

Full Form Accounts 2009-2010

professionalism

integrity

excellence

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TRUSTEES' REPORT

The Trustees present their annual report and the audited consolidated financial statements for the year from 1 April 2009 to 31 March 2010. The financial statements comply with both the Charities Act 1993 and the Statement of Recommended Practice (SORP) issued by the Charity Commission for England and Wales in March 2005. 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

CHARITABLE OBJECTS

The Institute's charitable objects are to:

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

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



REVIEW OF ACTIVITIES

Despite the continuing challenging economic background, particularly in the UK, the Institute had a mixed year in terms of meeting its immediate targets for qualifications, and membership but through judicious and careful cost control, it was able to achieve its financial objectives.

However, the Institute has laid the foundations for a new phase of growth with its transformation to a Chartered body and has been participating in the UK regulator's (the Financial Services Authority) working party on professionalism. The FSA has issued two papers during the year which have been highly supportive of the role of professional bodies and have encouraged individuals to raise their level of professionalism and subscribe to membership.

Internationally, the actual numbers taking exams fell short of target and after a close review of its operations in China, the Institute closed its office there in April 2010. However, significant progress has been made in many countries, particularly the Middle East. In the UAE, a long running project is now live and the UAE regulator has mandated some core CISI examinations as requirements for those working in the UAE capital markets industry.

Charitable Objective 1:

How the CISI promotes for the public benefit the advancement and dissemination of knowledge in the field of securities and investments.

ATTAINING COMPETENCE

The recession which strongly affected the financial sector deepened during the year and overall, the number of examination entries fell 20% from 41,041 to 32,688. The fall was more pronounced in the UK, where the downturn fall was 25% (26,309 from 35,036) whilst internationally the number increased by 6% to 6,379 from 6,005.

As in 2008/9, there was a difference between the front office and administration examinations. Whilst the front office numbers continued their significant fall, dropping both in the UK and overseas by about 25%, the picture was different for those taking the CISI's administration qualification, which actually rose by 28% internationally, although this was offset by a 25% fall in the UK.

Much of the overseas growth has come about from a combination of UK firms either off shoring or outsourcing, such as in India or Singapore, but a significant number of qualifications are being taken in the Middle East as a number of regimes based on qualifications led authorisation are put in place.

The proportion of examinations taken outside the UK has increased from 13% to 20% (partly as a result of the fall in the UK numbers) and the expectation is that it will rise further in the forthcoming year despite the prediction of a recovery in the UK market.

The Institute has been working with many regulators in the Middle East and expects to complete on a number of long term contracts in the region over the current year.

As an examinations body, the CISI actively promotes the value of exams as a method of testing and proving competence. Providing access to benchmark qualifications, the CISI continues to give the public a tangible, measurable means to assess the knowledge of the individuals to whom they turn for financial advice.

The depth of the recession had a greater impact than initially forecast for the number of examinations, the Institute fell short of its overall target, achieving 93% (32,688) of its forecast of 35,326. However, there were successes, with the number of certificates just beating the planned target which accounted for half the exam total.

The Institute's operations focused exam, the Investment Administration Qualification (IAQ), was expected to decline 4% in volume during the year. In the event, the drop at 13% was more severe than forecast. Income from examinations was down 4% against budget.



As a result of the economic conditions, the Institute exercised close control over its costs which were reduced by £1.1m (12%) and also reduced expenditure on the dissemination and advancement of knowledge in the field of securities and investments by 8%, compared to the previous year, spending £5.5 million.

The FSA's Retail Distribution Review has confirmed the importance of qualifications and has increased the minimum level required. This will mean that some existing practitioners will need to take a further examination and the Institute is also developing and upgrading its existing suite of qualifications to meet the new standard.

MAINTAINING COMPETENCE

The CISI believes that passing an exam is merely the start of a practitioner's journey to become a professional and therefore, as part of the overall membership fee, offers an extensive range of opportunities to keep their skills and knowledge up to date. As part of its strategic objectives for 2009/10, the Institute wanted to increase access still further to Continuing Professional Development (CPD) events both in the UK and abroad. To that end more CPD events were held, including seminars in China, Singapore and India, the latter attracting over 500 attendees for a discussion on Integrity. Considerable investment has been made in webcasting 11 events and this will rise further in 2010.

