23 June 2016)

H McKay FCBI (appointed 23 June 2016)

S Thompson FCBI, Chief Executive, Chartered Banker Institute (ex-officio)

S Younger, Chairwoman, Cairn Mhor (re-elected 25 June 2015)

The charity Trustees (otherwise known as members of the Board) at present, together with any others who served in the year, and the committees on which they serve, are:

President

W McCall FCBI, Chairman, McCall & Partners (elected as President 20 June 2019 -2021)

Vice Presidents

S Pateman FCBI, CEO, The Aurora Group (re-elected Vice President 20 June 2019) **ARC**

Lynne Burns FCBI, Head of HR, HSBC UK Bank plc (elected 20 June 2019) **RC, LDB**

Board of Trustees Elected and Appointed

R Bulloch FCBI, Managing Director, Lloyds Bank and Bank of Scotland, Retail (appointed June 2019) **NC, LDB**

S Gunn, Vice Chair, Wheatley Group (appointed 20 June 2019) **LM) RC, ARC**

I Hardcastle FCBI (appointed 20 June 2019) **LDB**

D May FCBI (appointed 20 June 2019) **NC, MF**

B McCrindle FCBI (appointed 20 June 2019) **ARC**

H McKay FCBI (appointed 20 June 2019) **RC, NC**

P Riseborough FCBI, Chief Commercial Officer, Metro Bank (appointed 20 June 2019) **NC, LDB**

Legal and Administrative Information

Continued

P McCormack FCBI (appointed 20 June 2019) **ARC, LDB**

S Pearson FCBI, Senior Business Advisor, Virgin StartUp (appointed 20 June 2019)

S Thompson FCBI, Chief Executive, Chartered Banker Institute (ex-officio)

S Younger, Chairwoman, Cairn Mhor (appointed 20 June 2019) **LM NC QSC**

KEY	
LM	Lay member
ARC	Member of Audit & Risk Committee
LDB	Member of Learning and Development Board
NC	Member of Nominations Committee
QSC	Member of Quality and Standards Committee
RC	Member of Remuneration Committee
MF	Member of Membership Forum

Executive Team

Simon Thompson FCBI (Chief Executive)

Colin Morrison FCBI (Deputy Chief Executive – retired December 2019)

Giles Cuthbert (Managing Director, Chartered Banker Institute)

Joanne Murphy MBA MCBI (Chief Operating Officer)

Agents and Advisors

Auditor: Chiene + Tait LLP, Chartered Accountants and Statutory Auditor, 61 Dublin Street, Edinburgh EH3 6NL

Bankers: Bank of Scotland, 38 St Andrew Square, Edinburgh EH2 2YR

Structure, Governance and Management

In line with the Institute's new supplementary *Charter*, following our June 2019 AGM, the Institute is governed by the Board of Trustees (the charity Trustees) ultimately responsible for the management and administration of the Institute, its property and affairs, except where the *Royal Charter* or *Rules* prescribe that approval is required by the Institute in General Meeting.

Between March and June 2019, the Institute was governed by the previous Council of the Institute who helped oversee the successful transition to the Chartered Banker Institute and our new governance model.

The powers of the Board of Trustees include the ability to appoint from its number such committees as are required for the conduct of business, and to delegate to these committees such powers as it considers appropriate. The main committees and their responsibilities as of 29 February 2019 are:

Audit and Risk Committee: Monitors the integrity of the financial statements of the Institute; reviews and approves the *Annual Report* for recommendation to Council; reviews the effectiveness of the Institute's internal controls and risk management systems and oversees the relationship with the external auditors.

Learning and Development Board: Provides advice and guidance on the design, development and delivery of the Institute's education programmes and approves the structure and content of programmes and any regulations which govern them.

Nominations Committee: Makes recommendations to Council on succession planning for office bearers and Executive positions; makes recommendations on the nomination of new Council members and their subsequent re-appointment; makes recommendations on membership of the Audit and Remuneration Committees; makes recommendations on the recruitment of the Membership Forum.

Quality and Standards Committee: Develops and implements a quality assurance framework and monitors the standards and quality of Institute provision.

Remuneration Committee: Reviews, assesses and recommends to the Executive Committee the level and constituent elements of remuneration to be paid to Institute Directors.

Disciplinary Committee: Adjudicates alleged breaches of the Institute's *Code of Professional Conduct* and imposes any sanctions that might be appropriate. (Members of Disciplinary Committees are chosen from a panel of Fellows, Members and legal professionals, who are not members of the Board of Trustees.)

