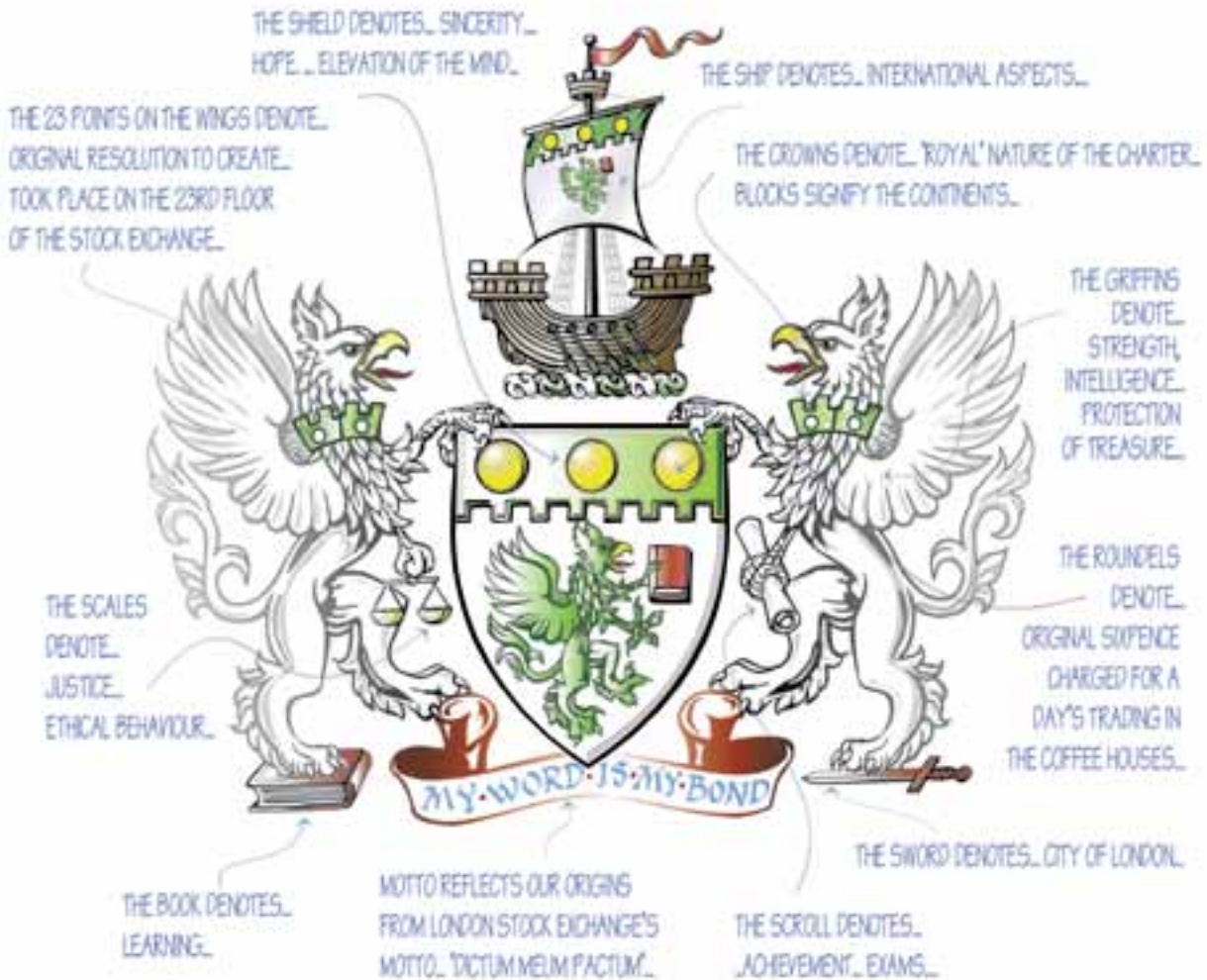


Report and Accounts 2009/10





Front cover image:
The CISI's new coat of arms with excerpts from the College of Arms' designer's notes.

Chairman's Statement	3
Chief Executive's Report	4

Charitable Objective 1: To promote, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.

ATTAIN COMPETENCE	
Trends in existing qualifications	8
Retail Distribution Review (RDR)	9
Diploma: Resurgence of PCIAM and future for CISI Masters	9
Awards Ceremonies	9
Examinations Board	10
External Quality Assurance and Recognition	11
The Importance of Accredited Training Providers	11
UCAS	12
The Brokerage Citylink	12
Centres of Excellence	13
CISI Educational Trust	13
Publications	13
eLearning	14
Prometric and Computer Based Testing (CBT)	14
International Work	14
Business Development UK	17
Branch Committees	17
Regional Presidents	17
Corporate Membership	18
MAINTAINING COMPETENCE	19
Students	20
Annual Members' Survey	21
Membership Committee	21
Professional Interest Forums (PIFs)	22
Compliance Forum Committee	22
Corporate Finance Forum Committee	23
IT Forum Committee	23
Operations Forum Committee	23
Risk Forum Committee	24
Wealth Management Forum Committee	24
Training Directors' Forum	24
Seminars to support maintaining competence	25
Networking Social Events	26



Charitable Objective 2: To develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas.

Integrity & Ethics Committee: Composition and Purpose	27
Integrity at Work 2	28
IntegrityMatters	28
Code of Conduct	28
Interactive Integrity Seminars	29
Annual Integrity Lecture	29
Promoting Ethics for Practitioners	29

Charitable Objective 3: To act as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investments in securities.

<i>Securities & Investment Review</i>	30
Editorial Panel	30
Media Profile	31
Online Careers Information Centre	32
Infolink	32
Conferences	32
Contributing to other FSA Consultation Papers, including CP09/18, CP09/31 and CP10/3	33
<i>Regulatory Update</i>	34
<i>Investment Management Review</i>	34
TRUSTEES' REPORT	35
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	42
BALANCE SHEET	43



The composition of all committees is as at 31 March 2010.

CISI ANNUAL REPORT

Chairman's Statement

I am pleased to report that at the close of this financial year, your Institute is in good order, showing a surplus of £762,000, no mean feat in a year of worldwide uncertainty.

A lot of hard work has gone into building an Institute of value, both for its members and for the industry generally. Many members have given freely of their time and expertise to develop an organisation of which we are all proud. A particular thank you to those practitioner members who help us to keep our exams relevant, serve on our Professional Interest Forums and keep us up to the mark. My predecessor, Scott Dobbie FCSI(Hon), and I have benefited from the excellent implementation skills of the Executive Team, whose efforts were deservedly recognised by the Privy Council in awarding Chartered status to the Institute in October 2009, the culmination of a lot of good work over the last few years.

This is by no means the end of the story. The Institute has more to do to increase its profile and its membership, both domestically and overseas. I believe there has never been a set of circumstances in which the very principles that the CISI stands for have been more relevant than now. We have worked closely with our members and with regulators, may it be domestic or international, to forge an appropriate working relationship built on mutual respect. As I write this, the new UK coalition Government has announced the restructure of our regulator which will be completed in the next 18 months, but we do not believe that the Retail Distribution Review (RDR) will be much changed, because the protection of the consumer will always be paramount.

We as an organisation continue to pursue a strategy of developing our exams, to attract and accommodate other financial centres and, despite what was a very difficult last year, I am pleased to say that we are beginning to see real evidence of that strategy paying off. In the testing times which we have all experienced during the financial upheaval, the Institute, due to good stewardship, is financially robust. It is our intention to continue to offer a valuable service to our members and relentlessly to pursue the very highest standards so that you can be justifiably proud of our achievements.

I have been well supported during my short time in office by a very able Board of Trustees who have given unstintingly of their time and professional expertise. I would like to thank Nigel Challis FCSI(Hon) and Shaun Lacey, Chartered FCSI, who stood down from the Board last September, for their valued contribution to the Institute. I would also take this opportunity formally to commend Scott Dobbie FCSI(Hon) for leading the Institute so ably and carefully for ten years, some of which were particularly difficult, and to thank Simon Culhane, Chartered FCSI, Ruth Martin and their executive colleagues for their continued dedication and hard work during this past year.

Alan Yarrow, Chartered FCSI(Hon)
Chairman



*Alan Yarrow, Chartered FCSI(Hon),
Chairman*



Chief Executive's Report

The Institute's primary function is to provide education for the public. Although it is a charity, it does not receive any government funding and therefore, from a financial perspective, along with much of the industry, the past 12 months have been particularly challenging. Yet during the year, there have been two positive developments which may turn out to be among the most important in the Institute's history.

The first is the successful application to the Privy Council for the former Securities & Investment Institute to become a Chartered body and, although this outcome was correctly anticipated by our retiring Chairman, we were delighted to officially become the Chartered Institute for Securities & Investment in October 2009.

This official recognition has propelled the Institute into the premier division of professionalism and has helped our reputation, both domestically and internationally. It has also allowed us to offer those individual members who are at the top of their profession, the opportunity to become personally Chartered, and we hope that, in much the same way as we refer to Chartered Accountants or Chartered Engineers, the public will recognise a Chartered member of the CISI as someone who has reached the pinnacle of their profession.

The second key event is the proposal from the UK Financial Services Authority (FSA), as part of its long running determination to raise the level of professionalism in the industry.

The Institute has been part of the FSA's working party on professionalism and was delighted when the FSA strongly encouraged anyone dealing with a retail customer in the UK to:

- a) join a recognised professional body of their choice;
- b) undertake a minimum of 35 hours continuing professional development (CPD) a year; and
- c) observe their professional body's code of ethics.

This is a welcome recognition, by the regulator, of the value of professional bodies and the benefits they bring to the wider public.

We believe that these two key strategic initiatives will have major benefits for the Institute.



Simon Culhane, Chartered FCSI,
Chief Executive



Scott Dobbie FCSI(Hon), Ruth Martin, Alan Yarrow, Chartered FCSI(Hon)
and Simon Culhane, Chartered FCSI with the Institute's Royal Charter



Another key and welcome development is the continuing growth of the Institute's work overseas. Although not quite as fast as expected, nevertheless good progress has been made, particularly in the Middle East where we have helped the UAE regulator introduce a qualifications regime based on our existing exams. We are also helping other neighbouring countries in the region to replicate the success of the UAE.

The Institute's three core charitable objectives, which remain unchanged, are;

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

From a qualifications perspective, 2009/10 saw the lowest number of front office exams taken in the UK for over a decade at just over 16,000, compared with 34,000 only two years ago.

This is because UK-based firms responded to the financial crisis with general hiring freezes and graduate recruitment was either significantly curtailed or completely cut. In 2008/09, 5,781 graduate exams were booked; in 2009/10, this had fallen to 2,688.