Over 13,300 members are now signed up to the Institute's CPD scheme and both members and non-members benefited from the CISI's programme of professional and social events throughout 2009/10.

The Institute's aim was to hold net membership numbers over all membership classes. In gross terms, this would mean an additional 1,614 qualified members, taking the total to 15,368. The number of Fellows and full Members increased marginally, however there was a falloff of 7% in the number of newly qualified associates and this area will be the Institute's focus in 2010/11.

The hiring freeze meant that student numbers were down 22% to 20,202 (2009: 25,929) leading to an overall reduction in members of 13.5% to 36,083 (2009: 41,732).

CPD continues to be at the heart of the Institute's values and policies. In recognition of the wide variety of roles undertaken by its members, the Institute was successful in its aim of increasing the range and quantity of CPD events available. More high quality seminars and lectures were held in city centres and regional hubs and made available by web and podcast to members throughout the world. These included:

- a) 76 seminars (2009: 69) in London attracting 3,519 attendees (2009: 3,486)
- b) 135 regional seminars (2009: 120) an increase of 12.5% on the previous year, attracting 4,112 attendees (2009: 3,150)
- c) 11 webcasts and 20 podcasts.

Charitable Objective 2:

How the CISI seeks to develop high ethical standards for practitioners in securities and investments and to promote such standards in the UK and overseas.

PROMOTING TRUST

For a number of years the Institute has been seen as a leader in the field of integrity and ethics. As commentators, firms and governments debate the causes and solutions to the current global crisis, the Institute has seen a significant renewal of integrity activities, with a number of Boardrooms requesting its highly acclaimed, case study based seminar and new eLearning.

Central to the increasingly visible work of the CISI in the promotion of high standards of integrity and ethics is the active support provided by the Integrity & Ethics Committee, chaired by Richard Charnock FCSI.



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), former Chief Executive of Hermes and now Director, Lloyds Banking Group of volume 2 of IntegrityMatters, building on the success of the first volume, which has seen 65,000 copies distributed. This second volume comprises of 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 every Member of Parliament.

IntegrityMatters is a key tool in the promotion of standards of integrity and during the year, the test was taken by 1,750 candidates. These people represent 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 Retail Distribution Review.

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 their 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 modifying our existing code to include the small changes sought by the FSA. 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.

Our interactive integrity 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, as well as being well received by global audiences. The year under review saw seminars being held with the enthusiastic participation of large audiences in China, Singapore, India, Sri Lanka and the Gulf states, as well as European offices of a number of our corporate members.

Each year the Institute holds an annual Integrity Lecture, and this year saw lively debate 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.

The Institute expenditure on the promotion of integrity and ethics amongst its members and the firms for which they work in the UK and overseas fell by 14%, in line with the general reduction in expenditure, to £663,476.

Charitable Objective 3:

How the CISI acts as an authoritative body for the purpose of consultation and research in matters of education or public interest concerning investment in securities.

THE CISI AS AN AUTHORITATIVE BODY

The CISI continues to act as a repository of information, expertise and research in matters of education or public interest concerning investments in securities. This year the amount of money spent directly on consultation and research fell by 19% to £2.1 million. The Institute's aim will always be to provide the highest quality information to practitioners and the public alike, and to identify and respond to educational gaps in the securities and investment profession.



The CISI continues to provide six Professional Interest Forums (PIFS) for informed and focused discussion amongst specific industry sectors (Risk, Compliance, Corporate Finance, Wealth Management, IT and Operations). All of these forums are open to FCSI, MCSI, ACSI and Affiliate members without charge. In addition, the CISI also runs a Training Directors' Forum, which is open to non-members.

Public conferences and training courses continue to be an important part of the educational offering to members and the general public and provide an opportunity to recruit new members. However, demand for conferences was substantially down, leading to a significant retrenchment of the programme as well as a revised and lower base delegate price.

HOW DOES THE CISI PROVIDE PUBLIC BENEFIT?