Membership Forum: Responsible for representing the membership and ensuring that members' views are appropriately reflected in the direction and activities of the Institute. The Membership Forum also plays an important role in promoting the Institute and the benefits of membership within the banking industry.

Each of these committees reports directly to the Board of Trustees, which approves major decisions and has overall responsibility for all the Institute's activities.

In addition, the Institute has established, oversees or supports the work of a number of other bodies, including:

Chartered Banker 2025 Foundation: Established in anticipation of the Chartered Banker Institute's 150th anniversary in 2025 and aligned with the original aims of the Institute: the promotion of education and development of young bankers entering the profession. Chaired by David Thorburn FCBI, a former Institute President, and overseen by a committee of Council members and Fellows, the Foundation aims to raise £1m by 2025 to identify and support talented young people who would benefit from financial and other help to pursue a career in banking.

Committee of Scottish Bankers (CSCB): Formerly the Committee of Scottish Clearing Bankers, the CSCB is an independent association of its member banks governed by an Executive Management Committee, comprising senior representatives of full member banks, and the Institute's Chief Executive. The Institute provides a small secretariat to support the activities of the CSCB under a management contract.

Trustee Selection, Appointment and Competence

The Institute's Rules state that the Board shall consist of up to 11 Trustees who are members of the Institute, plus two or more Independent (lay) Trustees. A Chair and two Vice Chairs are elected by the Institute in General Meeting from among the Trustees. The powers and composition of the Board of Trustees, periods of office, terms of re-appointment and re-election are prescribed in the Rules.

All Trustees are recruited by open selection. The recruitment process is overseen by the Nominations Committee, which proposes Institute members possessing the expertise, experience and skills required. The Nominations Committee publishes its recommendations for appointment to the Board of Trustees in advance of the Annual General Meeting, and all appointments are approved by the Annual General Meeting.

Trustees (including Independent Trustees) hold office for three years from the date of the Annual General Meeting approving their appointment and are eligible for re-election for one further term. Trustees may be re-appointed for a third term when this would enable them to assume the Presidency/Vice-Presidency, or in other exceptional circumstances, subject to the approval of the Nominations Committee and the Annual General Meeting. In March 2020, the Board of Trustees agreed that, in the light of the exceptional circumstances caused by the ongoing Covid-19 pandemic, recruitment of new Trustees to join the Board in June 2020 would be paused and reviewed later in the year. Existing Trustees due to retire from the Board in June

2020 would have their terms of appointment extended until such time as new Trustees could be recruited and inducted.

Any vacancy on the Board arising before the expiry of a Trustee's term of office may be filled by an individual co-opted by the Nominations Committee. The individual thus co-opted shall serve as a Trustee until the date of the Annual General Meeting following their co-option.

New Board members receive an induction pack to acquaint them with the Institute's aims and activities; its policies and practice, management and governance; and also, with what is expected of them as Trustees under charity law, with particular reference to the requirements of *The Charities and Trustee Investment (Scotland) Act 2005* and the guidance issued by the Office of the Scottish Charity Regulator (OSCR).

The Board as a whole and Trustees individually are subject to regular performance reviews, overseen by the Nominations Committee, to encourage and enhance Board and Trustee effectiveness.

Trustee Selection, Appointment and Competence

Continued

Council Attendance in 2019: January – May

		Due for re-election+	Council attendance in 2019
Nominated to represent the Founder Patrons	Robin Bulloch	n/a	
	David May	n/a	
President	Robert Dickie (Jan to May)	n/a	2
Fellow Representatives (elected)	Stuart Alexander	n/a	0
	Alan Brener	n/a	1
	Kerry Falconer	n/a	1
	Ian Hardcastle	n/a	1
	Bill McCall	n/a	2
	Brian McCrindle	n/a	2
	Gary McGregor	n/a	2
	Hugh McKay	n/a	1
	Steve Pateman	n/a	2
	Member Representatives (elected)	William MacDonald	n/a
Lay Members	Sheila Gunn	n/a	1
	Susan Younger	n/a	1
Ex-Officio Members	Simon Thompson	n/a	2

+Council replaced by a new Board of Trustees following the Annual General Meeting in June 2019

