

# Chartered Banker

**CHARTERED BANKER INSTITUTE**

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**Annual Report 2023**

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**Charitable Body No SC013927.**

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## **Foreword by President of the Chartered Banker Institute, Steve Pateman, FCBI**

I am delighted to welcome you to our Annual Report which showcases the achievements of the Institute over the past 12 months.

As we approach our 150<sup>th</sup> anniversary, this year's Annual Report reflects the transformation we have seen in the Institute over the last decade and demonstrates the scale and breadth of our work. For almost half of our 150 years, we have lived and worked through the great social, political, and economic changes that characterised the reign of Her Majesty Queen Elizabeth II. We received our first *Royal Charter* in 1975, of which we are immensely proud and began our journey from UK-centric professional body to a global setter of chartered status. We were saddened by Her Majesty's death and as a mark of respect and gratitude for her long service, closed our office in Edinburgh whilst Her Majesty lay in state.

Our transformation has continued since then and we are now an international provider of professional education that can be delivered anywhere in the world, at any time. We continue to develop a broader agenda of support for the new and emerging challenges that today's banking professionals must face.

These are challenges we share but, notwithstanding many headwinds – economic and otherwise – this year has been a record one for the Institute both in terms of revenue and achievements. Our work to develop a programme that recognises the challenges facing our eco system, together with our proven international reach, culminated in the October 2022 launch of our Principles for Responsible Banking Academy (PRB Academy). The PRB Academy was born from a partnership with the United Nations Environmental Programme Financial Initiative (UNEP FI) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) The sheer scale of the project and its potential for influencing the responsible banking agenda globally made it our most significant achievement of the year and arguably, one of the most important milestones in our history.

Our growing and increasingly diverse membership, currently standing at more than 35,000, is always at the forefront of our minds as we continue to build a broader global presence for the Institute. Our international partnerships, particularly those with the Asian Institute of Chartered Bankers (AICB) in Malaysia and Financial Services Institute of Australasia (FINSIA) in Australia continue. This, combined with enrolments and consultancy work across more than 100 countries now accounts for almost 45% of our revenue. Our flagship Annual Banking Conference helped to grow our impact, influence, and profile, reaching a 1,000-strong international audience from 31 different countries across two days.

Recognising and rewarding emerging talent in banking remains an important element of our work and we were delighted that the Grand Final of our Young Banker of the year competition returned to an in-person event at London's Mansion House for the first time since the pandemic. Andrew Neilson from NatWest was named 2022 Young Banker of the Year and Dee Korab from HSBC UK received the Audience Prize.

Over the past year, the Institute has played its part in helping banks and bankers address the increasingly challenging geopolitical and economic situation impacting our customers and communities around the world. Throughout, we have supported our growing global membership with the knowledge, skills and professional network needed to meet and overcome these challenges.

As recent events have demonstrated, risk can never be regulated out of the system. Banking as a leveraged industry will always have a reliance on prudence, appropriate risk

management and making the right judgments. This is balanced with preservation of capital and the need for a sustainable economic return for shareholders. Experience, training, and learning from each other, alongside core banking skills and professionalism in areas such as credit, risk, and asset and liability management are all key to building successful sustainable banks. We require banks that contribute positively to society, allowing deposits to remain safe – without Government support – whilst supporting businesses and employment and thus helping families prosper, creating the best possible foundations for the next generation.

Neither the Institute nor regulators can prevent all bank failures, but together we can help minimise their probability.

As we look to the future, we need to continue to adapt our approach, content, and distribution to remain relevant to our profession and society. The core of our plans for the coming year are to:

- Refresh our core curriculum
- Continue our focus on raising standards through the attainment of Chartered Banker status
- Drive professionalism through our content
- Continue the development of the PRB Academy
- Evolve our thought leadership agenda (with a particular focus on responsible banking).

Our progress is underpinned by our investment choices and the hard work and commitment of the team that we have at the Institute. We are ably led by Simon, Jo, and Giles, and it would also be remiss of me not to thank all our staff for everything that they have achieved in the last 12 months.

As members will be aware, we took the decision to sell Drumsheugh House and to reinvest the proceeds in our digital transformation programme. We have transitioned to hybrid working to create a better working environment for the team and offer more flexibility in how they work.

We placed part of the sales proceeds from Drumsheugh in our reserves to provide the capacity for future significant investment. Our new five-year plan reflects the need to think about how we balance our income and expenditure over a longer period than a 12-month accounting period while continuing to target an appropriate balance between income and operating expenditure so that we can provide the products and services that our membership require.

This year at our AGM we will say farewell and thanks to a number of my Trustee colleagues; my Vice-President, David May, who has been a tremendous and tireless ambassador for the Institute, Ian Hardcastle, who has worked with great commitment and energy on the Institute's learning and development agenda, and Stephen Pearson, who has worked with equal vigour on quality and standards.

The Chartered Banker Institute was created to help develop bankers, to set and maintain professional standards so that the industry can play a key role in supporting economic growth, and do so responsibly. While delivered today somewhat differently to our predecessors, the intentions behind our work remain the same as we look to the next 150 years and beyond.

I hope that you enjoy reading about the progress we have made as Institute in the last year and our plans for the future.

**Steve Pateman, FCBI**

**More Info:** If you have any further questions about this *Annual Report* or anything relating to the Institute, please get in touch at: [info@charteredbanker.com](mailto:info@charteredbanker.com)

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## The Institute in Numbers – A Snapshot of 2022/2023

- 35,799 members – 52.1% female and 47.9% male
- Membership growth 7%
- Four training courses developed to support global delivery of the PRB Academy
- Working in more than 107 countries across six continents
- NPS score of +46
- 97% of users would recommend our CPD content
- Over 7,200 assessments completed, and 5,091 online exams delivered
- 10,488 qualification passes reviewed and approved
- Social media following increased by 18%
- Brought together members from around the world with 56 events hosted online in 2022.
- 24,000 YouTube content views on our channel, an increase of by 41% in a year.
- More than 500 hours of CPD content available to members
- 4,399 new learners enrolled to study during 2022
- 19 university partners in the UK
- 25 accredited degrees
- 80 countries represented on MBA programme
- Climate risk studied in 30 different global locations
- Green & Sustainable Finance registrations from 45 different locations
- Record-breaking £6 million in revenue achieved
- Over 40,000 My Career Hub CPD activities completed

## Chief Executive's Review

The launch of the Principles for Responsible Banking (PRB) Academy ([www.prbacademy.com](http://www.prbacademy.com)) at the UN Global Banking Roundtable in October 2022 is a major milestone for our Institute. It gives further impetus to our work to develop, embed and enhance socially purposeful, ethically professional banking aligned with the UN Principles for Responsible Banking worldwide. With 300-plus banks responsible for more than half of global banking assets under management, and serving some two billion customers, the PRB Academy and our partnership with the UN will, over the coming years, shape the professional development of bankers worldwide and bring the Institute's ethos, vision, and values to a much greater global audience than ever before.