Access

The Institute is very conscious of its commitment to the public benefit and has taken a number of steps to increase access to its core qualifications, building on the introduction of lower prices for those who are unemployed or in financial difficulty and the distribution of key workbooks to a number of public libraries. This year we have reduced the examination fees for students at a recognised college to half the standard rate.

The CISI always seeks to make its examinations, research and membership benefits available to the greatest possible audience. Widening the markets in which it operates allows more people to benefit from the Institute's products, both internationally and in the higher education sector.

The CISI has continued its educational development work with schools and universities through the Centres of Excellence programme, forging closer links with universities; offering its Introduction to Investment award through Sector Skills Academies, thereby providing a valuable pathway to work for students who may not have considered financial services as a career; and establishing successful programmes at a number of independent schools. In December 2009, the Institute obtained UCAS Tariff points, which are the equivalent of an A/S level for the CISI Introduction to Investment award.

The CISI continues to offer reduced prices on the main entry level qualifications, Introduction to Investment, FSA Regulation and Principles of Regulation. The Institute is also looking to reduce examination fees for low GDP countries and already offers a reduced membership fee for those experiencing financial hardship.

Through its offices in Dubai, Mumbai, Shanghai and Singapore the CISI has seen exams taken outside the UK continue to grow 6% from 5,970 in 2008/09 to 6,379 in 2009/10. This growth reflects the global nature of the securities and investment business and the demand in many centres for the Institute's services in helping people to attain and maintain competence, and to act with integrity.

During the year, the Institute has improved public access to its research by making its monthly journal available on the internet, free of charge.

Advancement of Education

The Charity Commission's definition of the advancement of education covers both formal education, such as the CISI's suite of examinations and less formal education, which may arise in the community through the CISI's lectures, seminars, workshops, conferences and extensive programme of CPD events. The CISI continues to provide education, training and research in financial services and promotes the study and expertise, and broader education in the development of individual capabilities, competencies, skills and understanding.

Amongst other activities for the advancement of education for the public benefit, the CISI:

- Acts as an awarding body working with the FSA, through the FSSC, to provide examinations;
- Works with schools, colleges and universities providing education, training, educational prize funds, scholarships and lectures;



- Seeks to educate the public about investment in financial products;
- Provides vocational training opportunities, entry level qualifications and Continuing Professional Development opportunities for those seeking to work in financial services;
- Acts as a professional body working in consultation with members, firms and regulators.

Providing Quality Standards

The Institute is a strong promoter of the highest standards of behaviour by practitioners and its members. In support of this aim, the CISI has introduced and promoted a code of conduct which members must comply with at all times whilst working in financial services.

The process for the receipt and processing of complaints by any member of the public about non-compliance of this code and the power to hold hearings into alleged breaches of the code have also been recently reviewed, with the aim of promoting the highest ethical standards, providing an interface to address the concerns of the general public and improving the quality and professionalism of the financial services industry as a whole. As a result, a new disciplinary panel and appeals procedure has been formed, composed of members and lay people. The panel meets as required; it will have a wide range of sanctions and its decisions will be made public.

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 Chartered Institute for Securities & Investment 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

The results for the financial year are shown on page 17. 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).

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 Chartered Institute for Securities & Investment is a membership organisation; however, this is kept under review.

Board

The Board of the Chartered Institute for Securities & Investment 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 fifteen Trustees are elected for a term of three years, either by a ballot of the membership at the AGM, or by the Board. If Board-appointed, the Trustee is required to stand down from the Board at the next AGM and seek re-election by membership ballot, in accordance with the charity's articles. Up to a further three Trustees may also be co-opted by the Board to serve such period as the Board decides. On election, or appointment, the new Trustees are given an induction which contains information on the Institute, its activities and their responsibilities under charity law. The Board appoints the Chairman and the Chief Executive. The Chief Executive is not a Trustee. At its meetings, the Board considers matters including:

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

The Chairman's Committee comprises the Chartered Institute for Securities & Investment'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 staff of the Institute submit management information to the Trustees to enable them to discharge their duties. The Trustees may take independent advice at the charity's expense.