Trustee Selection, Appointment and Competence

Continued

Board of Trustees Attendance: June 2019 – February 2020

		Due for re-appointment	Council attendance in 2019
President	Bill McCall (June)	2021	2
Vice Presidents	Steve Pateman	2021	1
	Lynne Burns	2021	1
Board of Trustees	Ian Hardcastle	2021	2
	Brian McCrindle	2020	2
	Hugh McKay	2020	2
	Robin Bulloch	2021	1
	David May	2021	2
	Peter McCormack	2022	2
	Steve Pearson	2020	2
	Paul Riseborough	2022	1
	Sheila Gunn	2021	1
	Susan Younger	2020	2
Ex-Officio Members	Simon Thompson		

Trustee Selection, Appointment and Competence

Continued

Key Management and Remuneration Policy

The Institute considers its key management personnel to be its Chief Executive, Simon Thompson and the following Directors: Colin Morrison, Deputy Chief Executive (retired December 2019), Giles Cuthbert, Managing Director and Joanne Murphy, Chief Operating Officer. The total employment benefits of key management personnel for the year 2019/20 were £559,282.

Remuneration of the Chief Executive and Directors is set by the Institute's Remuneration Committee. The Committee approves the payment of annual bonuses to the Chief Executive and Directors, in line with the *Institute's Discretionary Bonus Policy* applicable to all colleagues, and recommends an appropriate level of annual salary payable to the Chief Executive and Directors, in line with similar roles in similar institutions.

Trustees' Responsibilities Statements

The Board is responsible for preparing the *Annual Report* and the financial statements in accordance with applicable law and *United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)*.

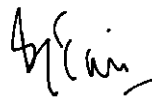
The law applicable to charities in Scotland requires the Board to prepare *financial statements* for each financial year, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the *Charities SORP*
- Make judgements and estimates that are reasonable and prudent
- State whether applicable 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 operation.

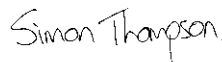
The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the *financial statements*, comply with the *Charities and Trustee Investment (Scotland) Act 2005*, the *Charities Accounts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

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Trustees of the Institute



Bill McCall FCBI, President



Simon Thompson FCBI, Chief Executive

9 May 2020

Responsible Banking

Independent Auditor's Report



Independent Auditor's Report to the Trustees of the Chartered Banker Institute

Opinion

We have audited the accounts of the Chartered Banker Institute for the year ended 29 February 2020, which comprise the *Statement of Financial Activities*, the *Balance Sheet*, the *Statement of Cash Flows* and the notes to the accounts, 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 accounts:

- Give a true and fair view of the state of the Charity's affairs as at 29 February 2020, and of its incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the *Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006*.

Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing (UK) (ISAs (UK))* and applicable law. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the

Accounts' section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- The Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- The Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the accounts are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the *Trustees' Annual Report*, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether there is a material mis-statement in the accounts or a material mis-statement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement 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 (Scotland) Regulations 2006* require us to report to you if, in our opinion:

- The information given in the accounts is inconsistent in any material respect with the *Trustees' Report*; or
- Proper accounting records have not been kept; or
- The accounts are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Trustees of the Chartered Banker Institute

Continued

Responsibilities of Trustees

As explained more fully in the *Trustees' Responsibilities Statement* set out on page 29, the Trustees are responsible for the preparation of accounts which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material mis-statement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the 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 accounts

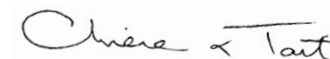
We have been appointed as auditor under *section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005* and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material mis-statement, 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 mis-statement when it exists. Mis-statements 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities (this description forms part of our *Auditor's Report*).

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with *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.



Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

9 May 2020

Chiene + Tait LLP is eligible to act as an auditor in terms of *Section 1212 of the Companies Act 2006*

A woman with long brown hair, wearing a white button-down shirt, is sitting at a desk in an office. She is looking at a laptop screen with a thoughtful expression, resting her chin on her hand which is holding a pair of clear glasses. The background is a bright, out-of-focus office space with windows. A glass of water and an orange are visible on the desk in the foreground.