Developing and launching the PRB Academy during 2022 has been the largest and most complex project in our Institute's history, delivered in a year characterised by a challenging economic environment and difficulties in the UK apprenticeship market and overshadowed by the war in Ukraine. The geopolitical and economic consequences of the war continue to be felt and while the Institute has no activities and operations in the region, we are not immune to the economic and financial consequences.

Despite these challenges, we are glad to share in our *Annual Report*, the many successes achieved on behalf of our members during our 148<sup>th</sup> year and to showcase the growth, both in the UK and internationally, of our reputation, impact, and influence. In addition to the launch of the PRB Academy, highlights during the year include:

- The end of Covid restrictions in the UK in early 2022, enabling us to move into the Institute's new headquarters in George Street

- Overcoming a challenging economic environment and difficulties in the UK apprenticeship market to achieve total revenue for the year of £6.0m which is a new record, higher than the £5.87m figure achieved the previous year. A surplus before depreciation of approximately £195k was achieved
- Growing the Institute's membership by 7% to 35,799, the highest to date, with member engagement and satisfaction scores remaining high
- Successfully launching our new Fellowship programme, increasing the number of new Fellows inducted during the year to 27 in 2022, with our new Fellows coming from a much more diverse range of backgrounds and geographies
- Substantially raising our global and UK reputation, impact, and influence via the launch of the PRB Academy, and through successful engagement with the Bank of England, FCA and other key bodies and stakeholders
- Expanding our global footprint in partnership with UNEP FI by delivering in-country programmes in India, Mexico, and Egypt
- Onboarding 19 new colleagues to support our global growth and moving the Institute's technology platform to the Cloud to improve security and support successful hybrid working
- Achieving ISO 9001 and 27001 certification to benchmark our quality assurance and data security processes and procedures
- Increasing the number of young people supported during the year by the Chartered Banker 2025 Foundation to 36.

The development and launch of the PRB Academy, including significant course and technology development, was made possible through investment released by the sale of Drumsheugh House, the Institute's former offices, in the previous year. Looking ahead, we recognise the need for consolidation to support continued and substantial global growth and to achieve a positive return on our investment of members' funds in the PRB Academy. These will, in turn, enable further investment in supporting the professional development of bankers worldwide.

As our 148<sup>th</sup> year ended, we were reminded once again of the importance of the Institute's work in enhancing customer-focused, ethically professional banking with recent challenges to the banking system. Despite numerous regulatory reforms following the 2008 Global Financial Crisis, including higher capital and liquidity buffers, new accountability and supervision regimes, and resolution planning for financial institutions, it appears the banking system still needs to reform further.

Without professionalism firmly embedded in banks and banking worldwide, progress will be limited. That is why continuing to build the Chartered Banker Institute and our impact and influence globally is so important and lies at the heart of our aims and objectives. Our continued global growth supports and sustains not just the professional development of Chartered Bankers, but also socially-purposeful, professional banking that creates genuine, shared, sustainable prosperity for current and future generations worldwide.

**Simon Thompson FCBI**  
**Chief Executive**

[Launch of PRB Academy with Simon Thompson FCBI](#)

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## TRUSTEES' REPORT

### The Role of the Chartered Banker Institute

Our Institute is a global professional education body for bankers, based in the UK. We are the oldest banking institute in the world – founded in 1875 – and we received our first *Royal Charter* in 1975. In December 2018, we received a new, supplementary *Royal Charter* from Her Majesty Queen Elizabeth II, establishing us as the Chartered Banker Institute, the premier, UK-based professional body for bankers with global impact and influence. Becoming the Chartered Banker Institute gave our members and partners a stronger global identity linked by a common commitment to purpose and 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.

#### Membership Numbers:

- 35,799 members
- 97.5% member retention rate
- NPS score has increased by 3 points to +46 in the last 12 months.

### Learning & Assessment

This year has seen the growth of our core Learning Team, which has increased our capacity and capability to develop and deliver our digital learning provision. We have also grown our pool of external experts to support with curriculum development and the authoring of learning and assessment content.

Highlights of our 2022 activities include:

- Developing and delivering four e-learning courses for the PRB Academy: *Getting Started in Responsible Banking*; *Climate Change*; *Clients and Customers*; and *Responsible Banking for Board Members and Executives*
- Developing four training resources to support the delivery of face-to-face training of PRB Academy content internationally
- Developing and launching revised editions of our *Certificate in Climate Risk* and *Certificate in Green and Sustainable Finance*

- Bringing the development and delivery of our previously outsourced *Diploma in Professional Financial Advice* in-house
- Processing and releasing results for over 7,200 students
- Building seven new exams to support new qualifications and updates
- Quality assuring, building, and delivering exams for international partners
- Conducting moderation events to ensure that marks attained by students are fair, valid, and reliable.

We have continued to expand our educational consultancy activities, and highlights this year include: supporting FINSIA with their update of learning and exam structure for their Professional Banking Fundamentals qualification; supporting corporate clients with their implementation of PRB Academy courses; and collaborating with clients to support their future skills strategies, apprenticeship journeys, and in-house sustainability-related learning provision.

### **Accreditation and Certification**

Our external validation of the quality of internal learning programmes, combined with the value of the *Chartered Banker – Accredited Programme* brand is attractive to a global audience. Recent accreditation work has focused on significant numbers of courses from our partner institute in the Emirates.

UK banking groups continue to use accreditation to confirm the quality of training courses. Several courses are awarded educational credits to support attainment of the *Professional Banker Certificate*, due to the similar nature of content and significant number of learning hours involved. Other short courses, often of a specialised nature, are accredited on a non-award basis in reflection of the quality of the learning and rigour of underlying processes.

### **Building Global Expertise**

The Institute increasingly seeks to diversify our activities, with the aim of enhancing the global impact, influence, and reputation of both us and our members, and supporting the professional banking community worldwide. The year 2022/23 has seen our international partnerships, enrolments and consultancy work continue, with international activities spanning more than 100 countries and accounting for almost 45% of total revenue.

The International Advisory Committee, with Committee Members drawn from a diverse range of countries and partner organisations, entered its second year. The Committee provides insight and advice to drive our international strategy and global developments and is invaluable to support global activities.

### **UN Principles for Responsible Banking Academy**

The PRB Academy, launched in partnership with UNEP FI and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, aims to upskill banking professionals around the world and prepare them for the huge challenges they, their businesses and their customers are facing from climate change, nature loss, pollution, and social issues.

The four learning courses available through the PRB Academy are suitable for all employees of signatory banks, aspiring signatories, and other organisations at substantial scale. The

curriculum, designed in consultation with industry experts, will support banks and banking professionals to integrate sustainability into their strategic decision-making, and understand how responsible banking practices can play a part in securing an equitable and sustainable future for the planet.

During the year, we received considerable coverage in the trade press following the launch of the PRB Academy. Highlights included articles in *Responsible Investor*, *Fintech Global*, *Business News* and *Investment Week*.

In the coming years, it is expected that all 300-plus signatories to the UN Principles for Responsible Banking will make the PRB Academy learning courses available to their several million employees. This will help the Institute enormously in building our global impact and influence, and will support an increasingly wide global community of professional bankers.