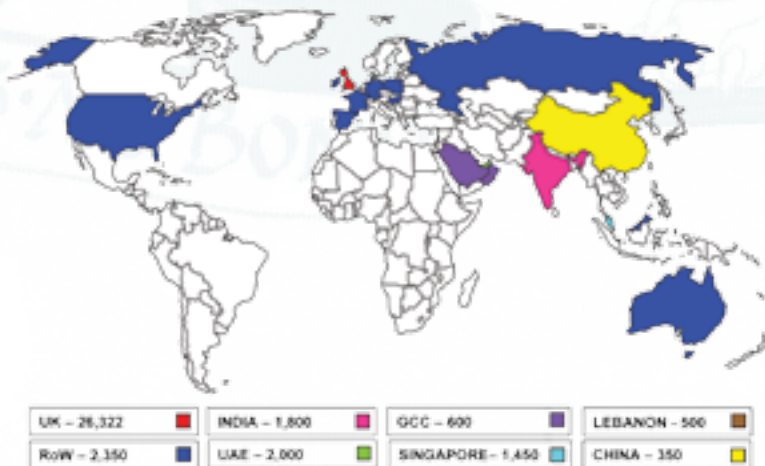
However, although the front office exams dropped away significantly, the fall was less severe for operations exams, with the 25% drop in the UK being offset by a 28% rise overseas, particularly in India and the Middle East.

The number of qualifications taken abroad was almost 6,400 and we expect this to rise to almost 9,000 over the next year. Our five year plan envisages greater qualification growth overseas and we expect that by 2015 almost half our exams will be taken outside the UK as the CISI becomes a truly global organisation.

Membership has held up well despite the weakness of the economy and with strong encouragement from the UK regulator, we are looking to see significant growth this year. However, we naturally lose about 9% of our members annually through retirement and leaving the industry, so a net gain of 11% requires a significant 20% gross increase.



Newspaper announcement, 1 November 2009





Delegates at the CISI Annual Conference



Nicholas Kennedy, winner of the Further Education award presented by Kathleen Tattersall, then Chair of Ofqual

One area that has been in great demand during the year has been our work on integrity, which saw the launch of our second book of case studies as well as an increased focus on our e-test IntegrityMatters, which has been taken by almost 2,000 candidates. Successfully passing this test is a prerequisite for an individual to become personally Chartered.

Although 2009/10 was particularly challenging, and overall revenue targets fell short of budget, close control of our costs has allowed the Institute to come through what we hope is the worst of the difficult conditions with a better than expected trading surplus of £240,000. However, as a result of revisiting some conservative accounting practices and the recognition of some unrealised gains from Singapore, the Institute has recorded a year end surplus of £762,000. The Institute's net assets have risen to £5.7m (£5.0m in 2009).

A significant amount of the trading surplus is being re-invested in improving services for members and upgrading our IT infrastructure.

We are very conscious that, as a charity, we have a public service obligation and, as well as general education, we have continued our commitment to provide wider general access, regardless of means.

The Institute continues to:

- publish a careers guide to banking, securities and investment with *Inside Careers* available free to schools, colleges and careers guidance offices.
- provide free reference copies of its foundation workbooks to libraries throughout the UK.
- work with BNP Paribas and Citibank on the running of their City apprenticeship programme for students living in the City fringes.
- work with the Brokerage City Link to provide an insight into careers in the City to students.
- offer reduced membership and exam packages to full time students and the financially disadvantaged in the UK and abroad.
- work with schools and colleges, running free 'train the trainer' events to prepare teachers to teach courses that will allow students to sit our exams.
- provide free and paid CPD events to members and the general public to raise awareness of good practice and ethical dealing within the securities and investment industry.
- work with other professional and charitable bodies, offering our knowledge and expertise to help advance appropriate projects.
- provide scholarships administered by the CISI Educational Trust for various competitions in the field of securities and investment.



The world's economy, particularly Asia, has generally recovered well from the financial shocks, but the UK economy remains fragile and has been left with a huge millstone of debt that will take many years to repay.

We are, however, seeing a welcome increase in general recruitment, up over 20%, and graduate numbers have recovered, rising by over 50% from the low of last year, but there is still uncertainty and we expect slower growth in the UK market.

However, we are more optimistic abroad, particularly in the Middle East and the Indian sub-continent, where there are many millions of people who are keen to raise their knowledge and obtain a skilled job position in the financial sector.

There are two groups of people to whom the CISI is particularly grateful and we are exceptionally fortunate that the Institute enjoys the goodwill of so many of its members, over 700 of whom volunteer to help in all of the CISI's activities. Without their practical and intellectual assistance, we could not operate.

The second group is our staff and although there is a danger of this becoming an annual cliché, the Institute has some truly excellent staff who, despite reduced resources as it battled through a tough year, achieved a number of highly significant milestones. It is a testament to the positive culture within the organisation that almost 10% of the current UK staff have, at some stage, returned to the Institute having previously left on a permanent basis, many because they appreciate the CISI's values and core mission.

As part of becoming a Chartered body, the Institute now has its own coat of arms (see front cover for an explanation and the symbolic meaning of each aspect) and we have reflected our heritage in our motto, which is just as fitting today as it was when the Stock Exchange was created over 200 years ago: "My word is my bond".



Delegates at an India Integrity seminar



Kevin Moore, Chartered MCSI (right) speaking with Helena Green ACSI and Andrew Hall of the CISI

**Simon Culhane, Chartered FCSI,
Chief Executive**



Charitable Objective 1: To promote, for the public benefit, the advancement and dissemination of knowledge in the field of securities and investments.

ATTAIN COMPETENCE

Trends in existing qualifications

The difficult economic circumstances had a tangible impact on candidate numbers in 2009/10, with an overall drop of 20% on the previous year, 32,688 versus 41,041 in 2008/09. This reflected the large fall in recruitment of new graduates into the industry, which is such a key component of the CISI's exams customer base.

Within the general decline, there were wide variations amongst the Institute's core products with the certificates suite of qualifications falling by 27% overall, and the Investment Administration Qualification (IAQ) in the UK slipping 25%. However, the international picture was more positive, with a 28% increase in take up of the IAQ.

The decrease in the UK affected both the retail and the professional/wholesale parts of front office and operational roles. International highlights included mandated qualifications in the Lebanon and continued regulatory support in Singapore.

Our highest level exams, the Diploma and Masters programmes, reversed this trend, with a welcome increase of 14%, which we expect to see continuing as candidates use these exams to achieve compliance with the Retail Distribution Review (RDR), and the wealth management part of the sector generally seeks a higher level benchmark for the attainment of initial competence.

During the year, the International Introduction to Investment module was translated into Arabic; all modules continue to be updated on an annual basis except for CREST settlement which, as a settlement engine, is due to end during 2011. Child Trust Funds will also end following a change in Government policy.

Preparatory work began on developing local regulatory exams for Oman and Qatar for launch in 2010/11 and the regulatory exam for the UAE was launched in December 2009. In all of these, the aim is to offer our international model, which is comprised of a local regulatory exam in tandem with global technical papers.



Charles Pugh ACSI with John Douthwaite FCSI, Senior Adviser and Technical Adviser, respectively, on CREST Settlement Panel



Marcus Johnson FCSI, Chair of the CISI Masters in Wealth Management Qualification Assessment Board



Francesca Walters of the CISI with Michael Sparks MCSI, Risk in Financial Services Panel



External specialists Jennifer Moodie MCSI, Adrian Hood FCSI and Dimitrios Alafouzos, Chartered MCSI



Retail Distribution Review (RDR)

Preparation for the implementation of the FSA's RDR has played a large part in the CISI's qualifications development work this year. Through the contribution of one of our Senior Advisers to the working group led by the Financial Services Skills Council (FSSC), we were able to reflect our strong practitioner-based views on the content and balance of the core and specialist exam standards for Regulations & Ethics, Investment & Risk, Personal Taxation, Securities and Derivatives.

Work commenced in 2009/10 on the development of new syllabi for the suite of retail exams, working with subject panels of practitioners drawn from the industry, ready for these to be available from June 2010.



Matthew Brown FCSI, RAM Capital Partners, a speaker at an RDR open day

Diploma: Resurgence of PCIAM and future for CISI Masters

We were also well placed to assist experienced, authorised practitioners to comply with the requirements of the RDR, as our Certificate in Private Client Investment & Administration (PCIAM) qualification was accepted by the FSA as one of the approved transitional qualifications. The CISI has been able to offer a single paper, supplemented by CPD, which has proved popular and convenient for firms and individuals.

One of the messages we have received in consultations on the RDR is the appetite in many firms for an RDR-compliant higher level qualification. The CISI Masters programme is ideally suited to meet this need, and work commenced in 2009/10 to ensure that the Masters programme is consistent with the new exam standards.



Sian Lloyd FCSI, CISI Senior Adviser on FSSC working groups

Awards Ceremonies

The highlight of the educational year is the annual ceremony at which we recognise the success of those who have gained the highest scores in that year's exams, which are taken in over 50 countries. At the event held at the Mansion House in January, 84 prize winners received awards, including many from overseas, and were congratulated by Chairman Alan Yarrow, Chartered FCSI(Hon), while Kathleen Tattersall, then Chair of Ofqual, addressed the ceremony.

This year also saw the highest presence ever of candidates from outside the UK, with representation from Malaysia, India, Spain, Poland, Germany and Kazakhstan.

As well as the usual separate ceremony in Edinburgh, awards were also organised by the Singapore office this year for high achieving candidates and we expect to see a growth in local events as our international presence increases.



Award winners with Ruth Martin and Carlye Campbell, of the CISI, at the Edinburgh Awards Ceremony



CISI Awards Ceremony



Examinations Board

Each exam subject has a panel of practitioners who generously volunteer their time. There are 34 panels reporting into five Qualifications Boards which are governed by an overarching Examinations Board. The members of the Examinations Board are listed below and we are most grateful to them and the many others who help us.