Responsible Banking

Statement of Financial Activities

Statement of FINANCIAL ACTIVITIES

Statement of financial activities

	Notes	General Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Charitable activities					
		1,077,069	-	1,077,069	737,519
	2	3,214,776	-	3,214,776	3,297,546
	3	2,193	83,332	85,525	521,195
Other Trading Activities					
		30,000	-	30,000	120,000
		156,931	-	156,931	149,669
		-	-	-	-
Investment		5,546	207	5,753	4,896
Other	4	-	-	-	-
Total income	5	4,486,515	83,539	4,570,054	4,830,825
Expenditure on					
Raising funds					
	6	191,848	-	191,848	179,906
Charitable activities					
	6	919,114	-	919,114	579,016
	6	3,060,529	-	3,060,529	3,824,345
	6	187,350	306,750	494,100	693,209
		4,166,993	306,750	4,473,743	5,096,570
Total Expenditure	6	4,358,841	306,750	4,665,591	5,276,476
Net (expenditure)/income and net movement in funds for year before gains and losses on investments		127,675	(223,211)	(95,537)	(445,651)
Unrealised (losses)/gains on investment assets		-	(802)	(802)	(394)
Net expenditure and movement in funds		127,675	(224,013)	(96,339)	(446,045)
Funds Reconciliation					
Total funds at 1 March 2019		3,100,944	269,044	3,369,988	3,816,033
Total funds at 29 February 2020		3,228,618	45,031	3,273,649	3,369,989

All of the charity's activities are continuing. The notes to the accounts on pages 39 to 53 form part of these accounts

Responsible Banking

Balance Sheet



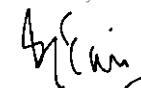
BALANCE SHEET

as at 29 February 2020

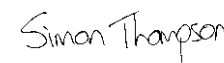
Balance sheet as at 29 February 2020

	Notes	2020 £	2019 £	
Fixed Assets				
Tangible Fixed Assets	9	1,392,215	1,532,654	
Investments	10	3,193	3,996	
		<u>1,395,408</u>	<u>1,536,650</u>	
Current Assets				
Stocks	11	48,625	44,052	
Debtors	12	1,191,888	1,283,477	
Cash and Bank Balances		1,219,973	1,361,838	
		<u>2,460,486</u>	<u>2,689,367</u>	
Current Liabilities				
Creditors	Amounts falling due within one year	13	(582,245)	(856,029)
Net Current Assets		<u>1,878,241</u>	<u>1,833,337</u>	
Net Assets		<u>3,273,649</u>	<u>3,369,988</u>	
The Funds Of The Charity				
Restricted Funds				
Prize Funds	17	22,202	23,698	
Professional Standards Board	17	-	222,518	
Other Restricted Funds	18	22,828	22,828	
Unrestricted Funds				
Accumulated Fund	18	2,388,268	2,262,786	
2025 Foundation	18	206,469	204,276	
Revaluation Reserve	18	633,882	633,882	
Total Charity Funds		<u>3,273,649</u>	<u>3,369,988</u>	

Approved by the Trustees of the Institute and signed on their behalf by:



**Bill McCall FCBI
President**



**Simon Thompson FCBI
Chief Executive**

The notes to the accounts on pages 39 to 53 form part of these accounts.



Responsible Banking

Statement of Cash Flows

Statement of CASH FLOWS

Statement of Cash Flows For the year ended 29 February 2020

	2020 £	2019 £		2019	Cash Flows	Non Cash Changes		2020
			Analysis of Changes in Net Debt	£	£	Finance Leases	Other Changes	£
Cash used in operating activities								
Net movement in funds	(96,339)	(446,045)						
Add depreciation	209,706	218,686	Long-term borrowings	-	-	-	-	-
(Gain)/loss on sale of asset	17,292	-	Short-term borrowings	-	-	-	-	-
(Gain)/loss on sale of heritage asset	-	-	Total liabilities	-	-	-	-	-
Deduct investment income	(5,753)	(4,896)	Cash and cash equivalents	1,361,838	141,865			1,219,973
Add revaluation losses/(gains)	802	394						
Decrease/(Increase) in debtors	91,592	(69,472)	Total net debt	1,361,838	141,865	-	-	1,219,973
(Decrease)/Increase in creditors	(273,784)	(383,665)						
Decrease in stock	(4,573)	25,393						
Net cash used in operating activities	(61,056)	(659,605)						
Cash flows from investing activities								
Purchase of fixed assets	(106,631)	(346,514)						
Proceeds from disposal of fixed asset	20,070	12,971						
Interest and dividends received	5,753	4,896						
Net cash flow used in investing activities	(80,808)	(328,647)						
Decrease in cash and cash equivalents in the year	(141,865)	(988,252)						
Net change in cash and cash equivalents								
Cash and cash equivalents at start of year	1,361,838	2,350,090						
Change in cash and cash equivalents in the year	(141,865)	(988,252)						
Cash and cash equivalents at the end of the year	1,219,973	1,361,838						



Responsible Banking

Notes to the Accounts

Notes to THE ACCOUNTS

Notes to the accounts for the year ended 29 February 2020

1. Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include investments and heritage assets at market value. The financial statements have been prepared in accordance with the revised Statement of Recommended Practice for Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (*Charities SORP* (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Institute's ability to continue as a going concern and are aware of the significant impact that the current Covid-19 pandemic may have on operations. The Trustees are planning for a wide range of scenarios to make sure that the Institute can continue to support its members, students, staff and partners during the current challenging time. The Trustees have reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Taxation

The Institute obtained charitable status for tax purposes in June 1980.