## **International Partnerships**

We remain committed to two key international partnerships – the Asian Institute of Chartered Bankers (AICB) in Malaysia, and the Financial Services Institute of Australasia (FINSIA) in Australia. Both partnerships have grown and transitioned during the year.

### **Malaysia**

Our valued and highly successful partnership with the Asian Institute of Chartered Bankers continues, with the collaboration ensuring continuity of the AICB qualification and education framework with our own, further maintaining Chartered Banker brand alignment.

We supported AICB to deliver over 13,000 exams to Malaysian bankers during the challenging Covid period. This collaboration resulted in AICB developing their capability to undertake exam delivery independently.

### **Australia**

Our work with the Financial Services Institute of Australasia (FINSIA) remains a major strategic focus. A full qualification range is available, from the entry level *Professional Banker Fundamentals*, to intermediate *Certified Professional Banker*, through to the advanced *Chartered Banker*, derived from our flagship *Advanced Diploma in Banking and Leadership in a Digital Age*. The *Chartered Banker by Experience* qualification remains popular with Australian bankers.

A key focus has been supporting FINSIA's work with a large Australian bank. This major project primarily focuses on delivering *Professional Banker Fundamentals* and involves significant numbers of individual bankers.

## **International Enrolments**

Our global reach continues to grow, with qualification registrations coming from across the world. Key insights into international enrolments include:

- Last year, 57% of visits to the Institute's website came from outside the UK
- *Chartered Banker by Experience* remains popular: 90% of students are international
- *Certificate in Green and Sustainable Finance* attracted registrations from over 45 countries, with the *Certificate in Climate Risk* attracting registrations from more than 30. Both included significant uptake in Singapore, due to our relationship with the Institute of Banking and Finance there
- Our long-standing relationship with the Institute of Banking in Ireland remains strong, with 600 Chartered Bankers registered as international members. Likewise, the *Chartered Banker MBA*, delivered in partnership with Bangor University, remains popular, with new and continuing students from 80 countries currently enrolled.

## Centres of Excellence

A key priority for the Institute is to develop partnerships with universities who offer postgraduate programmes in banking and finance education, with the aim of aligning these with our vision of customer-focused, ethical professionalism. We can play a significant role in building links between academic and professional communities, benefitting both parties, by linking research with the needs of practitioners.

Working with 19 university partners, more than 757 students are progressing their studies with us across 25 accredited degrees. In the last year, 467 individuals were awarded the Associate Chartered Banker or Chartered Banker professional designation on successful completion of their university degree programmes and we received 490 new enrolments.

Ten universities are recognised as Chartered Banker Centres of Excellence:

**Bangor University Business School, Bayes Business School, University of Cambridge Judge Business School, University of Edinburgh Business School, University of Exeter Business School, Leeds University Business School, University of Liverpool in London, Newcastle University Business School, Nottingham University Business School, University of St Andrews**

The Centre of Excellence scheme enables appropriate degrees to be formally accredited, offering accelerated pathways to qualifications or to the award of professional designations. To become a Centre of Excellence partner, 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 nine universities are recognised as Accredited Universities by having accredited programmes with us:

**Coventry University, Cranfield School of Management, University of Dundee School of Business, University of East London, Glasgow Caledonian University, University of Greenwich Business School, Keele University Business School, University of Stirling Management School, University of Westminster**

## Building a Global Membership Community

Over the last year we have maintained our high level of support for the Institute's growing membership, both in the UK and internationally. Our aim is always to be member-centric; making our processes as easy as possible for members studying for, and sitting, professional exams, as well as helping qualified members keep their professional knowledge and skills up to date in a rapidly changing world.

The ways in which we have supported members are informed by responses to our survey activity, particularly the annual member satisfaction survey, and in consultation with the Institute's Membership Forum and other stakeholders. We also take account of individual member feedback, undertaking trend analysis which can be used to prompt process reviews or targeted engagement if required.

The Membership Forum, launched in 2019, provides an opportunity for a large and diverse group of members to get involved in the governance of the Institute. It places members at the heart of the Institute, ensuring that members' views are appropriately reflected in the direction and activities of the Institute.

Towards the end of the year, the Institute launched our third member satisfaction survey. Once again, this attracted an excellent response rate and showed an increase in positive sentiment score. We were delighted that Members continued to express a high degree of satisfaction with the Institute as their professional body, which correlated with a strong likelihood to renew membership and a willingness to recommend the Institute to others.

Given the success and continued growth of our UK academic partnerships we have conducted research activity to better understand the audience for these postgraduate qualifications and how we can support them in maintaining qualified professional membership. We will continue this in the year ahead as we look to develop and deliver a more personalised experience for this group of members.

Research was also undertaken with participants of a large-scale bespoke CPD programme. This included gathering information from users and employer focus groups. Feedback indicated good support for the content and delivery methods, with users noting it had helped them build their knowledge and capability to carry out their roles, woken them up to the issues regarding Green Finance, and increased awareness of what is required from the financial services sector. Survey results also showed that 97% of respondents would recommend the Institute's CPD content.

Last year also saw us fully implement our revised application process for Fellowship, with the aims of improving the diversity of our Fellowship and increasing the number of senior advocates for the Institute. Following a pilot, we ran recruitment campaigns in Spring and Autumn, which were a great success, and led to 27 new Fellowships being approved. More importantly, we saw more applications from women and a significant increase in international Fellowships.

The Institute's *Chartered Banker* magazine remains central to member communications, with four issues produced over the year. Change is an often-recurring theme and became the focus of the Winter 2023 issue, in response to the death of Her Majesty Queen Elizabeth II. The issue reflected on the second Elizabethan Age and some of the significant developments witnessed by banking, business, and society during the Queen's 70-year reign.

Regular member communications are undertaken through our bi-weekly e-newsletters. Incorporating both Institute news and recommended CPD content, these are supplemented by ad hoc email communications for specific projects. The Institute is also active on social media, promoting content and campaigns on LinkedIn, Facebook, and Twitter.

Increases seen in recommendation score and satisfaction with the Institute in the last 12 months:

- NPS score +46
- Satisfaction with the Institute as a professional body +45
- Likelihood to renew membership – 89%

## Developing Professional Expertise and Future Skills

Over the last year we have continued to act on member feedback and preferences in relation to development, delivery methods and accessibility for continuing professional development (CPD) content. We were pleased to see the steady growth of **My Career Hub**, which was launched as a direct response to feedback from members seeking additional career development resources. Registered users increased almost 400%, and completed over 40,000 activities.

We continued the delivery of a tailored CPD programme, focused on professionalism and ethics, to a population of over 10,000 members. Now in its fifth year, the latest version of the programme continues to be well received, with 97% of users indicating they would recommend the content.

There has been continued development of our *Centre for Responsible Banking*. The *Centre* hosts a wide range of online resources, including lifelong learning, thought leadership resources and our *Green and Sustainable Finance Hub*, to support members and their organisations regarding the responsible banking agenda. Amongst other resources we added a suite of 30 new short video modules covering fundamental concepts around ESG and sustainability.