Name	Company
Sir David Howard FCSI(Hon), Chair	Charles Stanley
John Barrass	APCIMS
Andrew Carter, Chartered MCSI	Edward Jones
Liz Field	FSSC
Neal Franklin MCSI	BNP Paribas
Jane Green MCSI	Futures and Options Association
Victoria Nye	Investment Management Association
Lynne Hill MCSI	Lynne Hill Consulting
Paul Martin MCSI	AFME (formerly LIBA)
Clive Shelton FCSI	IFDS
Andy Sheppard, Chartered FCSI	Association of Foreign Banks
Richard Solomon FCSI	Royal Bank of Scotland
Oonagh O'Neill ACSI	Morgan Stanley
Richard Wastcoat	FSSC Board Member and CISI Director
Sir Stephen Wright	IFSL
Sandra Jacobs	Royal Bank of Scotland
Tony Blunden FCSI	Chase Cooper
David Punt FCSI	Baker Tilly
John Gaskell, Chartered FCSI	ICAEW
Clare Minchington	ACCA
Frank Canosa FCSI	Representing BBA
Alan Thornburrow	Scottish Investment Operations
Martin Mitchell FCSI	The Corporate Training Group



Sir David Howard FCSI(Hon)



Jane Green MCSI



David Punt FCSI



Neal Franklin MCSI



Lynne Hill MCSI, Chairman, IAQ Qualifications Assessment Board and Committee Member of Operations PIF

External Quality Assurance and Recognition

In 2009, the Institute was audited by the newly independent regulator, Ofqual, which was a wide ranging review covering aspects from corporate governance to the arrangements for certification and included in-depth interviews with the Qualifications and Operations teams and attendance at panel meetings. The comments of the monitoring team on our processes and operation of policies were complimentary and the report imposed minimal conditions, all of which have now been completed.

The CISI also successfully underwent a rigorous process of evaluation by Ofqual to gain 'supplementary recognition', which enables it to work within the Qualifications and Credit Framework (QCF), a unified matrix of the nation's qualifications across all sectors.

During the year we have seen a marked improvement in our working relationship with the Financial Services Skills Council, which has responded positively to feedback during the re-licensing process and instigated a more collaborative approach with awarding bodies. We are pleased to note that it has now achieved re-licensing.

The Importance of Accredited Training Providers

Accredited training providers (ATPs) are key partners for the CISI, providing high quality training and expertise to candidates. The Institute is particularly grateful for their professionalism and for promoting CISI exams. The Institute takes quality assurance seriously and only the highest calibre of training provider is formally accredited and awarded the CISI kite mark. This enables candidates to easily identify a recognised trainer who will be able to assist them with their learning.

As part of the accreditation process, training providers undergo an approval visit which includes an observation of training and they also complete an annual review process. To support our ATPs, the CISI organises 'train the trainer' sessions and provides them with a tutor slide pack for the subjects they teach. ATPs' accreditation is reviewed annually.

The CISI currently has 58 ATPs, with 11 of those in the UK and 47 around the world including India, Dubai, Egypt, Singapore and Pakistan. During 2009, closer working relationships were made with CCL, particularly in the Middle East, and the Corporate Training Partnership in the UK.

The CISI continues to work very closely with two global ATPs - 7City Learning and BPP - and their willingness to pilot new qualifications and assist with learning manual reviews is much appreciated.



*Kathleen Tattersall,
then Chair of Ofqual*



RISK REWARD
MANAGE THE RISKS, REAP THE REWARD!



*Phil Morey MCSI, from accredited training provider, BPP
with Julie Noone, Director of Operations, Kaplan at the CISI Awards Ceremony*





UCAS

During the year, the CISI successfully applied to UCAS to have a Tariff assigned to its new Certificate for Introduction to Securities & Investment, a two-unit qualification consisting of the Introduction to Securities & Investment module and the Extended Project. The Extended Project encourages students to research further into the area of the Introduction to Securities & Investment syllabus, based on topic titles provided by the CISI, and for students to produce a project report of their findings.

To support the development of this unit in 2009, a panel of practitioners and academics was set up to help produce a teachers' guide which includes two exemplar projects.

To enable the Institute to pilot this qualification in a number of schools, an agreement has been reached to sponsor a teaching post for one year at Langley Park Comprehensive School for Boys in Kent. The post holder will teach two or three groups of differing abilities and also help with the production of an interactive learning manual, contribution to the development panel and the creation of a teacher's starter pack of slides.

The application to UCAS was a long process and the successful outcome at their Expert Group meeting was the culmination of a three-year journey in developing the qualification and receiving the necessary endorsements from various Government bodies before making the final submission to UCAS. This new qualification will be available from September 2010 to post-16 students and means that as well as having a professional qualification, a UCAS Tariff will enhance a student's application to university. Students achieving the highest grade, Pass with Distinction, will attract 60 points, equivalent to an A grade at A/5 level.

The Institute is also working to ensure that this qualification is available to a wider audience by making it part of the new Government 14–19 Business, Administration and Finance Diploma qualification. Achieving this aim means that it will attract Government funding which will support those schools and colleges wishing to deliver the qualification.

The Brokerage Citylink

Over the past five years the CISI has worked with another charity, The Brokerage Citylink, whose aim is to bring together employers in the City, its fringes, Docklands and the potential local workforce, raising the ambition and employability of young people and unemployed adults from the inner city and enabling firms to access a diverse workforce.

As part of its City of London Business Traineeship Programme, it looks to find a work placement for between six and 13 weeks for academically bright students from inner city schools, who have completed their A levels.



Brokerage Citylink students attending a course at the CISI



For some of those students unable to find a work placement through The Brokerage programme, the Institute holds a one-day Introduction to Financial Markets course in its London office in July, with the training provided by Julia Kirkland ACSI.

In January 2010, the CISI also worked with The Brokerage in providing a one-day Introduction to Risk as part of its week-long introduction event for undergraduate students considering a career in financial services. The introduction was provided by Alan Burr FCSI.

Centres of Excellence

In July 2009, the CISI recognised Glasgow Caledonian University as a Centre of Excellence in the field of investment operations, one of only a few universities with a strong interest in the operations part of the sector. Students on the MSc in Financial Services, Risk and Operations programme and the MSc in Banking, Finance & Risk Management are eligible to apply for exemption from the CISI Diploma in Investment Operations.

Glasgow Caledonian University became the seventh recognised CISI Centre of Excellence, joining Cass Business School, the ICMA Centre at Reading University, the University of Edinburgh, Xfi at the University of Exeter, BPP Law School and Imperial College Business School.

Successful students on a recognised Masters degree course at the Universities in Science programme will be able to apply for their relevant exemption once they have become student members of the Institute and passed the IntegrityMatters module.

CISI Educational Trust

The CISI Educational Trust incorporates the Stephen Cooke Scholarship programme, which this year granted one Premier Scholarship Award worth £5,000, (open to competition by all Centres of Excellence) and one General Scholarship, available to each Centre of Excellence.

This year saw applicants from Cass, ICMA, Xfi Exeter, Imperial College Business School and BPP Law School receive £18,000 worth of Scholarship Awards from the CISI Educational Trust fund. The Premier Scholarship was awarded to Mike King of the University of Exeter.

Publications

Students purchased over 10,000 publications in 2009/10 and we increased the range of titles offered, including new learning manuals for Private Client Investment Advice & Management, Corporate Finance and Risk in Financial Services. Our aim is to produce our own official learning manuals for all CISI exams.

During the year, new quality assurance guidelines were introduced, including expanding the team of external reviewers and upgrading to exam standard revision questions at the end of all chapters.



Glasgow University Centre of Excellence signing an MoU with Ruth Martin



Stephen Cooke Award winner, Mike King, with Clare Gore Langton FCSI(Hon) and Alan Yarrow, Chartered FCSI(Hon)





Revision Express Interactive

eLearning

We are conscious that not all candidates are able to obtain face-to-face training from an ATP. Many, particularly in developing countries, rely only on our workbooks. We therefore expanded the amount of elearning we can offer via the internet and introduced four new titles during the year:

- Islamic Finance Qualification (IFQ)
- International Investment Management
- Corporate Finance Regulations
- Risk in Financial Services

We have also upgraded both the content and the questions in line with syllabus changes.

Prometric and Computer Based Testing (CBT)

The delivery of computer based testing (CBT) provided by Prometric in the last year has been of a very high standard. Candidate feedback and service level agreement (SLA) scores indicate that issues were fewer in number and severity and those issues that did arise were resolved quickly and efficiently.

The CISI operates test centres in London, Beirut and Dubai, the latter two in collaboration with the local regulators.

Our global expansion means that we now need to offer a computer testing solution for those countries where previously we have had to resort to pen and paper to deliver exams, when no CBT facilities were available. We are investigating alternative exam delivery options, using the latest levels of encryption through the internet, and anticipate finding a solution by the summer of 2010, thus greatly increasing our ability to test globally.

International Work

Four years after opening its first international office, the CISI's international work continues to develop through offices in Dubai, Mumbai, Singapore and Shanghai, although we will scale back our representation in China in 2010. We are grateful for the guidance given by the International Committee whose members are:

Sir David Brewer FCSI(Hon), Chairman	Formerly IFSL (now The City UK)
Alan Yarrow, Chartered FCSI(Hon)	CISI
Chris Scott, Chartered FCSI	Quilter
Robert Gray	HSBC

Against a background of a considerable downturn in total numbers of exams taken worldwide as a result of the credit crunch, 6,379 exams were taken outside the UK in 2009, amounting to 20% of the total (against 6,005 in 2008/09, 15% of the total). This was a weaker increase than we would have liked, but was nonetheless a positive performance given exceptionally adverse conditions in global financial markets.



Monika Lizner of the CISI at the Institute's London CBT centre



Zhongsheng Zang, General Manager of Oracle Bay in China with Simon Culhane, Chartered FCSI



This encouraging growth demonstrates again the increasingly global nature of the securities and investment industry and the growing demand in many centres for the Institute's services in helping people to attain and maintain competence and to act with integrity. As in the United Kingdom, the CISI's international agenda has been given renewed impetus by the trend, after the financial crisis, of increased regulatory supervision and the need to respond to public concerns about competence and skills levels.

In developing overseas markets, the Institute follows two main approaches, by:

- Working closely with host country regulators and authorities, complementing national regulatory requirements rather than competing with them, and helping to build competence levels and sustainable capacity by partnering with strong local education and training partners.
- Following major clients as they develop their business outside the UK, particularly in asset servicing and wealth management across Europe, the Middle East, South East Asia and the Far East.

While international work has moved steadily up the priority list, the work undertaken in the UK, both on qualifications and membership, remains of critical and fundamental importance for the Institute. The strategy of widening our marketing has proved particularly helpful in recent months given the challenges faced by the UK domestic market.

The Middle East has continued to show growth through partnerships with local regulators, particularly through the Introduction to Securities and Investment qualification and the positive reception and adoption of the International Certificate in Wealth Management in retail banks. Working with local regulators allows us to develop a local regulation paper and use our existing global exams.

In the UAE, the qualifications regime in collaboration with the Securities and Commodities Authority (SCA) was formally launched in October 2009. By the end of March 2010 nearly 400 exams had been taken by students seeking to become qualified under the first mandatory qualifications and licensing regime for the UAE.