Funds structure

Restricted prize funds, and other restricted funds, are funds which are to be used in accordance with specific restrictions imposed by the donor.

The unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds that have been earmarked for a particular purpose by Council members.

Transfers may be made from unrestricted to restricted funds at the discretion of Trustees.

Further details of each fund are disclosed in *note 19*.

Incoming resources

All incoming resources are included in the *Statement of Financial Activities* when the Institute is entitled to the income, it is probable the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Subscriptions, contributions and educational income are accounted for on an accruals basis, after adjustments for any deferred income which is included in the balance sheet as creditors.
- Sale of publications and Institute gifts is recognised when receivable.
- Investment income is included when receivable.
- Other income, including management fees, is included when receivable.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

1. Accounting Policies – continued

Resources expended

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Raising funds

The cost of raising funds consists of all expenditure associated with generating income.

Charitable activities

The cost of charitable activities comprises all expenditure associated with professional programmes, events, meetings and special projects and publications. The costs include both direct and indirect costs relating to these activities.

Direct costs are allocated on an actual basis to the relevant expense heading.

Allocation of expenditure

Costs directly attributable to the cost of raising funds and charitable activities are allocated to the appropriate activity. Support and governance costs, including staff costs, which cannot be directly attributed to an activity are allocated on the basis of the time spent by staff on each activity. Governance costs comprise all costs involving the public accountability of the Institute and its compliance with regulation and good practice.

Investments

The Institute has an investment pool for its restricted prize funds. The investments in the pool are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The *Statement of Financial Activities* includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Institute is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised and unrealised gains and losses

All gains and losses are taken to the *Statement of Financial Activities* as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the *Statement of Financial Activities*.

Stocks

Stocks of goods for resale are valued at the lower of cost and net realisable value. Provision is made for obsolete or slow moving stock where appropriate.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

1. Accounting Policies – continued

Fixed Assets

Individual assets costing £500 or more are capitalised at cost.

The cost or valuation of fixed assets is written off by annual instalments over the expected useful lives as follows:

- Computer equipment 4 years
- Motor vehicles 4 years (reducing balance)
- Fixtures and fittings 10 years
- Course development costs 4 years

Property

Heritable property is stated at market value.

Depreciation is provided at a rate calculated to write off the cost less the estimated residual value evenly over the expected useful life of 50 years. The estimated residual value is in excess of the cost and consequently there is no charge for depreciation in the current year (2019 - Nil).

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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

Financial instruments

The Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Pensions

The Institute was a member of a multi-employer defined benefit pension scheme which required contributions to be made to a separately administered fund. Membership of this scheme ceased on 31st October 2018. Since October 2006 this scheme has been closed to new entrants and payments on behalf of new employees are made to a defined contribution scheme and charged to the Statement of Financial Activities in the period to which they relate.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

2. Education

	2020 £	2019 £
Enrolment and exemption fees – Chartered Banker and bespoke Certificate course fees, RQF and Short Courses Income	2,950,370	2,945,142
	264,406	352,404
	<u>3,214,776</u>	<u>3,297,546</u>

Income from Education was £3,163,551 (2019:£3,297,546) all of which was unrestricted.

3. Events, meetings and special projects

	2020 £	2019 £
Unrestricted		
2025 Donations	2,193	52,361
	<u>2,193</u>	<u>52,361</u>
Restricted		
CB:PSB	83,332	468,834
	<u>83,332</u>	<u>468,834</u>
Total	<u>85,525</u>	<u>521,195</u>

4. Other

	2019 £	2019 £
Gain on sale of fixed asset	-	-
	<u>-</u>	<u>-</u>

5. Total Income

Unrestricted		
Restricted	4,486,515	4,361,589
	<u>83,539</u>	<u>469,236</u>
Total	<u>4,570,054</u>	<u>4,830,825</u>

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

6. Allocation of governance and support costs

The breakdown of support costs and how these are allocated between governance and other support costs is shown in the table below:

	2020 £ Total Allocated	Governance related	Other Support costs	2019 £ Total
Staff Costs	2,682,846	167,240	2,515,606	2,646,032
Printing, stationery and office expenses	77,517	1,550	75,967	85,833
Postage and telephone	27,036	541	26,495	48,453
Legal fees	15,052	798	14,254	39,933
Bank interest and charges	9,518	190	9,328	9,684
Staff training	28,271	565	27,706	42,013
Motor expenses	1,683	34	1,649	1,926
Irrecoverable VAT	145,462	2,909	142,553	253,970
Computer costs	238,224	4,764	233,460	106,208
Rent paid, rates and insurance	139,812	2,796	137,016	108,270
Light, heating, repairs, cleaning and professional fees	40,294	806	39,488	50,731
Entertainment	8,840	177	8,663	13,229
Travel expenses	141,510	2,830	138,680	179,165
Marketing	101,740	2,035	99,705	186,177
Loss on disposal of fixed assets	17,292	346	16,946	-
PSB Support	12,149	-	12,149	129,720
	3,687,246	187,582	3,499,664	3,901,344
Governance Costs				
			2020	2019
Auditor's remuneration			6,550	6,550
Support and staff costs			187,582	247,815
			194,132	254,365

The total support and staff costs attributable to charitable activities and other trading activities is then apportioned pro rata to the income received as shown below. All governance costs are met from unrestricted funds so no allocation or charge is made to restricted funds for any governance related costs.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

6. Allocation of governance and support costs

			2020 £	2019 £	
Cost of Raising Funds					
Bank contributions			25,818	22,512	
Management fee			154,643	143,587	
Investment Income			2,389	-	
Charitable activities					
Membership subscriptions			677,066	383,667	
Education programmes			2,438,435	2,742,056	
Events, meetings and special projects			395,445	616,072	
			3,693,796	3,907,894	
Total expenditure					
	Other direct £	Staff, support and governance costs £	Dep'n £	Total 2020 £	Total 2019 £
Charitable activities					
Membership subscriptions	191,705	677,066	50,344	919,114	579,016
Education programmes	472,731	2,438,435	150,263	3,061,429	3,824,345
Events, meetings and special projects	97,652	395,445	103	493,200	693,209
	762,088	3,510,946	200,709	4,473,743	5,096,570
Cost of Raising Funds					
Bank contributions	-	25,818	1,402	27,220	28,555
Management fee	-	154,643	7,335	161,979	151,125
Investment Income	-	2,389	259	2,648	226
	-	182,850	8,997	191,847	179,906
Investment management costs	-	-	-	-	-
Total Expenditure	762,088	3,693,796	209,706	4,665,590	5,276,476

In 2020 the expenditure on charitable activities was £4,473,743 (2019:£5,096,570) of which £306,750 (2019:£523,620) was expenditure from restricted funds and £4,166,993 (2019:£4,572,950) was expenditure from unrestricted funds. In 2020 the expenditure on raising funds was £191,848 (2019: £179,906) of which £nil (2019:nil) was from restricted funds and £191,848 (2019: £179,906) from unrestricted funds.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

7. Net Income

	2020 £	2019 £
Net Income is stated after charging / (crediting)		
Auditor's remuneration	6,550	6,550
Depreciation	209,706	218,686
Loss on disposal of assets	17,292	-

8. Analysis of staff costs and remuneration of key personnel

The average number of employees employed by the Institute during the year was 58 (2019: 58)
The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Salaries	2,417,177	2,307,405
Social security costs	235,590	270,239
Other pension costs	30,079	68,388
	<u>2,682,846</u>	<u>2,646,032</u>

In accordance with FRS 102 and the SORP, the key management personnel of the Institute are the Trustees and the senior management; the latter being the Chief Executive and the Directors. The total employment benefits of the Institute's key management personnel was £ 559,282 (2019:£577,866). Included in this amount is one (2019: one) trustee who received total employment benefits of £195,201(2019: £182,229).Trustees expenses reimbursed during the year were £4,084 (2019:£7,481).