To support the COP27 global climate summit, hosted in Egypt in November 2022, we delivered daily updates for members, summarising key activity and commentary relevant to banking and financial services. We also ran a number of polls on our social media channels. We continued to make our e-learning course, *Foundations of Green and Sustainable Finance*, freely available to Institute members, as well as the general public. We also covered the UN Biodiversity Conference in December (COP 15) focusing on finance day and expectations for banks and bankers to support, protect and make sustainable use of biodiversity and nature.

During the past 12 months, the Institute continued to discuss a variety of relevant and important topics through our free webcasts which support our thought leadership activity. Highlights include *The Bounce Back Loans series*, *Speeding up the Energy Transition*, and *Customers in Vulnerable Circumstances – what would you do?* We also continued our *Green Conversations* podcast series.

We have launched a review of the Institute's CPD scheme to ensure that it remains fit for purpose. This will encompass both the requirements for members and the monitoring processes carried out to confirm compliance. Draft proposals were supported by the



Institute's Learning and Development Board and a full member consultation will be carried out in 2023.

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| <ul style="list-style-type: none"><li>• Use of <i>My Career Hub</i> increased by almost 400%</li><li>• 31% increase in on-demand webcast views</li><li>• We conferred 27 Fellowships and awarded seven academic prizes to ten winners (including four joint awards)</li></ul> |
| <ul style="list-style-type: none"><li>• We answered almost 11,000 enquiries from our members.</li></ul>   |

## Digital Transformation

While the Institute adopts a member centric 'digital first' strategy which prioritises delivering web-based services for members, this strategy is, in fact, much broader and requires us to look differently at everything we do and how we do it. By simplifying and automating processes, we can build capability, allowing us to work on the things that are important to our core purpose and deliver the greatest value to members.

Our digital transformation programme has been embedded for several years now. Over the last 12 months, projects have included enhancements to our Learning Management System (LMS), building the platform for a planned online community and developing a new website to support our work on the PRB Academy. We also established our digital credentialing platform, launching digital badges for the PRB Academy and beginning the rollout of digital qualification certificates. Alongside this, many smaller process improvements were also implemented, designed to improve the user experience for members and to provide enhanced support to corporate clients. As our financial year drew to a close the Institute was delighted to be awarded ISO 27001 and ISO 9001, unusual for a professional body in the UK. This acknowledged our quality management practice for data and digital security, and our ethos in driving continuous and sustainable improvement in providing a world class service to our members whilst building the quality practices required to support global delivery.

## Recognising and Rewarding Emerging Talent

The Chartered Banker 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, celebrating the values that a successful, sustainable banking profession must be built on. We were pleased that the 2022 competition once again had the support of the UN Environment Programme Finance Initiative (UNEP FI).

Whilst our Young Banker of the Year Grand Final had to be postponed from its original date in September, due to the sad passing of her Majesty the Queen, we were delighted to welcome nearly 300 guests to attend in person at London's Mansion House in March 2023. The standard of finalists was exceptional with Bradley Bosson from HSBC UK, Jack Houston from Coutts, and Dee Korab from HSBC UK all delivering impressive presentations on their business proposals. However, the accolade of Chartered Banker Young Banker of the Year 2022 went to Andrew Neilson from NatWest.

## 2025 Foundation

During 2022 we continued to promote and develop the work of the 2025 Foundation, which provides young people and individuals who have been 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. Given the continuing challenges around the job prospects and opportunities for such young people, and the heightened emphasis on the importance of social mobility, the work of the Foundation is vital. Put simply, the Foundation's aim is to change lives.

The Foundation's work is overseen by the nine-member 2025 Foundation Committee, chaired by former Institute President David Thorburn. The Committee is supported by one dedicated member of staff and continues to receive additional support from Institute staff members on a voluntary basis. To date, the Foundation has raised over £330,000 and we are beginning to explore fundraising opportunities to support future expansion of our support for young people.

The Foundation began supporting its first small group of scholars through their university education in partnership with the Robertson Trust during the 2019-2020 academic year, and this support has continued during 2022-23. Given the challenges post-pandemic and the many practical difficulties faced by students, the financial and mentoring support provided by the 2025 Foundation has been a considerable help. We will work with the Robertson Trust to try and identify a further group to support from the start of the 2023-24 academic year.

The Foundation has continued to work with the EY Foundation to expand its *Smart Futures programme*, offering internships and support to young people eligible for free school meals who are interested in careers in financial services. The programme is accredited by the Institute of Leadership and Management, and participants also complete an Institute learning course developed for this programme, adapted from our *Professional Banker Certificate*.

Following positive feedback from participants and employers, two further programmes were developed in 2022, the first of which was delivered in the school Easter holiday with a second to coincide with the summer holidays. We have also been delighted to work with an increasing number of employers and organisations with the aim of supporting as many young people as possible.

Interest in our Smart Futures programme continues to evolve, and we aim to deliver two programmes for increased numbers in 2023, both virtually and face to face in locations across England and Scotland.

- [Hear](#) from David Thorburn, Chair of the 2025 Foundation, about how the *Smart Futures programme* benefits both employers and young people and why it promotes diversity in the banking sector.
- Or, watch our webcast on Smart Futures - [Supporting the next generation of bankers: Smart Futures programme](#), participants include one of the young people from our Easter 2022 programme, a judge from the Dragons' Den panel, one of our Board of Trustees and a participating banking member.



## Building Influence

### Thought Leadership

The Institute is widely recognised as a leading voice of responsible and sustainable professionalism in banking. This is championed by our commitment to developing and publishing current, educational, and meaningful content for our members and international community.

Led by the key theme of Responsible Banker, we have four thematic strands which are used to develop the Institute's thought leadership:

- Sustainable Banker
- Digital Banker
- Future Banker
- Ethical Banker

We recognise the challenges faced by modern bankers and strive to deliver up to date content on these core banking topics to educate, encourage debate and form the foundation of continued professional development.

Having an ambitious thought leadership strategy has allowed us to reach audiences across the globe, enhancing our profile and reputation on an international scale. Our Annual Banking Conference took place over two days at the start of November, looking at the theme of Responsible Banking and what it means for modern bankers. The conference saw engagement from members and stakeholders from around the world, with over 1,000 registrations from 31 different countries.

*Chartered Banker* magazine is complemented by the Institute's blog, which saw 70 articles posted across the year. Our blog investigates key national and international issues. The blog allows us to respond quickly, providing insight into current and topical sector news.

Our annual event and webcast programmes are curated under the core Responsible Banker theme. We work with our international partners, fellow Chartered Body Alliance members (comprising Chartered Banker Institute, Chartered Institute for Securities & Investment (CISI) and the Chartered Insurance Institute (CII)) and key stakeholders to develop a portfolio of events and webcasts to enhance knowledge, stimulate debate and create meaningful conversations and engagement.

Our leadership team were involved in 45 speaking engagements across the UK and internationally throughout the year. Simon, Jo, and Giles, as thought leaders themselves, help to maintain the profile of the Institute and its importance in the banking sector.