Committees

The Board has delegated some of its powers to certain committees and a full list of all committees, together with the names of the serving Trustees, are shown on pages 3 and 4. Those committees to which the Board has delegated powers have specific terms of reference. The Audit Committee is chaired by 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 5 to 9. The Board considers that such information presents a balanced view of the group's position and prospects. The Trustees' responsibilities for the financial statements are described on page 14.

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 overstretching itself
3. Effects of the economic slowdown

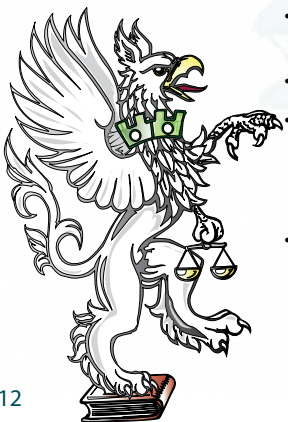
Internal Control and Risk Management

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

REGISTERED OFFICE AND PROFESSIONAL ADVISERS

Registered Office

8 Eastcheap
London EC3M 1AE

Auditors

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

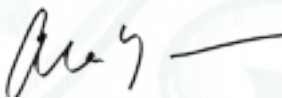
Solicitors

Bircham Dyson Bell LLP
50 Broadway
London SW1H 0BL

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



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

We have audited the group and charity financial statements of Chartered Institute for Securities & Investment for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 14. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 44 of the Charities Act 1993 in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

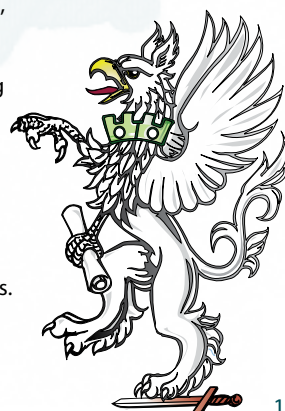
We also report if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charity's affairs as at 31 March 2010 and of its incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Horwath Clark Whitehill LLP

Statutory Auditor

4 August 2010

St Bride's House

10 Salisbury Square

London EC4Y 8EH



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2010

	Notes	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	4	102,975	180	103,155	359,796
Other incoming resources	5	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	3, 12	5,489,421	22,267	5,551,688	5,998,288
Ethics	3	663,476		663,476	769,887
Consultation & research	3	2,076,662		2,076,662	2,573,087
Total charitable activities		8,229,559	22,267	8,251,826	9,341,262
Governance	3	95,352		95,352	95,426
TOTAL RESOURCES EXPENDED	2, 3	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	11, 12	4,943,715	66,462	5,010,177	4,061,253
FUNDS AS AT 31 MARCH 2010 & 2009	11, 12	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 SHEETS

As at 31 March 2010

	Notes	GROUP		CHARITABLE COMPANY	
		2010 £	2009 £	2010 £	2009 £
FIXED ASSETS					
Tangible assets	7	138,493	161,201	138,493	161,201
CURRENT ASSETS					
Stock		4,055	3,851	4,055	3,851
Debtors	9	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					
	10	(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	11	5,675,654	4,892,185	5,579,642	4,576,946
Designated Fund					
- CISI Educational Trust Fund	11	51,710	51,530	51,710	51,530
Restricted Fund					
- Stephen Cooke Memorial Scholarship Fund	12	39,902	60,742	39,902	60,742
- Andrew Winckler / Euroclear Prize Fund	12	4,473	5,720	4,473	5,720
		5,771,739	5,010,177	5,675,727	4,694,938

These financial statements were approved and authorised for issue by the Board of Trustees on 14 July 2010.