In Oman, the contract to work with the Capital Markets Authority to develop an Oman Securities Market regulatory exam is progressing well. The formal launch of the qualifications-led mandatory licensing regime with membership will take place in 2010 with the roll out of the regulations exam from September 2010.

Bahrain launched a National Advisory Council involving both local and global bank representatives. Training providers have been identified and qualifications will begin to be offered in 2010.

In Qatar, the relationship with the Qatar Financial Centre Regulatory Authority remains strong. Local firms have started to use the IFQ and the regulatory paper will be introduced in 2010.



Richard Stockdale FCSI, CISI President of Dubai Advisory Board with Guy Warrington, HM Consul General, British Embassy, Dubai and Sheena Connolly, the DIFC Prize Winner



Patrick Murphy, Bluefin, Lydia Tapping of the CISI and Jon Golding FCSI, President, Caribbean Financial Planning Association, signing an MoU



Ahmed Al Qarshoobi and Dr Paga Kallu Ras of the Oman CMA with Helena Green ACSI of the CISI



Ruth Martin and Francesca Walters of the CISI with the Advisory Council for Islamic Finance





India Integrity seminar



Audience at an India Integrity seminar



Filimon Antonopoulos MCSI, President of the CISI Greek Regional Committee (Advisory Board)

In India, the team has continued with a very active programme of raising awareness and development, concentrating on relationships with the regulator and with a wide range of multinational and local clients. Extensive links have also been formed with training providers and tertiary education institutes. A programme of regular CPD events in different cities in India has been developed. The work of the National Committee, which is well-connected and helpful, has played an important role in expanding the Institute's influence.

Sri Lanka has significant potential, mainly due to the large number of young people without access to the higher education system, who are turning to professional qualifications as an alternative. A series of positive meetings with the regulator and clients was held during the year, with excellent prospects for the future.

Singapore has continued to develop well, but was not immune from the financial slowdown; nevertheless, there is an increasing number of clients now taking CISI qualifications not just in Singapore, but also regionally. A large local bank has plans to mandate the IAQ qualification across the ASEAN region.

An awards ceremony was held on 10 November in Singapore, attended by the Chairman and the Chief Executive with the guest speaker Mr Ng Nam Sin, Executive Director of the Monetary Authority of Singapore.

Singapore is also continuing to develop relationships outside of the traditional financial services category with other professional bodies, educational institutions and corporate treasury areas.

The Singapore team began a programme of targeted visits in the region, calling on potential new markets for CISI development. Malaysia has a strong interest in the IFQ and a good relationship has developed with the Securities Commission, Malaysia (SIDC); early in 2010, 74 candidates enrolled for the IFQ exam. Further collaborative partnerships will be explored in the course of 2010. In the Philippines, there has been considerable interest in the CISI's offering from both the regulator and clients and preliminary visits are already being followed up.

While these areas have been developing, results from China have proved disappointing. Although there has been some progress on presenting Integrity and Ethics, with a successful seminar in Shanghai, the regulator has still not formally recognised the CISI's qualifications and without that endorsement, sales to clients have been low. Early in 2010, the decision was taken to scale down the operation in China and close the office.

There are many other countries where the CISI has been helping firms, especially large international banks, to implement qualifications globally – using exams as benchmark requirements for new entrants, or as preconditions for moves within the organisations. Take up of qualifications has been especially strong in Central and Eastern Europe and elsewhere, active local committees have helped the Institute's development in different markets.



Alan Yarrow, Chartered FCSI(Hon) at the Singapore Awards Ceremony

The CISI's last international strategy came to a conclusion at the end of 2009, with its objectives broadly achieved. A new strategy was developed in early 2010, covering the period up to the end of the financial year 2014/15, which envisages significant growth and the probability of opening an additional number of offices. The strategy represents a challenging, but achievable, further step in the CISI's transformation into a truly global organisation.

Business Development UK

Branch Committees

Within the UK, the Institute is fortunate that it can rely on a network of hard-working committees whose primary role is to support the provision of learning opportunities through speakers and seminars for CISI members. Run by local volunteers and supported by a dedicated team at the CISI, the committees have held 135 events attended by over 4,100 CISI members and guests.

Regional Presidents

We are particularly grateful to the following who were regional Presidents during the year.

Region	President	Firm
Birmingham & West Midlands	Gordon Harvey FCSI	Williams de Broë
Bristol & Bath	William Blake MCSI	Quilter
East Anglia	Marcus Johnson FCSI	NW Brown
East Midlands & Lincoln	Jonathan Wernick ACSI	JW Compliance
Guernsey	Rupert Stow, Chartered FCSI	Generali Portfolio Management
Ireland	Peter Keane FCSI	Financial Regulator
Isle of Man	Alan Lawrence, Chartered FCSI	BlackRock
Jersey	Richard Sayers, Chartered FCSI	Enhance Investments
Liverpool & North Wales	Marion Mulcahy, Chartered MCSI	Rensburg Sheppards
Manchester & District	Matthew Beaumont FCSI	Quilter
North East	Christine Hawdon, Chartered FCSI	Brewin Dolphin
Northern Ireland	Annabel Montgomery FCSI	Cunningham Coates
Scotland	William Macdonald MCSI	Craigcrook Management
South Coast	Richard Bell, Chartered FCSI	Williams de Broë
West Country	David Coard, Chartered FCSI	Charles Stanley
Yorkshire	Alan Fleming, Chartered FCSI	JM Finn



Gordon Harvey FCSI, President,
Birmingham & West Midlands



Guernsey Annual Dinner



Jersey Annual Dinner



Corporate Membership

The backbone of corporate membership of the CISI is a public commitment by the member firm to uphold the highest standards of integrity, competence and professionalism. By the end of the year, we had expanded our corporate membership to 53 and the number continues to increase.

In practical terms, full corporate membership offers firms a wide range of tangible support for staff development, including the corporate member's own choice of CPD event, access to the CISI CPD scheme and related monitoring tools, as well as detailed exam reports at both business and individual level.

Many corporate members chose to run the CISI interactive 'Integrity at Work' event as part of a professional ethics programme that included individuals taking the CISI online test, IntegrityMatters.

Corporate members endorse and adhere to the CISI Code of Conduct and the Institute recognised the logos of our corporate members in the main advertisement in the *Financial Times* for the CISI Annual Lecture in September 2009. This year, the lecture was entitled 'What does the City need to do to restore trust in the market?' and represented a further public affirmation of our corporate members' commitment to high standards of integrity and ethical behaviour.






MAINTAINING COMPETENCE

On 2 November 2009, the Institute publicly announced the award of its Royal Charter, which was the most significant change in the organisation's history. As a member of a Chartered professional body, members benefit from an enhanced status in the industry and the wider community. All members are now part of an organisation which holds the respect of government and industry, and can communicate with the public on a whole new level.

The designatory letters for members changed from ASI to ACSI, MSI to MCSI and FSI to FCSI. In November, a window of opportunity of one year was opened to enable members to apply to become personally Chartered, which is the pinnacle of membership. The main difference between Chartered and ordinary members is that Chartered members need to have completed 35 hours of CPD over four learning types and have successfully passed the IntegrityMatters test.

Maintaining CPD is very important for all Chartered members as the Charter can be removed if not completed. The flowchart below demonstrates the routes to Chartered MCSI and Chartered FCSI.



There are three routes to upgrade to Chartered FCSI, they are as follows:

1. Must have passed a CIMA/ACCA level 6/7 qualification and have three years' logged CPD as a Chartered MCSI
2. Must have ten years' experience as an MSI or MCSI with three years' logged CPD as a Chartered MCSI (this transition is only available to those existing members who enter the Chartered stream within the 12 month window of opportunity)

* CPD must either be logged on the CIMA/ACCA CPD scheme or your firm's scheme must be formally accredited by the Institute.





It was a difficult year for membership growth in 2009. The tough economic climate contributed to a 1% reduction in the number of qualified members (15,063 against 15,236 in 2009). Nevertheless, there was a welcome small increase in the number of people attaining the highest level of membership while it was encouraging that over 1,000 new members joined as Associates.

There was also a healthy growth in the number of Affiliates, which is consistent with our belief that membership matters more than ever and the continued expansion of the CISI's professional development opportunities will enable members to maintain their ongoing competence.

It was encouraging that the FSA's consultation papers endorsed the value of professional membership and we are currently receiving many more enquiries from both firms and individuals.

The total number of members by category as at 31 March 2010 is as shown in the table below.

Category	2009	2010	Difference	% Change
FCSI	3,581	3,624	43	1.2%
MCSI	6,236	6,207	- 29	-0.5%
ACSI	5,419	5,232	-187	-3.5%
Total Qualified	15,236	15,063	-173	-1.1%
Students	25,929	20,202	-5,727	-22.1%
Affiliates	567	818	251	44.3%
Grand Total	41,732	36,083	-5,649	-13.5%

Students

While student membership dropped by 22% over the past year, due directly to the slowdown in qualifications being taken (student membership commences at the outset of registration for a CISI qualification and is extended until the student completes the full award), the Understanding of Finance & Investments Programme dedicated to helping them has expanded this year to include:

- What is a Hedge Fund?
- What is Private Equity?
- What is a Sovereign Wealth Fund?

These are in addition to sessions covering derivatives, bonds and anti-money laundering.



Alan Burr FCSI, undertakes significant seminar work for the CISI



A meeting of the Risk Professional Interest Forum

Annual Members' Survey

Over 1,500 members completed the annual members' survey and the top three membership benefits were designatory letters, CPD events and the *Regulatory Update*. We believe this reflects the growing value of visible demonstrations of proof of professionalism as the financial services sector seeks to restore trust. The annual survey also revealed an increase in commitment to measurable CPD.

The Membership Committee has been particularly busy, as the Institute prepared for Chartered status, and the Committee scrutinised the Charter, all of its bye laws and many proposed changes to regulations. In addition, each Committee member is now working closely with an individual region to ensure greater feedback from all our members.

We are most grateful to the following who served on the Membership Committee.