Our thought leadership strategy helped us to raise our profile through a number of key initiatives:

- Our work with the UNEP FI, the UK, and Scottish Governments, with our CEO being invited to join the BEIS/DEFRA Green Jobs Delivery Group and the Scottish Taskforce for Green and Sustainable Finance, and by UK Regulators
- Our CEO being commissioned by the FCA to write an article for its recent Discussion Paper (DP23/1) on ESG in financial services

- The Institute was the only professional body to be highlighted in the annual Key Facts Report published by *TheCityUK*
- Together with our Chartered Body Alliance, and on behalf of the Green Finance Education Charter (GFEC), we have led the development of research investigating the approach to assessing skills and knowledge gaps across the sector and identifying barriers to capacity and capability building to support the finance sector in delivering a transition to a more sustainable economy. The results were released in April 2023 and will help inform the FCA work on ESG skills and competencies
- The Institute also led on a number of other GFEC initiatives including leading a collective response to the UK Government's Call for Evidence informing its update of the Green Finance Strategy, a letter to FCA CEO, Nikil Rathi which led to the GFEC members being invited to lead a series of roundtables with representatives from banking, insurance, investment and supporting professional services on current and future skills for ensuring the UK's ESG capabilities and capacity.

### **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 initiated disciplinary action against 21 members during the year. Members were found to have committed minor breaches of the *Code of Professional Conduct* and received modest sanctions from the CBI

### **Building Capability at the Institute**

- Increased our permanent team from 57 to 68
- Gender profile of our people: female 43, male 25
- Recruited for 22 vacancies (nine new roles and 13 replacement roles)
- Launched a hybrid work model, giving colleagues greater freedom over working location
- Six colleagues studying Institute qualifications
- Supported our charity Macmillan Cancer Support
- Five promotions
- Achieved a wellbeing score of 91.67%
- Undertook several initiatives to help our staff with the current cost of living challenges.

## Financial Review and Results

During the year ended 28 February 2023, the Institute recorded a turnover of £6.0m (2022: £5.87m).

During the year ended 28 February 2023, the Institute had a small deficit of £30k (2022: £595k).

The Institute had net assets at 28 February 2023 of £3.95m (2022: £3.98m).

## 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 the level of six months of expected future expenditure. This ensures that the Institute's core activities can continue during a period of unforeseen difficulty.

The balance held as unrestricted funds at 28 February 2023 was £3.92m (2022: £3.95m) of which £3.39m (2022: £3.56m) is regarded as free reserves, after allowing for funds retained in tangible fixed assets and investments. The Trustees consider this level of free reserves to be sufficient to comply with the *Reserves Policy*.

The Trustees consider the reserve requirements of the restricted funds separately. Restricted funds retained at 28 February 2023 amounted to £42k (2022: £43k) against an annual spend of £900 (2022: £900).

## Risk Management

As a chartered, professional body the Institute adopts a conservative and cautious appetite for risk and only takes on risks that are necessary to achieve its agreed strategic objectives, selecting trusted partners around the world to deliver our strategy. The Institute maintains a strong balance sheet with adequate capital and reserves and manages risk through a well-developed risk management framework (reviewed annually) through a 'Business as Usual Risk Assessment' (BAURA) and Material Risk Assessment, with oversight provided by the Institute's Audit and Risk Committee and Board of Trustees. In this context, the Trustees consider that the Institute maintains a low-risk appetite.

The major risks to the long-term future of the Institute are reputational. Our major assets are our brand and reputation and should these be damaged or lost then the Institute's sustainability will be at severe risk.

Oversight of the Institute's risk management policies and procedures, including financial control systems and procedures, is delegated by the Board of Trustees to the Institute's Audit and Risk Committee. In line with good practice, identifying, monitoring, mitigating, and managing risk is fully incorporated into the operational and management processes of the Institute, with an adapted 'Three Lines of Defence' model utilized. The Institute's Leadership Team discuss risk at their regular leadership meetings, where the Institute's Risk Register and high risks are reviewed. These are also reviewed quarterly by the Audit and Risk Committee and the annual *Risk Report* is considered by the Board of Trustees.

The Audit and Risk Committee believes that, for the current year, the risks identified were appropriate to the Institute's risk appetite, size, and the nature of its operations. Where risks

were identified, appropriate preventative and detective controls for both material and non-material risks and plans were put in place to mitigate impacts as far as possible should risks materialise.

The Institute's Leadership Team and Trustees identified the following key risks facing the Institute during the 2022 Material Risk Review:

#### Education Risks

- Failure of Principles for Responsible Banking (PRB) Academy – while launched successfully in October 2022, the Academy requires further development during 2023 and uptake is anticipated from a significant number of PRB signatory banks
- Failure to maintain currency and relevance of courses and materials due to the lack of subject experts and other academic associates.

#### Financial, Personnel and Operational Risks

- Inflationary environment impacting on costs and wages, causing financial pressures and potentially issues for staff recruitment and retention
- War in Ukraine and associated energy crisis leading to UK power cuts and/or energy rationing impacting both office and home working environments
- Loss or incapacity of one or more key members of Institute staff, including due to burnout caused by work pressures
- Cyber-attack or other IT/data breach leading to inability to access systems, loss of data, or other impacts on the Institute and/or our members and partners.

The Institute's Leadership Team and Trustees have identified appropriate preventative and detective controls for these Material Risks, and plans are in place to mitigate impacts should risks materialise.

#### Future Plans

Each year, the Board of Trustees reviews the strategic purpose and aims of the Institute to ensure they remain relevant and well-aligned to the Institute's *Royal Charter*. The Institute's purpose and aims were revised in 2020 to reflect the Institute's growing, global role in developing, embedding, and enhancing socially purposeful, responsible, and professional banking aligned with the *UN Principles for Responsible Banking* by developing and supporting professional bankers throughout their careers.

The launch of the PRB Academy in October 2022 provides a global platform to accelerate the achievement of these aims, and to grow the Institute's global profile, membership, and partnerships in addition to continuing to build our impact and influence in the UK. The development of the PRB Academy required significant investment in building the Institute's capacity and capabilities during the past year. In 2023-24, therefore, consolidation to support future, global growth, plus achieving a return on our investment of members' funds in the PRB Academy are priorities for Trustees and the Institute's Leadership and Management teams. While believing the Institute is very well positioned strategically, Trustees and the Leadership Team are cognisant of the increasingly challenging geopolitical, economic, and competitive environment.

These factors have, accordingly, shaped the Institute's Business Plan for 2023-24, with key areas of focus being:

1. Growing PRB Academy enrolments to achieve a positive return on our investment of members' funds
2. Continuing to develop the PRB Academy's courses, alumni proposition, and partnerships to support the 300+ PRB banks, and banks and bankers globally
3. Updating the Institute's core professional qualifications and other learning (where required) to ensure the key themes of responsible banking and digital finance are incorporated throughout
4. Building the Institute's infrastructure, colleague and digital capacity and capability to support continued global growth
5. Increasing our global impact and influence, and promoting the Institute's thought-leadership in responsible banking
6. Managing revenues and costs to ensure the Institute maintains a sustainable business model that supports continued global growth.

### **Legal and Administrative Information**

The 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 2nd Floor, 39 George Street, Edinburgh EH2 2HN.