Employees

The number of employees whose emoluments fell within each of the following bands is as follows:

	2020	2019
100,000 -110,001	0	1
110,001-120,000	1	1
120,001-130,000	2	1
150,001- 160,000	0	1
190.001-200.000	1	0

The above analysis of emoluments excluded pension contributions of £nil (2019: £55,518) in respect of 4 employees (2019:4) employees.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

9. Fixed Assets

	Property £	Course Development £	Motor Vehicles £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost or valuation						
At 1 March 2019	1,050,000	451,258	120,239	217,435	529,704	2,368,636
Additions	-	72,862	-	-	33,769	106,631
Disposals	-	-	(37,444)	-	(72,077)	(109,521)
At 29 February 2020	1,050,000	524,120	82,795	217,435	491,396	2,365,746
Depreciation						
At 1 March 2019	-	223,916	48,929	213,100	350,037	835,982
Disposals	-	-	(9,361)	-	(62,798)	(72,158)
Charge for the year	-	103,477	10,806	297	95,127	209,706
At 29 February 2020	-	327,393	50,374	213,397	382,367	973,532
Net Book Value						
At 29 February 2020	1,050,000	196,727	32,421	4,038	109,028	1,392,215
At 28 February 2019	1,050,000	227,342	71,310	4,335	179,666	1,532,654

The property at Drumsheugh Gardens, Edinburgh was valued at 28th February 2018, on an open market basis, by DM Hall, property surveyors. The historic cost of property was £368,765. Tangible assets held in unrestricted funds were 2020: £ 1,532,654 (2019: £1,532,654).

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

10. Investments

	2020 £	2019 £
Held in investment pool at the cost of original investment	79,156	79,156
Total cost of investments	79,156	79,156
Unrealised loss on investments	(75,963)	(75,160)
Total market value of investments	3,996	4,390
Invested as follows		
6,362 Lloyds Banking Group ordinary stock	3,193	3,996
	3,193	3,996
Attribution		
Restricted prize funds	3,193	3,996

The Institute's investment policy is risk adverse and as such the level of investments assets held are such that there is negligible risk to the Institute from financial investments whether with uncertain investment markets or volatility in yield. The Institute is not reliant on dividend yield to finance its work. The investments held are quoted UK shares. Investments held in restricted funds were 2020: £3,193 (2019: £3,996).

11. Stocks

	2020 £	2019 £
Bespoke Course Material	41,418	36,845
Certificate Course Material	5,207	5,207
Stationery stock	2,000	2,000
	48,625	44,052

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

12. Debtors

	2020 £	2019 £
Other Debtors	978,835	876,561
Corporate Patronage	-	192,000
The Committee of Scottish Clearing Bankers	213,053	24,944
Professional Standards Board Funding	-	120,500
	1,191,888	1,214,005

Debtor balances of £1,191,888 (2019: £1,283,477) of which £1,191,888 was unrestricted (2019: £1,178,227) and £nil was restricted (2019: £105,250).

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Other Creditors	43,604	138,157
Taxation & Social Security	6,790	5,500
VAT	3,845	41,502
Accruals	199,560	32,577
Professional Standards Board Income deferred	-	111,833
Enrolment and Development Income deferred	328,446	526,460
	582,245	856,029

	Professional Standards Board	Other	Total
Deferred Income comprises			
Brought forward	111,833	526,460	638,293
Released to incoming resources in year	(83,333)	(724,474)	(807,807)
Income arising in year	(28,500)	526,460	497,960
Carried forward	0	328,446	328,446

Creditor balances of £582,245 (2019:£856,029) of which £582,245 (2019:£856,029) was unrestricted and £nil was restricted (2019: £nil).

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

14. Prize funds held in trust

a) The following prize funds are held in trust as at 29 February 2020 (cost).

Torrance McGuffie Memorial Fund	£		
Sir Bruce Patullo Prize	3,656		
	75,500		
	<u>79,156</u>		
at 29 February 2020			
	2020	2019	
	£	£	
Held in investment pool at market value	3,193	3,996	
Short-term cash deposits	18,802	19,702	
	<u>21,995</u>	<u>23,698</u>	

The main movements on restricted prize funds short-term cash deposits are as follows :

	Investment Income £	Prizes Distributed £	Gain/ (losses) £
Sir Bruce Pattullo Prize	-	(900)	(900)
Total	<u>-</u>	<u>(900)</u>	<u>(900)</u>

15. Pension commitments

Contributions amounting to £30,079 (2019:£27,826) have been paid to a defined contribution scheme .

16. Lease commitments

The Institute has committed to expend £nil at the balance sheet date (2019: £3,150), under a non cancellable office premises lease which expired on 31st January 2020 . The Institute has committed to expend £123,960 at the balance sheet date (2019: £123,960), under a non cancellable office premises lease which expires on 10th October 2021 .