Membership Committee

Chris Harris-Deans, Chartered FCSI, Chairman	Charles Stanley
Robert Barnes, Chartered FCSI	UBS Investment Bank
Philip Bell, Chartered FCSI	Williams de Broë
Donald Brown, Chartered FCSI	Brewin Dolphin
Paul Hedges, Chartered FCSI	CISI Country Head, ASEAN
Alexandra Kelly, Chartered FCSI	Powerchex
Phil Langton MCSI	RBS
David Loudon FCSI	Quilter
Rodney Margot FCSI(Hon)	City Trust
Frank Moxon CF, Chartered FCSI	Hoyt Moxon
Nicholas Parkes FCSI	Novitas Partners
Chris Scott, Chartered FCSI	Quilter
Nicholas Swales, Chartered FCSI	UBS Wealth Management (UK)



Chris Harris-Deans, Chartered FCSI



Alexandra Kelly, Chartered FCSI



Chris Scott, Chartered FCSI



Paul Hedges, Chartered FCSI with a delegate at an Islamic open day



Nicholas Parkes FCSI





Julian Sampson, Chartered FCSI

Professional Interest Forums (PIFs)

One of the key membership benefits, the Institute's Professional Interest Forums (PIFs) are special interest discussion groups which normally meet on a quarterly basis to hear from senior industry figures on relevant issues and to engage in open discussion on areas of common concern. They are a unique opportunity to share ideas and concerns in a confidential setting. Under the new Charter, the forums report to the Membership Committee and stronger links have been established between them.

There are currently six forums, covering: Compliance, Corporate Finance, IT, Operations, Risk and Wealth Management. The forums are open to all FCSI, MCSI, ACSI and Affiliate members and are free of charge.

The PIFs serve a valuable role on behalf of specialist practitioners as the voice of specific professional interests and this includes responding to relevant FSA consultation papers where appropriate.

The Corporate Finance Forum held its inaugural annual dinner in November 2009. A small number of members and guests enjoyed a pleasant evening with guest speaker Major General Keith Cima CB, Governor of the Tower of London.

We would like to thank the Chairmen and their committees for their ongoing commitment to the PIFs.



Chris Taylor, Chartered FCSI

Compliance Forum Committee

Julian Sampson, Chartered FCSI, Chairman Fulcrum Compliance

David Moland, Chartered FCSI, Deputy Chairman Arbutnot Latham

Tina Wishart, Chartered FCSI, Deputy Chairman Williams de Broë

Charles Jackson, Chartered FCSI

Adeyemi Johnson FCSI

OpenSpaces Compliance Consultants

Stuart Latto FCSI

Fortis Private Investment

William Macdonald MCSI

Craigcrook Management Services

John Pearson FCSI

Toronto Dominion Bank

Kalyan Ray FCSI

Arjent

Andy Sheppard, Chartered FCSI

Commonwealth Bank of Australia

Chris Taylor, Chartered FCSI

GT Bank



William Macdonald MCSI and Charles Jackson, Chartered FCSI



Compliance Forum

Corporate Finance Forum Committee

- | | |
|--|------------------------------------|
| Frank Moxon CF, Chartered FCSI, Chairman | Hoyt Moxon |
| Debbie Clarke, Chartered MCSI, Deputy Chairman | CV Capital |
| Stewart Appleby MCSI | Royal Bank of Scotland |
| John Bridges MCSI | Keith, Bayley, Rogers & Co |
| Francis De Zulueta FCSI | Alpine Risk Services |
| Mauro Tortone MCSI | P27 Advanced Investment Strategies |



Frank Moxon CF, Chartered FCSI

IT Forum Committee

- | | |
|---------------------------------------|-------------------------|
| Mark Seaman, Chartered FCSI, Chairman | Fusion Experience |
| Brian McNulty MCSI, Deputy Chairman | DBFS |
| Julia George FCSI | Julia George Associates |
| Markus Krebsz, Chartered MCSI | Consultant |
| Gavin Lonsdale, Chartered MCSI | Goldman Sachs |
| Kevin Sloane MCSI | Linedata Services |



Mark Seaman, Chartered FCSI

Operations Forum Committee

- | | |
|---|--------------------------|
| Hartmut Klein, Chartered FCSI, Chairman | Deutsche Boerse |
| Peter Gregory FCSI, Deputy Chairman | The Share Centre |
| Alan Burr FCSI | Burr & Company |
| Richard Crews MCSI | Euroclear SA/NV |
| Paul Field MCSI | PA Field & Co |
| Robert Forbes, Chartered FCSI | Jupiter Asset Management |
| Matthew Glass, Chartered FCSI | CME Clearing Europe |
| Lynne Hill MCSI | Lynne Hill Consulting |
| John Seaman ACSI | HSBC |
| Derek Young MCSI | FSA |



Hartmut Klein, Chartered FCSI



Peter Moores FCSI at the CISI Annual Conference





Dennis Cox FCSI

Risk Forum Committee

- | | |
|---|-----------------------------|
| Dennis Cox FCSI, Chairman | Risk Reward |
| Atula Abeysekera FCSI, Deputy Chairman | Cazenove Capital Management |
| Christopher Forster FCSI, Deputy Chairman | Barclays Wealth Management |
| Roger Bach FCSI | Henyp Investment |
| Peter Brown, Chartered FCSI | CCL Partnership |
| Maria Cobby MCSI | Consultant |
| Alan Jenkins MCSI | Jenkins UK |
| Markus Krebsz, Chartered MCSI | Consultant |
| Robert Sherlock FCSI | AXA Investment Managers |
| Marcelle von Wendland MCSI | Bancstreet Capital Partners |
| Tina Wishart, Chartered FCSI | Williams de Broë |



Christopher Jones-Warner FCSI

Wealth Management Forum Committee

- | | |
|---|---------------------------------------|
| Christopher Jones-Warner FCSI, Chairman | Playing Hamlet |
| Bruce Weatherill MCSI, Deputy Chairman | Bruce Weatherill Executive Consulting |
| Michael Clark FCSI | Charles Stanley |
| Clare Gore Langton FCSI(Hon) | Rathbone Investment Management |
| David Lough FCSI | Heartwood Wealth Management |
| Victoria Hoskins FCSI | Barclays Wealth |
| Peter Moores FCSI | Raymond James Investment Services |
| Keith Robertson, Chartered MCSI | Armstrong Financial |



Liz Field

Training Directors' Forum

The Training Directors' Forum (TDF) has provided a vehicle for the CISI to communicate with, and share the experience and views of training directors across the range of our client firms since 2007. Meeting quarterly, the TDF has debated a wide range of training and competence related issues over the years, ranging from 'soft' subjects such as effective networking, to specific technical matters including significant middle and back office training issues. Speakers from the industry, from the CISI and from the FSSC have all contributed to the work of the forum. The TDF has been led from its inception by Liz Field as Chairman, until her recent appointment as CEO of the FSSC. Sandra Jacobs from RBS took over as Chair of the forum in July 2010.



Delegates and panellists at the Risk Forum

Seminars to support maintaining competence

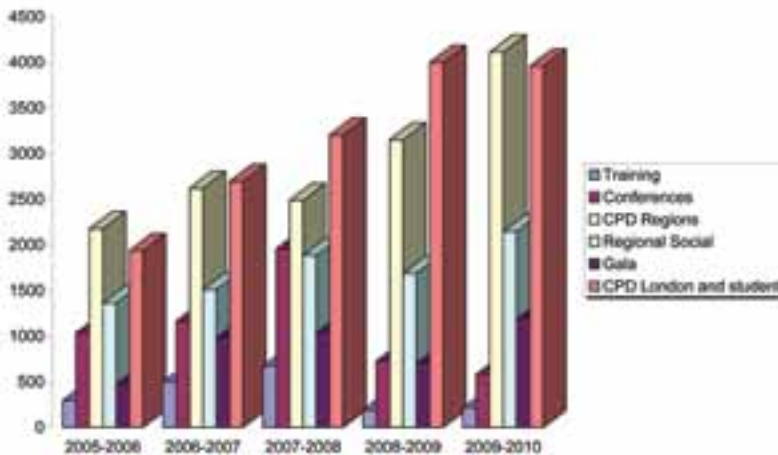
During the last year we increased the number of CISI seminars in the regions from 120 to 135 and events in London also increased from 69 to 76. Webcasts and podcasts were boosted from 11 to 29, enabling more members to access the events without actually being in attendance, assisting our regional and international members. We have also been investing in additional resources to enhance the quality of these electronically delivered events.

There were several notable successes. Mills & Reeves' fascinating exercise in role play 'Mock Employment Tribunal' (9 June 2009); DLA Piper's 'Risking it All' (5 October 2009), a Sliding Doors style film drama examining how different companies handled allegations of fraud and corruption; ¡Viva Latin America! (29 October 2009), our first meditation on the state of financial markets in South America; and – with the price of sugar surging to a 28 year high on global commodity markets – 'The Trading and Processing of Commodity Derivatives on NYSE Liffe' (7 October 2009).

Such high standards continued into 2010 with Long Finance 02010: Enduring value (1 February 2010); Private Equity: Emerging or Submerging? (3 February 2010) and India: Bull Market to Continue? (23 February 2010). Each seminar was a complex collaborative project involving other institutions and firms (eg, the San Francisco-based Long Now Foundation, Gresham College, Z/Yen, Augentius, RBS, Astaire, UK India Business Council and Willis). Resources were pooled to corral world class speakers (Brian Eno, Stewart Brand, Edward Bonham Carter, Bernard Lietaer, David Bailey and Lord Desai), top quality venues and large audiences (303, 113 and 235 respectively) alike.

There were 3,248 attendees at the Institute's CPD events, a slight rise on the previous year.

Members in the UK, based outside London, benefited from an extremely busy and hugely successful CPD programme this year; with these events constituting over 39% of the total number of UK-based events. The CISI staged a record 135 CPD events across the regions, increasing our delivery by 12% on the previous year's 120 events. A total of 4,112 attendees profited from the high quality programme we provided, also up on the previous year by 23.4% (3,150 attendees in 2008/2009). The chart below shows the huge increase in the number of regional members served by regional CPD events:



The calibre of the programme was, again, of a very high level, reflected by the increase in the average attendance rate from 26 to 30 people per event.



Deepak Lalwani, Chartered FCSI, a CISI CPD presenter



David Bailey MCSI



Edward Bonham Carter



Networking Social Events

The importance of networking with fellow members continues to provide impetus to the regions' success in maintaining a dynamic social events calendar for their members. Over 2,000 attendees joined us for 12 annual dinners/luncheons and a further 11 varied networking events around the UK.

Many regions held their largest and most high profile dinners to date, with an impressive array of knowledgeable and interesting speakers such as Brian Blessed (at the Manchester & District Annual Dinner), BBA Chief Executive Angela Knight, (at the Birmingham & West Midlands Annual Dinner), Rory Bremner (at the Jersey Annual Dinner) and futurist Rohit Talwar (at the Liverpool & North Wales Members' Luncheon). Former Cabinet Minister Michael Portillo was the speaker at the Isle of Man Annual Dinner, where he entertained over 230 guests, despite freak weather and a power cut at the venue! The Guernsey Annual Dinner attracted more than 400 attendees, continuing to be a major fixture for the Island's significant financial services community.