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**

S Pateman FCBI, Non-Executive Director, Bank of Ireland and Non-Executive Director for Affordable Housing & Healthcare Investment Management Limited, Chief Executive and Executive Director at Streambank, and former CEO of Shawbrook (2016-2018) Julian Hodge Banking Group (2019-2020) and Arora Group (2020-2021). (elected as President 24 June 2021) **NC**

#### **Past President**

W McCall FCBI, Chairman, McCall & Partners (retired 24 June 2021)

#### **Vice President**

D May FCBI, Executive Coach and Consultant, Aesara Partners (elected 24 June 2021 M) **NC, RC**

#### **Board of Trustees Elected and Appointed**

A Bouvin, Former President and Group CEO, Handelsbanken (elected 19 November 2020 IT) **LDB, IA**

P Denton FCBI, Chief Executive of Scottish Building Society (elected 24 June 2021 M) **ARC, RC**

K Graham, Head of Security Services, NatWest (elected 24 June 2021 IT) **ARC (until Jan 2023) NC**

I Hardcastle FCBI (re-elected 24 June 2021 M) **LDB, RC**

I Henderson FCBI, CEO, Kyckr (elected 19 November 2020 M) **ARC**

P McCormack FCBI, Adviser – Governance, Risk and Regulation (elected 20 June 2019 M) **ARC (until Jun 2023), LDB**

W MacLeod MCBI, Chief of Staff, Allied Irish Bank (elected 19 November 2020 M) **NC, QSC**

E Moscolin Executive Vice President for Sustainability, Sage Group plc (elected 24 June 2021 IT) **LDB**

S Pearson FCBI, elected 20 June 2019 M) **QSC (until Nov 2022)**

S Primmer, Chief Marketing Officer, Sionic (elected 19 November 2020 IT) **RC**

A Shiels FCBI, MD and Chief Controls Officer, Barclays Bank UK (elected June 2022 M) **LDB, IA**

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

#### **Key**

**M** Member of the Chartered Banker Institute

**IT** Independent Trustee

**ARC** Member of Audit and 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

**IA** Member of International Advisory Committee

#### **Executive Team**

Simon Thompson, FCBI (Chief Executive)

Joanne Murphy, MBA MCBI (Chief Operating Officer)

Giles Cuthbert (Managing Director)

## **Agents and Advisors**

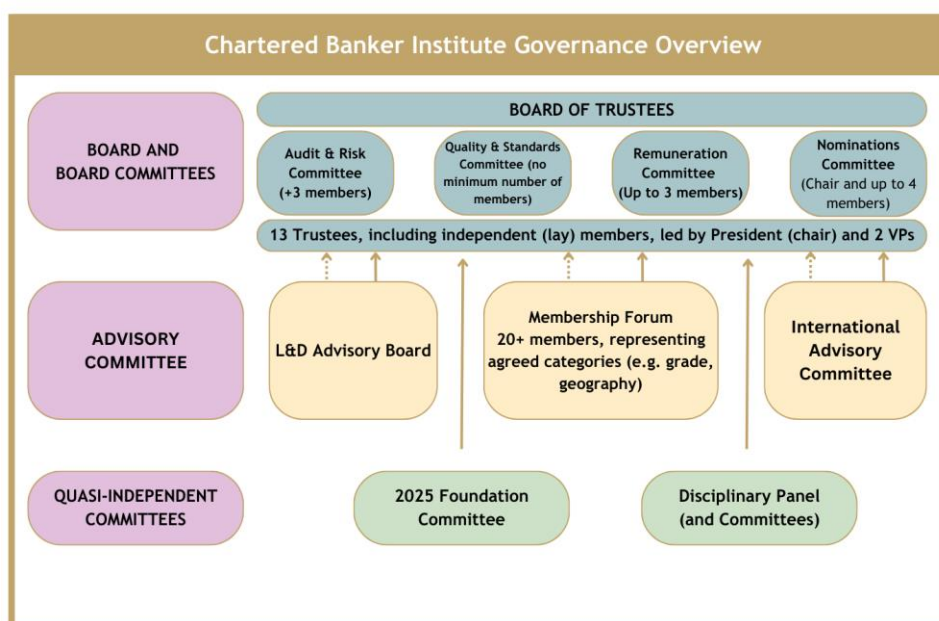
Auditor: Chiene + Tait LLP, Chartered Accountants and Statutory Auditor, 61 Dublin Street, Edinburgh EH3 6NL

Bankers: Bank of Scotland, George Street, Edinburgh EH2 3EW

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## Structure, Governance and Management



### Board and Committees

In line with the Institute's new supplementary *Royal 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 and its property and affairs, except where the *Royal Charter* or *Rules* prescribe that approval is required by the Institute in General Meeting.

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 28 February 2023 are:

- **Audit and Risk Committee:** Monitors the integrity of the financial statements of the Institute; reviews and approves the *Annual Report* for recommendation to the Board; reviews the effectiveness of the Institute's internal controls and risk management systems and oversees the relationship with the external auditors. The Audit and Risk Committee meets a minimum of four times per year
- **Learning and Development Advisory 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. The Learning and Development Board meets a minimum of four times per year
- **Nominations Committee:** Makes recommendations to the Board on succession planning for office bearers and Executive positions; makes recommendations on the nomination of new Trustees and their subsequent re-appointment; makes recommendations on membership of the Audit and Remuneration Committees; makes recommendations on the recruitment of the Membership Forum. The Nominations Committee meets a minimum of twice per year



- **Quality and Standards Committee:** Develops and implements a quality assurance framework and monitors the standards and quality of Institute provision. The Quality and Standards Committee meets a minimum of four times per year
- **Remuneration Committee:** Reviews, assesses, and recommends to the Board of Trustees the level and constituent elements of remuneration to be paid to Institute Directors. The Committee meets when required, usually twice per year
- **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. The Forum usually meets at least twice per year
- **International Advisory Committee:** Established in 2021, the Committee is responsible for providing insight, advice and guidance to the Board and the Institute's Leadership Team on the growing international activities and expansion of the Institute. The Committee usually meets twice a year.

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 Board members and Fellows, the Foundation aims to raise £1 million by 2025 to identify and support talented young people who would benefit from financial and other help to pursue a career in banking.
- **The Committee of Scottish Bankers (CSCB):** Formerly The Committee of Scottish Clearing Bankers, 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.
- **The Association of Commercial Banknote Issuers (ACBI):** Provides a forum to assist the Bank of England in the discharge of its responsibility for maintaining confidence in the integrity of all paper currency in the UK and supports the Bank in this area in relation to all banknotes issued by the note-issuing banks in Scotland and Northern Ireland. In addition, ACBI facilitates discussion, debate, and cooperation amongst its members on matters of mutual interest or concern that relate to banknote issuance and that are not of a competitive nature.

## **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 President and two Vice-Presidents 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.

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 policy and practice, management, and governance; and also, 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.