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

17. Analysis of net assets by fund

29/02/2020	Fixed Assets £	Heritage Assets £	Investments £	Net current assets £	Total £
Restricted Funds					
Prize Fund	-	-	3,193	18,802	21,995
First European Project	-	-	-	22,828	22,828
FEP -European	-	-	-	-	-
Professional Standard Board	-	-	-	-	-
Unrestricted Fund					
Accumulated Fund	758,333	-	-	1,630,142	2,388,475
Revaluation Reserve	633,882	-	-	-	633,882
2025 Foundation	-	-	-	206,469	206,469
	1,392,215	-	3,193	1,878,241	3,273,649

28/02/2019	Fixed Assets £	Heritage Assets £	Investments £	Net current assets £	Total £
Restricted Funds					
Prize Fund	-	-	3,996	19,702	23,698
First European Project	-	-	-	22,828	22,828
FEP -European	-	-	-	-	-
Professional Standard Board	-	-	-	222,518	222,518
Unrestricted Fund					
Accumulated Fund	898,772	-	-	1,364,014	2,262,786
Revaluation Reserve	633,882	-	-	-	633,882
2025 Foundation	-	-	-	204,276	204,276
	1,532,654	-	3,996	1,833,338	3,369,988

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

18. Analysis of movements on funds

	Opening Balance	Incoming	Expended	Gains/(Losses)	Closing Balance
Restricted Funds					
Torrance McGuffie Prize	2,865	-	-	-	2,865
Sir Bruce Patullo Prize	20,833	207	(900)	(802)	19,338
First European Project	22,828	-	-	-	22,828
Chartered Banker Professional Standards Board	222,518	83,332	(305,850)	-	0
Unrestricted Funds					
Accumulated Fund	2,262,786	4,484,321	(4,358,841)	-	2,388,266
Revaluation Reserve	633,882	-	-	-	633,882
2025 Foundation	204,276	2,193	-	-	206,469
Heritage Assets	-	-	-	-	-
	<u>3,369,988</u>	<u>4,570,053</u>	<u>(4,665,591)</u>	<u>(802)</u>	<u>3,273,649</u>

The Sir Bruce Pattullo Prize is awarded to the candidate scoring the highest total mark in the Chartered Banker Course examinations. This prize has been established through a generous donation given by Sir Bruce Pattullo CBE. The individual who obtains the second highest total mark in the Chartered Banker Course examinations is awarded the Torrance McGuffie Memorial Prize.

First European project is a European Lifelong Learning initiative.

In October 2011, the Chartered Banker Professional Standards Board (CB:PSB) was successfully launched with the support of nine leading UK banks. The CB:PSB's overall aim is to restore public confidence and trust in banking and promote a culture of professionalism amongst individual bankers by creating industry-wide standards. Funding for CB:PSB ceased on 30th June 2019.

Notes to THE ACCOUNTS *continued*

Notes to the accounts for the year ended 29 February 2020

19. Related Party Transactions

In the normal course of business the Institute undertakes transactions with the organisations represented by the Members of Council. Included within these transactions were the payment of corporate chartered of £30,000 (2019: £120,000) and funding received in respect of CB:PSB of £83,332 (2019:£468,833). Payments totalling £23,611 (2019: £16,625) were made to Charles Sydney Ltd, a company owned by a Trustee. At 29 February 2020 £nil (2019: £144,000) was due from corporate patrons and £nil (2019: £105,250) due in respect of CB:PSB funding.

20. Post Balance Sheet Events

The Covid-19 pandemic seems set to have a major impact on banking, business, education and society during 2020, and will likely have an impact on the Institute too. The safety and wellbeing of our members, students, staff and partners is our key priority. Our investments in recent years in remote working, delivery and assessment capabilities, mean that we are able to support colleagues, members and students in working and studying from home, and early indications are that this is proving successful. We anticipate that it will also substantially impact our UK university partners in terms of student recruitment. This could have a significant financial impact on the Institute, and we are planning, therefore, for a wide range of scenarios to make sure that we can continue to support our members, students, staff and partners during challenging times.

A significant and sustained economic downturn would be likely to lead to a fall in student enrolments and Institute membership. To counter this, we adopt a prudent approach to diversification including increasing international and online enrolments, to seek to mitigate as far as possible any potential downturn. Our digital transformation, optimisation and restructuring, completed during 2019, means we are well-placed compared with peers to cope with a challenging economic environment.

ANNUAL REPORT 2020

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