It was also a year for introducing new events; for example the West Country branch (which is one of the Institute's longest established regions) broke new ground by embracing its proud naval heritage and hosting a dinner to commemorate the 70th anniversary of the Battle of the River Plate. VIP guests included four veterans from the battle, the Deputy Commander-in-Chief Fleet for the Navy, ambassadors from three different countries and HM Lord Lieutenant of Devon. Highlights at the event were a mess beating by the Royal Marines Corp of Drums, a summary of the battle by renowned naval historian Dr Eric Grove and a presentation of a specially commissioned painting. An auction in aid of the Royal Navy & Royal Marines charity raised £7,000.

Barry Cryer, the TV and radio funnyman who has written gags for legends of comedy including Morecambe and Wise, Tommy Cooper, Bob Hope and Billy Connolly, raised plenty of laughs as guest speaker at the CISI's Annual Dinner on 19 November. Nearly 300 guests from leading financial firms attended the Institute's premier London social event of the year.



Michael Portillo at the Isle of Man Annual Dinner



Simon Culhane, Chartered FCSI presents a specially commissioned commemorative painting to mark the 70th anniversary of the Battle of the River Plate at the West Country Annual Dinner



Barry Cryer at the CISI London Annual Dinner



Ruth Martin with Brian Blessed and Matthew Beaumont FCSI at the Manchester Annual Dinner



Charitable Objective 2: To develop high ethical standards for practitioners in securities and investments and to promote such standards in the United Kingdom and overseas.

Integrity & Ethics Committee: Composition and Purpose

Central to the increasingly visible work of the CISI in the promotion of high standards of integrity and ethics are the support, ideas and suggestions provided by the Integrity & Ethics Committee.

We are extremely grateful for the valuable contributions made by retiring committee members Chris Taylor FCSI, John Young FCSI(Hon), His Honour Dr Colin Kolbert and Michael Kirkwood, CMG. In addition, Scott Dobbie FCSI(Hon), immediate past Chairman of the CISI, who had served as Chairman of the committee, relinquished his role. In his place is CISI Board member Richard Charnock FCSI.

Committee members are:

- | | |
|---------------------------------|-------------------------------|
| Richard Charnock FCSI, Chairman | Standard Life Wealth |
| Anthony Belchambers | Futures & Options Association |
| Ben Blackett-Ord | Bovill |
| Nigel Challis FCSI(Hon) | KPMG |
| Scott Dobbie FCSI(Hon) | Deutsche Bank AG |
| Philippa Foster Back | Institute of Business Ethics |
| Prof. Paul Palmer | Cass Business School |
| Andrew Procter | Deutsche Bank AG |
| Alan Ramsay FCSI(Hon) | HSBC Group |
| Ann Roughead | LV= Asset Management |
| Ian Stevenson MCSI | |
| Anthony Stewart-Jones FCSI | PricewaterhouseCoopers |



Anthony Stewart-Jones FCSI



Scott Dobbie FCSI(Hon)



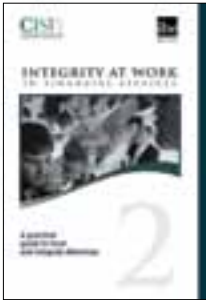
Philippa Foster Back



Richard Charnock FCSI with Stuart Siddall at the CISI Annual Lecture



Integrity at Work 2



The CISI publishes a 'Grey Matters' article in each edition of the *Securities & Investment Review* and June 2009 saw the launch by Tony Watson FCSI(Hon), now Director, Lloyds Banking Group, of volume 2 of this popular compilation.

Building on the success of the first book, which has seen 65,000 copies distributed, a second volume included six case studies aimed at less experienced staff and a further six which would resonate with more experienced practitioners. Copies of this book were distributed to every UK member of the CISI and continue to be sent to every new member. In addition, individual copies were sent to each member of the House of Lords and Member of Parliament.

As before, the book has been translated into Mandarin for distribution in China, where it forms an important part of the educational training programme used by Oracle Bay.

IntegrityMatters



IntegrityMatters

Having been launched in September 2008 by Stephen Green, Chairman of HSBC Group, IntegrityMatters is a key tool in the promotion of standards of integrity and the year in question saw the test taken by 1,750 candidates. This number represents the whole spectrum of experience, from students enrolled at our Centres of Excellence university partners, to experienced industry practitioners taking IntegrityMatters as a key step to achieve individual Chartered status. Numbers continue to increase as a result of firms' efforts to raise the professional profile of their staff in line with the aims of the FSA's RDR.

Code of Conduct

The CISI has been active in providing help and advice to the FSA in its aim of producing a code of conduct for financial advisers and we were pleased that the code offered by the FSA to the retail advice sector for its comment was closely based upon suggestions which we made.

As a result of this positive move, we have held discussions with the Worshipful Company of International Bankers, with whom we share many aspects of our existing code, with a view to updating this. These will recognise that our constituency and that of the WCIB extends well beyond retail financial advice, including as they do representatives of almost every activity which might be categorised as a financial service.



Integrity seminar in London

Interactive Integrity Seminars

These seminars are a key tool in the promotion of the CISI and its central message, both within the UK to our members, their employers and other agencies, and also the wider, global audience. The year saw seminars being held with the enthusiastic participation of large audiences in China, Singapore, India, Sri Lanka and the Gulf states, as well as the European offices of a number of our corporate members.

Annual Integrity Lecture

Although originally billed as an annual lecture, the debate format has proved enduringly popular and 2009 saw lively discussion of the question 'What does the City need to do to restore trust in the market?' Over 300 members and guests enjoyed listening to and questioning the views of Guy Jubb, Investment Director Standard Life, Professor John Board of Henley Business School and Philip Booth of the Institute of Economic Affairs. The overriding message was that after the traumas of the financial crisis, individuals have a responsibility to ensure that they maintain the highest standards of integrity and that trust and confidence are hard won and easily lost.

Promoting Ethics for Practitioners

The Institute is strongly associated with ethics and the promotion of integrity, and the motto 'My word is my bond', inherited from the days of the London Stock Exchange, features prominently in the new Charter. Candidates wishing to obtain the pinnacle of professionalism, personal Chartered status, must pass the CISI's elearning test IntegrityMatters at a high level in order to achieve this status. In addition, students at university Centres of Excellence must also pass the test at a high level to progress to full membership status (MCSI). The CISI has pledged to increase its exam offering in ethics, and in 2009 work started on a new exam in regulation with 20% ethics in the syllabus, together with new qualifications in Combating Financial Crime and the Role of the International Compliance Officer, both of which will include significant content on ethics for practitioners in the sector.



London Integrity seminar



Guy Jubb, Investment Director at Standard Life, speaking at the CISI Annual Lecture



Delegate at the CISI Annual Lecture



Integrity seminar in Shanghai



Charitable Objective 3: To act as an authoritative body for the purpose of consultation & research in matters of education or public interest concerning investments in securities.



Nick Seaward FCSI

Securities & Investment Review

The *Securities & Investment Review* (S&IR), the CISI membership magazine, won recognition from the publishing industry. The magazine was highly commended at the Association of Publishing Agencies' 2009 International Customer Publishing Awards in a category for best membership title (not-for-profit/charities/associations). The magazine has been praised for its topicality and relevant industry stories as well as its increasingly influential *City View*.

The S&IR featured a string of high-profile interviewees over the year including Paul Tucker, Deputy Governor of the Bank of England; Sir David Walker, who reported on corporate governance at the Government's request; Xavier Rolet, CEO of the London Stock Exchange; and economist Lord Eatwell, President of Queen's College, Cambridge.



Editorial Panel

- | | |
|----------------------------------|--------------------------------|
| Nick Seaward FCSI, Chairman | Institute of Education |
| Suren Chellappah FCSI | Sanford C Bernstein |
| Moorad Choudhry FCSI | London Metropolitan University |
| Simon Culhane, Chartered FCSI | CISI |
| Scott Dobbie FCSI(Hon) | Deutsche Bank AG |
| Matthew Glass, Chartered FCSI | CME Clearing Europe |
| Mike Gould FCSI | Russell Investments |
| Paul Harris FCSI | JPMorgan Chase |
| Robert Merrifield FCSI | Savoy Investment Management |
| Kevin O'Sullivan FCSI | Gordian Enterprises |
| Mark Otto, Chartered FCSI | New Europe Advisers |
| Frank Reardon FCSI | JM Finn |
| Patricia Robertson FCSI | Westport Global |
| Jeremy Robinson, Chartered MCSI | Charles Stanley |
| Hamish Rowan-Hamilton | Cofunds |
| Markus Ruetimann FCSI | Schroder Investment Management |
| Nimrod Schwarzmann FCSI | RBS Global Markets |
| Andy Sheppard, Chartered FCSI | Commonwealth Bank of Australia |
| Dr. Arjuna Sittampalam MCSI | Sage & Hermes |
| Jane Walshe MCSI | Compass Compliance |
| Alan Yarrow, Chartered FCSI(Hon) | CISI |



Media Profile

During the year, the CISI attracted considerable attention, featuring in around 350 press articles across UK national, regional, trade and international media.

Our determination to focus on supplying high quality content and comment to key relationships in our target media has proved particularly effective in raising the Institute's profile and brand awareness.

The year began with a profile of the Institute and its Chief Executive in *The Times* plus a substantive news item entitled 'City recruitment slumps as students reject exam route'.

The theme of exam take-up as an economic barometer was continued in *The Scotsman* under the heading 'Staff switch to back-office exams as firms move to head off another Barings', which examined CISI data showing a rise in the number of staff taking back office exams, with a slump in customer-facing qualifications.

The Institute's focus in the integrity and ethics space was emphasised by online news provider WealthBriefing.com which, in June 2009, reviewed the new edition of the book *Integrity at Work in Financial Services*. In its concluding paragraph, the article stated: "It is encouraging that the [CISI] has issued such a book. Let's hope that the sort of clear thinking that animates this book sets the tone for the wealth management business around the world for years to come."

Several news sources noted the appointment of CISI regional Presidents, whilst the awarding of a Royal Charter was extensively covered.

February heralded another coup in *The Times* for the Institute, with the publication in full of an article originally written for the *Securities & Investment Review (S&IR)* magazine, entitled 'Banks are the scapegoat for politicians' mismanagement'. The article focused on data provided by the Government's own pre-budget report, showing profound financial mismanagement.

A further editorial from the *S&IR*, which questioned the value of a degree unless it was from a top university and suggested the vocational qualification route instead, attracted considerable national media coverage





Careers Centre

Online Careers Information Centre

The Institute's online Careers Information Centre, which offers career guidance to those interested in starting or developing a career in financial services, completed its first full year of operation. At a time when the FSSC was reviewing the scope of its own activities, the CISI's service was particularly valued. Although the service was launched at a difficult time for the sector, in March 2009, there has been heavy demand with the number of monthly hits rising to 20,000.