### Board of Trustees Attendance: March 2022 – February 2023

			<u>Due for re-election</u>	<u>Attendance in 2022/23</u>
President	Steve Pateman		2023	4
Vice President	David May		2023 (TE))	3
	Anders Bouvin		2023 (1T)	4
	Paul Denton		2024 (1T)	4
	Katherine Graham		2024 (1T)	4
	Sheila Gunn		2022 (TE)	0
	Ian Hardcastle		2023 (TE)	2
	Ian Henderson		2023 (1T)	4
	Peter McCormack		2025 (2T)	4
	William MacLeod		2023 (1T)	4
	Elisa Moscolin		2024 (1T)	4
	Steve Pearson		2025 (2T) *	4
	Sue Primmer		2023 (1)	3
	Andrew Shiels		2025 (1T)	2

#### Key

TE – Final term ends

1T – First term ends

2T – Second Term ends

R – Retired

\*Stephen Pearson will retire in June 2023

### **Key Management and Remuneration Policy**

The Institute considers its key management personnel to be its Chief Executive Simon Thompson and the following Directors: Joanne Murphy, Chief Operating Officer and Giles Cuthbert, Managing Director. The total employment benefits of key management personnel for the year 2022/23 was £494k (2021/22: £486k).

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 to the Board of Trustees an appropriate level of remuneration payable to the Chief Executive and Directors, in line with similar roles in similar institutions.

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## 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

Steve Pateman FCBI, President

Simon Thompson FCBI, Chief Executive

22 June 2023

## 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 28 February 2023, which comprise the *Statement of Financial Activities*, the *Statement of Financial Position*, 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 financial statements:

- Give a true and fair view of the state of the charity's affairs as at 28 February 2023, 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*
- Have been prepared in accordance with the requirements of the *Charities and Trustee Investment (Scotland) Act 2005* and *regulation eight of the Charities Accounts (Scotland) Regulations (as amended)*.

### Basis for opinion

We conducted our audit in accordance with *International Standards on Auditing (UK)* (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the *Charity Accounts (Scotland) Regulations 2006 (as amended)* require us to report to you if, in our opinion:

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

### **Responsibilities of Trustees**

As explained more fully in the *Trustees' Responsibilities Statement*, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements**

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

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



We gained an understanding of the legal and regulatory framework applicable to the Charity and the industry in which it operates and considered the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the *Charity Accounts (Scotland) Regulations 2006 (as amended)*, the *Charities and Trustee Investment (Scotland) Act 2005* and the *Charities SORP*.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation
- Enquiries of the Trustees
- Review of minutes of Trustee meetings throughout the period
- Review of legal correspondence or invoices
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of accounts and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the accounts, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

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](http://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.

Jeremy Chittleburgh CA (Senior Statutory Auditor)  
For and on behalf of Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

17 May 2023

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



# Chartered Banker

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**Financial Statements for the year ended 28 February 2023**

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## Statement of Financial activities for the year ended 28 February 2023

		General funds	Restricted Funds	Total 2023	Total 2022
	Notes	£	£	£	£
<b><u>Income and endowments from:</u></b>					
Charitable activities:					
<i>Membership subscriptions</i>		1,788,667	-	1,788,667	1,424,347
<i>Education programmes</i>	2	3,999,667	-	3,999,667	4,270,322
<i>Events, meetings and projects</i>	3	17,774	-	17,774	23,183
Other trading activities	4	155,893	-	155,893	155,892
Investment income		6,435	-	6,435	1,519
Other income		38,941	-	38,941	17,964
<b>Total income</b>		6,007,377	-	6,007,377	5,893,227
<b>Expenditure on:</b>					
Raising funds		197,637	-	197,637	170,146
Charitable activities:					
<i>Membership subscriptions</i>	5	1,302,484	-	1,302,484	1,141,316
<i>Education programmes</i>	5	4,247,837	-	4,247,837	4,035,663
<i>Events, meetings and projects</i>	5	289,161	900	290,061	161,268
<b>Total expenditure</b>		6,037,119	900	6,038,019	5,508,393
<b>Net expenditure and net movement in funds before gains on investments</b>		(29,742)	(900)	(30,642)	384,834
Unrealised gains on investment assets		-	313	313	210,514
Transfers		-	-	-	-
<b>Net movement in funds</b>		(29,742)	(587)	(30,329)	595,348
<b>Funds at 1 March 2022</b>		3,945,219	43,070	3,988,289	3,392,941
<b>Funds at 28 February 2023</b>		3,915,477	42,483	3,957,960	3,988,289

The notes on pages 38 to 44 from part of these financial statements

## Statement of Financial Position as at 28 February 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	8	516,263	420,922
Investments	9	3,348	3,035
		-----	-----
		519,611	423,957
<b>Current assets</b>			
Stocks	10	25,549	21,091
Debtors	11	2,322,001	1,279,879
Cash at bank and in hand		1,568,258	3,597,656
		-----	-----
		3,915,808	4,898,626
<b>Creditors:</b>			
Amounts falling due within one year	12	(477,460)	(1,334,294)
		-----	-----
<b>Net current assets</b>		3,438,348	3,564,332
		-----	-----
<b>Total net assets</b>		3,957,960	3,988,289
		=====	=====
<b>Funds</b>			
Restricted funds			
Prize funds	13	19,655	20,242
Other restricted funds		22,828	22,828
Unrestricted funds			
Accumulated Fund		3,745,339	3,677,535
2025 Foundation		170,138	267,684
		-----	-----
<b>Total funds</b>	16	3,957,960	3,988,289
		=====	=====

These financial statements were approved and authorised for issue by the Trustees of the Institute and signed on their behalf:

S Pateman President

S Thompson FCBI Chief Executive

The notes on pages 38 to 44 form part of these financial statements

## Statement of Cash Flows for the year ended 28 February 2023

	2023	2022
	£	£
<b>Cash used in operating activities:</b>		
Net movement in funds	(30,329)	595,348
Add depreciation	225,855	238,973
Deduct investment income	(6,435)	(1,519)
Add revaluation losses/(gains)	(313)	(213,067)
(Increase)/decrease in debtors	(1,042,122)	(174,536)
(Decrease)/increase in creditors	(856,835)	492,362
(Increase)/decrease in stock	(4,458)	5,488
	-----	-----
<i>Net cash used in operating activities</i>	(1,714,637)	943,049
	-----	-----
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(321,196)	(459,815)
Proceeds from disposal of fixed asset	-	1,274,490
Interest and dividends received	6,435	1,519
	-----	-----
<i>Net cash used in investing activities</i>	(314,761)	816,194
	-----	-----
<b>Change in cash and cash equivalents in the year</b>	(2,029,398)	1,759,243
<b>Cash and cash equivalents at the beginning of the year</b>	3,597,656	1,838,413
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	1,568,258	3,597,656
	=====	=====

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. Net debt means debt finance less cash. The Institute had no debt finance during 2023 or 2022 and therefore its debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows.

The notes on pages 38 to 44 from part of these financial statements

# Notes to the financial statements for the year ended 28 February 2023

## 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) – (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 impact that the current economic conditions may have on operations. 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 16.

### 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.

### 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.

## Notes to the financial statements for the year ended 28 February 2023

### 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 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.

### 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

### 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.

## Notes to the financial statements for the year ended 28 February 2023

### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors 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 31<sup>st</sup> 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.

	2023	2022
<b>2. Education</b>		
	£	£
Advance Diploma	470,489	841,850
Certificate Courses	788,203	833,415
International	1,594,858	2,148,097
PRB Academy	681,762	-
Centres of Excellence	442,478	373,440
Accreditation and Certification	15,146	20,130
Chartered by Experience	6,731	53,390
	-----	-----
	3,999,667	4,270,322
	=====	=====

Income from Education totalled £3,999,667 (2022: £4,270,322) all of which was unrestricted.

	2023	2022
<b>3. Events, meetings and projects</b>		
	£	£
2025 donations - unrestricted	17,774	23,184
	-----	-----
	17,774	23,184
	=====	=====

	2023	2022
<b>4. Other trading income</b>		
	£	£
Management fee	155,893	155,892
	-----	-----
	155,893	155,892
	=====	=====

## Notes to the financial statements for the year ended 28 February 2023

### 5. Allocation of Staff, support and governance costs

	2023	2022
<b>Cost of Raising Funds</b>	£	£
Management fee	174,421	146,005
Investment Income	67	810
Other Income	23,149	16,221
Depreciation	-	7,110
	-----	-----
	197,637	170,146
	-----	-----
<b>Charitable Activities</b>		
Membership subscriptions	1,231,252	1,083,559
Education programmes	4,225,073	3,862,498
Events, meetings and projects	158,202	160,328
Depreciation	225,855	231,862
	-----	-----
	5,840,382	5,338,247
	-----	-----
Total expenditure	6,038,019	5,508,393
	=====	=====

Total staff, support and governance costs attributable to raising funds and charitable activities are apportioned on a pro rata basis in respect of the income received. Governance costs consist of an allocation of staff costs plus the auditors' remuneration.

### 6. Net income

	2023	2022
	£	£
Net income is stated after charging/(crediting)		
Auditors' Remuneration	8,800	7,201
Depreciation	225,855	238,973
Gain on sale of property	-	(209,560)
Gain on sale of assets	-	(2,994)
	=====	=====

### 7. Analysis of Staff costs and Remuneration of Key Personnel

	2023	2022
	£	£
Salaries	2,754,476	2,541,067
Social security cost	322,251	259,719
Other pension costs	54,035	41,194
	-----	-----
	3,130,762	2,841,980
	=====	=====

The average number of employees employed by the Institute during the year was 66 (2022: 57). 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 three key management personnel was £493,362 (2022: £485,735).



## Notes to the financial statements for the year ended 28 February 2023

### Employees

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

	2023	2022
60,000 – 70,000	2	2
70,001 – 80,000	2	2
120,001 – 130,000	-	-
130,001 – 140,000	1	1
140,001 – 150,000	1	1
190,001 – 200,000	-	-
200,001 – 210,000	1	1

### 8. Tangible fixed assets

	Course Development	Motor Vehicles	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2022	638,533	59,002	117,384	627,459	1,442,378
Additions	160,433	644	32,407	127,712	321,196
At 28 February 2023	798,966	59,646	149,791	755,171	1,763,574
<b>Depreciation</b>					
At 1 March 2022	544,290	44,998	30,423	401,745	1,021,456
Charge in year	86,927	14,004	12,092	112,832	225,855
At 28 February 2023	631,217	59,002	42,515	514,577	1,247,311
<b>Net Book Value</b>					
At 28 February 2023	167,749	644	107,276	240,594	516,263
At 28 February 2022	94,242	14,004	86,961	225,714	420,922

### 9. Investments

	2023	2022
	£	£
Held in investment pool at original cost	79,156	79,156
Unrealised loss on investments	(75,808)	(76,121)
Total market value of investments	3,348	3,035

Invested as follows: 6,362 Lloyds Banking Grp ordinary stock. These are held as restricted prize funds.

## Notes to the financial statements for the year ended 28 February 2023

	2023	2022
<b>10. Stocks</b>		
	£	£
Bespoke Course Material	11,314	12,165
Certificate Course Material	12,235	6,926
Stationery stock	2,000	2,000
	-----	-----
	25,549	21,091
	=====	=====
	2023	2022
<b>11. Debtors</b>		
	£	£
Other debtors	1,772,525	1,066,826
The Committee of Scottish Clearing Bankers	374,142	213,053
Prepayments	155,406	-
VAT	19,928	-
	-----	-----
	2,322,001	1,279,879
	=====	=====
	2023	2022
<b>12. Creditors</b>		
	£	£
Other creditors	327,873	466,389
Taxation & Social Security	149,587	72,025
VAT	-	14,566
Accruals	-	286,533
Dilapidations provision	-	45,307
Enrolment & Development Income deferred	-	449,474
	-----	-----
	477,460	1,334,294
	=====	=====
	2023	2022
<b>13. Prize funds held in trust</b>		
	£	£
<i>The following prize funds are held in trust as at the year end (cost):</i>		
T McGuffie Memorial Fund	3,656	3,656
Sir Bruce Patullo Prize	75,500	75,500
	-----	-----
	79,156	79,156
	=====	=====
<i>Market value of the above as at the year end:</i>		
T McGuffie Memorial Fund	3,348	3,035
Sir Bruce Patullo Prize	16,307	17,207
	-----	-----
	19,655	20,242
	=====	=====

There was a prize distributed in the year of £900 (2022: £900) from the Sir Bruce Patullo fund.

## Notes to the financial statements for the year ended 28 February 2023

### 14. Lease commitments

The Institute has committed to expend £253,722 (2022: £398,706), under an office premise lease which expires on 1<sup>st</sup> November 2025.

### 15. Related party transactions

In the normal course of business, the Institute undertakes transactions with organisations where one or more Trustees may be employed, or have been recently employed. Payments totalling £15,000 (2022: £24,600) were made to Charles Sydney Ltd, a company owned by a Trustee.

### 16. Analysis of movements on funds

	At 1 March 2022 £	Income £	Expenditure £	Gains/ (losses) £	At 28 February 2023 £
<b>Restricted funds</b>					
Torrance McGuffie Prize	2,265	-	(300)	-	1,965
Sir Bruce Patullo Prize	17,977	-	(600)	313	17,690
First European Project	22,828	-	-	-	22,828
				-	-
<b>Total restricted funds</b>	43,070	-	(900)	313	42,483
<b>Unrestricted funds</b>					
Accumulated Fund	3,677,535	6,007,377	(5,939,573)	-	3,745,339
2025 Foundation	267,684	-	(97,546)	-	170,138
<b>Total charity unrestricted funds</b>	3,945,219	6,007,377	(6,037,119)	-	3,915,477
<b>Total charity funds</b>	3,988,289	6,007,377	(6,038,019)	313	3,957,960

### 17. Analysis of net assets by fund

	Fixed Assets £	Invest- ments £	Net Current Assets £	Total £
<b>Restricted funds</b>				
Prize funds	-	3,348	16,307	19,655
First European Project	-	-	22,828	22,828
<b>Unrestricted funds</b>				
Accumulated Fund	516,263	-	3,229,076	3,745,339
2025 Foundation	-	-	170,138	170,138
<b>Total</b>	516,263	3,348	3,438,349	3,957,960