Packed with useful information, this website is split into three sections:

- Career Choice: aimed at all ages from 11 to 16 through to experienced professionals from other sectors;
- Career Entry: targeted at people who have chosen a career in financial services but need qualifications guidance. This includes an enhanced CISI qualifications navigator, which offers guidance on requirements for job roles in a range of financially related sectors;
- Career Development: offering guidance on career progression, CISI membership and CPD.

Infolink

As the importance of CPD has increased during the year, so the Institute's 'Infolink' service usage has grown substantially. This is an online library designed to assist members with their CPD and attracts CPD points. It is a searchable database offering keyword and date search capabilities, links to all the CISI's CPD offerings such as Professional Refresher, *Regulatory Update* and presentations from the Institute's PIFs. In the last year, the average hits per month have increased from 9,000 to 12,500.

The content for Infolink is provided by a range of highly-respected industry sources such as trade organisations, regulatory bodies, recognised industry leaders and CISI professionals, allowing members to share information with each other. We would like to thank the many CISI members and financial publishers who have also contributed content to Infolink on a regular basis.



Infolink

Conferences

CISI conferences help the Institute to provide opportunities for consultation, briefing and research at the leading edge of the industry.

During 2009, the conference business retrenched to reflect the tough economic times. The number of conferences per year was reduced to focus on areas where the Institute offers unique insights for the sector: the flagship Annual Conference with its strategic and global hot topic approach; the FSA's Training and Competence regime, where the Institute's conference is acknowledged as the leading provider, plus Compliance and Private Wealth Management.



CISI Annual Conference

The conferences continued to receive highly positive feedback; “excellent”, “stimulating” and “thought provoking” were among the comments from almost 200 delegates who attended the fourth Annual Conference at Glaziers Hall in London on 7 May 2009. Chaired again by Roy Leighton, Chairman of the FSSC, delegates heard from top speakers including John McFall MP, Chairman of the Treasury Select Committee and Hector Sants, Chief Executive of the FSA. Both speakers discussed the regulatory lessons to be learned, including the need to review the function and training for non-executive directors and the importance of their independent role.



Panelists at the CISI Annual Conference

Contributing to other FSA Consultation Papers, including CP09/18, CP09/31 and CP10/3

During the year, the CISI has had many discussions with the FSA on the professionalism proposals under its RDR initiative. It has taken care to ensure that the new professionalism standards are appropriate to the private wealth management industry so as to achieve the FSA’s and the CISI’s objectives of establishing professionals’ competence, maintaining it through CPD and building trust with consumers.

It has actively participated in the discussions on the raising of the minimum qualifications from level 3 to level 4, and in the core subjects in the new retail adviser standards. The CISI’s strong focus on ethics and its code of conduct has also been influential in the preparation of the FSA’s draft ethical code for advisers. In its consultation paper on professionalism (CP09/31), the FSA has accepted that professional bodies such as the CISI are best placed to deliver the new standards. It has taken the welcome step of encouraging individuals to become members of a professional body by giving firms a ‘safe harbour’ for their employees’ CPD requirements if their staff belong to one.

Although some members have expressed concern that the Institute seems, at times, to be in coalition with the regulator, we believe that our members and the industry have gained from our active involvement in the professionalism strand, where we have been able to represent members and influence a number of proposals. The Board believes that while there are some areas in the FSA proposals that do not have its full support, such as the sharing of information, the overall outcome is beneficial for the industry and chimes well with the Institute’s core objectives.

The CISI also held two sets of roadshows around the UK to consult members on the FSA’s professionalism proposals in consultation papers CP09/18 and CP09/31. Members and other stakeholders attended the roadshows and the formal response of the CISI to these papers took their views into account.

The CISI responded to the FSA’s consultation paper CP10/3 on Effective Corporate Governance and focused on having flexibility in requirements for lay board directors (non-executive directors) and the importance of qualifications and ethics for non-lay members (executive directors).





Through its networking forums of members, the PIFs, the CISI membership also responded to key consultation papers with the Compliance Forum replying to CP09/19: Enforcement financial penalties and DP09/2: A regulatory response to the global banking crisis.

In addition, the Risk Forum held a round-table to debate the Basel report on banking supervision 'Strengthening the resilience of the banking sector' and subsequently submitted a response.

Regulatory Update

The quarterly *Regulatory Update*, compiled by Christopher Bond, Chartered MCSI, continues to be highly regarded by members and is seen as a vital support to the sector in following key regulatory developments.

The global, European and UK response to changing financial regulation to address the regulatory weaknesses shown by the financial crisis, has produced radical changes in regulations for capital, 'too big to fail' institutions, over-the-counter trading, alternative fund managers and financial taxation. Governments no longer believe the market knows best; in future, all financial activities will be much more intrusively regulated. Structurally, states and their regulators will need to co-ordinate their rules, and cross-border firms accept international supervision.

This sea change means the *Regulatory Update* has expanded its geographical scope, focusing on the G20 and the Basel Committee for future changes as much as on Europe (from where the FSA estimates that 70% of regulatory changes come). There is a new international section, in addition to the existing UK, European and special financial sector ones.

This year we have also seen the largest change of presentation of the online version of the *Update* in its five year life. From March, an interactive version was launched which means that it can now be navigated from contents page to individual article to source document (or previous story) through three clicks.

Investment Management Review

The *Investment Management Review* is written by Dr. Arjuna Sittampalam MCSI, founder and Managing Director of Sage & Hermes Ltd. It provides a quarterly synopsis of thoughts and trends aimed at front-office practitioners within the investment, fund, asset, wealth and portfolio management sectors. The *Investment Management Review* is available exclusively to Members and Fellows in an online version and Fellows in hard copy.



Christopher Bond, Chartered MCSI, second left, at an RDR open day



Dr. Arjuna Sittampalam MCSI, Sage & Hermes Ltd



TRUSTEES' REPORT

The Trustees present their annual report and summarised financial statements for the year from 1 April 2009 to 31 March 2010. The Chartered Institute for Securities & Investment ("CISI") is registered as a charity in England & Wales by the Charity Commission (Registration No. 1132642) and in Scotland by the Office of the Scottish Charities Regulator (Registration No. SC040665). The Trustees are delighted that on 9 October 2009 the company was incorporated by Royal Charter (Registration No. RC00834), and is governed by said Charter and its associated Bye Laws. The group results combine the results of the charity with the results of the following:

- a) Chartered Institute for Securities & Investment (Services) Ltd, a wholly owned subsidiary, which runs the trading activities of the Institute.
- b) Securities & Investment Institute, a registered charity number 1036566 and a company limited by guarantee, governed by a memorandum and articles of association, company registration number 2687534. The company is a wholly owned subsidiary of CISI.
- c) Securities & Investment Institute (India), a wholly owned subsidiary, established in Mumbai and which acts as a liaison office for the Indian subcontinent.
- d) Chartered Institute for Securities & Investment (Singapore) Pte Ltd, a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Singapore, which runs the trading activities of the Institute in South East Asia.
- e) Securities & Investment Institute (China), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in the People's Republic of China, which runs the consulting activities of the Institute.
- f) Chartered Institute for Securities & Investment (Services) Ltd (DMCC Branch), a wholly owned subsidiary of Chartered Institute for Securities & Investment (Services) Ltd, established in Dubai, UAE which runs the consulting activities of the Institute in the Gulf Coast Countries.

Trustees

The following all served as Trustees from the date of incorporation to the present day.

	Committee
Charlotte Black MCSI	H
Sir David Brewer FCSI(Hon) *	I
Richard Charnock FCSI	E
Clare Gore Langton FCSI(Hon)	A
Chris Harris-Deans, Chartered FCSI	F
Sir David Howard FCSI(Hon)	B, H
David Kane *	
Frank Moxon CF, Chartered FCSI	C, F
David Nicol FCSI	C
Alan Ramsay FCSI(Hon)	A, E, H,
Chris Scott, Chartered FCSI	F, I
Nick Seaward FCSI	G, I
Anthony Stewart-Jones FCSI	C, E
Richard Stockdale FCSI	D, I
Nick Swales, Chartered FCSI	F
Alison Warden FCSI	C
Richard Wastcoat *	B
Alan Yarrow, Chartered FCSI(Hon)	A, E, F, G, H, I

* denotes a co-opted Trustee



(see overleaf for key to committees)

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

The Trustees served on the following Committees:

- | | | | |
|---|------------------------------|---|---|
| A | Chairman's Committee | F | Membership Committee |
| B | Examinations Board | G | <i>Securities & Investment Review</i> Editorial Panel |
| C | Audit Committee | H | Nomination Committee |
| D | Disciplinary Committee | I | International Committee |
| E | Integrity & Ethics Committee | | |

INVESTMENT POWERS

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

ORGANISATION

The Institute comprises the non-executive Board of Trustees shown above, including up to three Board-appointed co-opted Trustees, which decides upon strategic and policy matters. The Executive Team comprises representatives from the departments of qualifications, membership and professional development, operations, international, corporate governance and support and services (Chartered Institute for Securities & Investment (Services) Ltd).

Chief Executive

Simon Culhane, Chartered FCSI

Managing Director

Ruth Martin

FUTURE ACTIVITIES

The CISI's key objectives for 2010/11 are:

1. to build on the general promotion of membership and aims to obtain an additional 2,000 members during the year
2. to increase the number of continuous learning opportunities so that an additional 7.5% of members participate in these events
3. to launch a new higher level suite of exams during the year, with the first coming on stream in July 2010
4. to provide an elearning opportunity for all its qualifications
5. to increase and refresh the number of practitioners who help the Institute with its exams, workbooks, research and events
6. to increase the number of qualifications taken by 11% to 35,000 of which, 8,700 will be from outside the UK
7. to register 50 schools to deliver the A/S equivalent of the Introduction to Securities & Investment paper and develop an A2 syllabus



REVIEW OF FINANCIAL POSITION

Despite the recession, the Institute has maintained its healthy financial position, with cash reserves now exceeding seven months' operating costs, considered by the Trustees as prudent. This year the Institute saw an increase in the group funds of £761,562 (2009: £948,924). During the year, funds were applied towards achieving the Institute's main objectives through the provision of relevant qualifications, membership, events and learning resources. Funds are also held in respect of the Stephen Cooke and Andrew Winckler Scholarship Funds, which are restricted funds of the Institute. Interest of £180 (2009: £2,384) was earned on these scholarship funds.

The Institute's wholly owned UK subsidiary trading company, which is established to undertake the commercial activities of the Institute, recorded a profit before tax, and before the donation under gift aid/deed of covenant, of £30,854 (2009: £43,637).

The CISI continues to remain financially independent, deriving funding through fees charged in relation to its charitable activities such as individual membership, exams, and professional development events.

RESERVES POLICY

The Board has adopted a policy of maintaining minimum cash reserves at a level that is equivalent to six months' running costs, in order to meet unforeseen operational needs. At year end, the total cash reserves of the Institute, excluding those relating to the restricted funds, represented between seven and eight months' running costs. The Institute has high operational gearing in a cyclical industry and, therefore, requires sufficient reserves to draw upon during times of industry downturn and to meet its charitable objectives. This policy, together with the approach to investing reserves, is reviewed and approved annually by the Board. Such a review has been conducted during the year, including reviewing rates of interest received from the Charity's deposit facilities utilised, to ensure that the Institute's investments continue to contribute effectively to the achievement of the aims of the organisation and are in line with the adopted policy. The policy of the Charity with regard to payments to suppliers is to make payments no later than the agreed terms in relation to the goods or service received.

The free reserves of the group are £5,537,161 (2009: £4,730,984) and the cash reserves are £7,122,590 (2009: £7,276,080).

VOLUNTEERS

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

RELATIONSHIPS WITH OTHER BODIES

In pursuit of its charitable objectives, the Institute provides relevant qualifications to the securities and investment industry, certain of which are on the Financial Services Skills Council's list of appropriate exams. The Institute is registered with the Charity Commission for England & Wales and with the Office of the Scottish Charity Regulator. It is also recognised by Ofqual as an awarding body for the securities and investment industry.

FIXED ASSETS

During the year, the Institute purchased fixed assets amounting to £108,374 (2009: £13,670).



RESULTS

Summarised results for the financial year are shown on pages 42 to 43. The group's liability to corporation tax is restricted to services arising from trading with non-members through the subsidiary company. The group's net incoming resources were £761,562 (2009: £948,924). A full copy of the Trustees' report and the audited financial statements can be obtained from the charity's registered office, 8 Eastcheap, London EC3M 1AE, or can be viewed online at www.cisi.org.

CORPORATE GOVERNANCE

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

The Trustees have considered the requirements of the Combined Code, issued by the Financial Reporting Council, which sets out the Principles of Good Corporate Governance. The Institute is not bound to follow the Combined Code, but the Trustees believe that, where the provisions of the Code are relevant to a membership organisation, it should apply the principles contained in the Code.

The Board considers that the charity has complied with the requirements of Section 1 of the Combined Code during the year to 31 March 2010, except as follows:

Code Reference:

A.2.1 The Board of the Institute is comprised wholly of non-executive Trustees who are all considered to be independent within the terms of the Code. It has not been deemed necessary to appoint a Senior Independent Trustee.

In the Board's opinion, the above exception is appropriate given that the CISI is a membership organisation; however, this is kept under review.

Board

The Board of the CISI normally meets six times per year and comprises all non-executive Trustees. The Trustees are typically employed in senior positions within firms operating in the securities industry. They are identified by existing Board members for their expertise or nominated by members of the Institute. Up to 15 Trustees are elected for a term of three years, either by a ballot of the membership at the AGM, or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the charity's articles. Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election, or appointment, the new Trustees are given an induction which contains information on the Institute, its activities and their responsibilities under company and charity law. The Board appoints the Chairman and the Chief Executive. The Chief Executive is not a Trustee. At its meetings, the Board considers matters including:

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

The Chairman's Committee comprises the CISI's Chairman, plus up to five Board members. If considered necessary the Committee may meet in months in which no Board meeting is held to (inter alia) consider routine business reports from the Institute's departments and monitor the Institute's financial position. It also acts as a Remuneration Committee to determine the salaries and benefits of senior staff.



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

Committees

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on pages 35 to 36. Those committees to which the Board has delegated powers have specific terms of reference. The Audit Committee is chaired by Alison Warden ACA, FCSI.

Trustees' Remuneration

All Trustees give their time freely and are not paid for their trusteeship, with the exception of the Chairman who is remunerated for his services.

Financial Reporting

A review of the Institute's operating performance is shown on pages 42 to 43. The Board considers that such information presents a balanced view of the group's position and prospects.

Key Risks

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

1. IT systems and infrastructure
2. The possibility of the CISI overstressing itself
3. Effects of the economic slowdown

Internal Control and Risk Management

The Board considers that the charity has complied with the requirements of the Combined Code. The Trustees acknowledge that they are responsible for the maintenance of an effective system of internal control. However, no system of internal financial control can provide absolute assurance against material misstatement or loss. The Trustees have considered the major business risks and control objectives relevant to the Institute and controls were found to be appropriate and generally satisfactory. However, as part of an overall and continuing drive for quality, an ongoing review of internal controls is addressing those areas where controls may be improved. The Institute's control objectives include:

- the maintenance of the industry's confidence in the Institute's relevance, integrity and status;
- the identification and evaluation of business risks, through regular risk assessment and review, and the direction of operating and financial strategy;
- the nurturing of high ethical standards, effective communications and a strong overall control environment;
- the safeguarding of the assets of the Institute and the effective use of resources; and
- the promotion of detailed financial and operational controls necessary for the production of reliable and up-to-date financial information.



The Board has conducted a review of the effectiveness of the system of internal control for the year ended 31 March 2010. In pursuit of the above control objectives the Institute has in place a number of key internal controls and processes that include:

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

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

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

Registered Office

8 Eastcheap
London EC3M 1AE

Solicitors

Bircham Dyson Bell LLP
50 Broadway
London SW1H 0BL

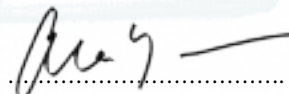
Auditors

Horwath Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

Bank of Scotland
600 Gorgie Road
Edinburgh EH11 3XP

Approved by the Board of Trustees and signed on behalf of the Board on 14 July 2010.



Alan Yarrow, Chartered FCSI(Hon)
Chairman



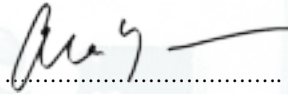
REPORT BY THE TRUSTEES ON THE SUMMARISED FINANCIAL STATEMENTS

The summarised financial statements set out below on pages 42 to 43 are extracted from the full statutory Trustees' annual report and financial statements which were approved by the Trustees and signed on their behalf on 14 July 2010. The full financial statements, on which the auditors Horwath Clark Whitehill LLP gave an unqualified audit report on 4 August 2010, will be submitted to the Charity Commission following the AGM on 23 September 2010.

The auditors have confirmed to the trustees that, in their opinion, the summarised financial statements are consistent with the full financial statements for the year ended 31 March 2010.

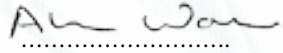
These summarised financial statements may not contain sufficient information to gain a complete understanding of the financial affairs of the charity. The full statutory Trustees' report, financial statements and auditors' report may be obtained from the CISI, 8 Eastcheap, London EC3M 1AE. They are also available online at www.cisi.org

Signed on behalf of the Board of Trustees on 14 July 2010.



Alan Yarrow, Chartered FCSI(Hon)
FCSI

Chairman



Alison Warden ACA,

Trustee



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2010

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES				
Incoming resources from charitable activities:				
Membership subscriptions	2,645,985		2,645,985	2,720,555
Membership entry fees	33,375		33,375	29,701
Qualifications and development	4,818,915		4,818,915	5,570,023
Publications and conferences	1,087,873		1,087,873	1,466,353
Investment income	102,975	180	103,155	359,796
Other incoming resources	419,437		419,437	239,184
TOTAL INCOMING RESOURCES	9,108,560	180	9,108,740	10,385,612
RESOURCES EXPENDED				
Charitable activities				
Dissemination & advancement of knowledge	5,489,421	22,267	5,551,688	5,998,288
Ethics	663,476		663,476	769,887
Consultation & research	2,076,662		2,076,662	2,573,087
Total charitable activities	8,229,559	22,267	8,251,826	9,341,262
Governance	95,352		95,352	95,426
TOTAL RESOURCES EXPENDED	8,324,911	22,267	8,347,178	9,436,688
NET INCOMING/(OUTGOING) RESOURCES	783,649	(22,087)	761,562	948,924
FUNDS AS AT 1 APRIL 2009 & 2008	4,943,715	66,462	5,010,177	4,061,253
FUNDS AS AT 31 MARCH 2010 & 2009	5,727,364	44,375	5,771,739	5,010,177

There are no recognised gains or losses for the current financial year or the preceding financial year other than as set out in the statement of consolidated financial activities.

As permitted by the SORP Paragraph 397 a separate statement of financial activities, for the charitable company only, has not been presented.

The net incoming resources of the charitable company were £980,788 (2009: £907,578).

The group's activities derive wholly from continuing activities in the current and preceding year.



BALANCE SHEET

As at 31 March 2010

	GROUP		CHARITABLE COMPANY	
	2010 £	2009 £	2010 £	2009 £
FIXED ASSETS				
Tangible assets	138,493	161,201	138,493	161,201
CURRENT ASSETS				
Stock	4,055	3,851	4,055	3,851
Debtors	1,390,887	899,125	1,354,179	897,125
Cash at bank and in hand	7,122,590	7,276,080	7,115,704	7,269,890
	8,517,532	8,179,056	8,473,938	8,170,866
CREDITORS: amounts falling due within one year	(2,884,286)	(3,330,080)	(2,936,704)	(3,637,129)
NET CURRENT ASSETS	5,633,246	4,848,976	5,537,234	4,533,737
TOTAL NET ASSETS	5,771,739	5,010,177	5,675,727	4,694,938
REPRESENTED BY:				
Unrestricted income fund	5,675,654	4,892,185	5,579,642	4,576,946
Designated Fund				
- CISI Educational Trust Fund	51,710	51,530	51,710	51,530
Restricted Fund				
- Stephen Cooke Memorial Scholarship Fund	39,902	60,742	39,902	60,742
- Andrew Winckler / Euroclear Prize Fund	4,473	5,720	4,473	5,720
	5,771,739	5,010,177	5,675,727	4,694,938



Chartered Institute for Securities & Investment
8 Eastcheap
London EC3M 1AE

Telephone: +44 (0)20 7645 0600

Facsimile: +44 (0)20 7645 0601



CISI OFFICES IN DUBAI DUBLIN EDINBURGH LONDON MUMBAI SINGAPORE

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, photocopying, recorded or otherwise without the prior permission of the copyright owner.

Company Registration No. RC000834

Registered Charity No.1132642 (England & Wales)
SC040665 (Scotland)

cisi.org

July 2010