Signed on behalf of the Board of Trustees:



Alan Yarrow

Alan Yarrow, Chartered FCSI(Hon)
FCSI
Chairman

Alison Warden

Alison Warden ACA,
Trustee

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 March 2010

	Note	2010 £	2009 £
Net cash (outflow)/inflow from operating activities	14	(148,271)	1,097,880
Returns on investments and servicing of finance			
- Interest received	4	103,155	359,796
Capital expenditure and financial investment			
- Purchase of tangible fixed assets	7	(108,374)	(13,670)
Net cash outflow from capital expenditure and financial investment		(108,374)	(13,670)
(Decrease)/increase in cash in the year		(153,490)	1,444,006

Reconciliation of net cash flow to movement in net funds

	2010 £	2009 £
Change in net funds	(153,490)	1,444,006
Net funds at 1 April 2009	7,276,080	5,832,074
Net funds at 31 March 2010	7,122,590	7,276,080
Represented by: Cash at bank and in hand	7,122,590	7,276,080



NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Charities Act 1993, applicable accounting standards, and comply with the Statement of Recommended Practice (SORP) issued by the Charity Commission for England and Wales in March 2005. References throughout these financial statements to the charity refer to the parent charity, Chartered Institute for Securities & Investment. The particular accounting policies adopted are described below.

The Chartered Institute for Securities & Investments (CISI) was incorporated by Royal Charter on 9th October 2009 to take on the assets and undertaking of the Securities & Investment Institute (SII) which is a company registered under number 2687534 and registered with the Charity Commission for England and Wales number 1036566. The transfer of the assets, activities and undertaking was completed on 31 March 2010.

The comparative figures for 2009 relate to the activities of the Securities & Investment Institute and its wholly owned subsidiary, Securities & Investment Institute Services Limited.

Basis of Consolidation

The group financial statements consolidate the financial statements of Chartered Institute for Securities & Investments and its subsidiaries up to 31 March 2010 on a line by line basis. Since all the assets and activities of Securities & Investments Institute were transferred in their entirety to Chartered Institute for Securities & Investment at close of business on 31 March 2010, these financial statements are presented as though the two entities were one and the same throughout the year.

No separate Statement of Financial Activities has been presented for the charity alone as permitted by paragraph 397 of the Charities SORP 2005.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are shown in the balance sheet at the rate of exchange ruling at the balance sheet date. Gains and losses on exchange are included in the Statement of Financial Activities in the expenditure of the charitable activities having been allocated amongst the other support costs shown in note 3 in the notes to the financial statements.

Membership Subscriptions

The membership subscription year runs from 1 April to 31 March. Subscriptions received from members are included in the financial statements in full for the year to which they relate. Sums received prior to the year end in respect of the forthcoming subscription year are treated as subscriptions received in advance in the balance sheet and taken to income in the new subscription year. Entry fees are taken to income as they are received.



Examination Entry Fees

The qualification registration fee attracts one year's free student membership and as such this income is recognised over the year.

Examination fees are recognised only when the exam is taken.

Training Services Income

Income from courses and training services are accounted for on an accruals basis.

Investment Income

Income from bank deposits is accounted for on an accruals basis.

Allocation of Resources Expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Other salaries are allocated between expense headings on the basis of time spent, and other costs are allocated in proportion to direct costs relating to each charitable activity.

Governance Costs

Governance costs are those costs associated with the governance arrangements as opposed to fundraising or charitable activities, and include but are not limited to external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements eg, Trustees' meetings and statutory accounts.

Funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are subject to specific restrictions imposed by the donors. These funds are accounted for separately and are only available to be used for the specific purposes for which they were given.

Investment income and all expenditure are allocated to the appropriate fund.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. An asset is capitalised when its original cost is in excess of £500. Depreciation is provided at rates calculated to write off the cost of fixed assets over the estimated useful lives of the assets. The rates of depreciation in the year are as follows:

Computer equipment & telephones	50% reducing balance
Fixtures and fittings	50% reducing balance
Leasehold improvements	50% reducing balance



Investment in Subsidiary Undertaking

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

Stocks

Stocks of workbooks and publicity items are valued at the lower of cost and net realisable value in accordance with SSAP 9.

Leases

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

Pension Costs

The charity offers a defined contribution pension scheme in the UK and other appropriate arrangements overseas. In the UK the charity contributes fixed percentage rates of salary to an employees' personal pension scheme and has no further liability for the scheme, which is administered on behalf of the Chartered Institute for Securities & Investment's employees by an independent manager. The Institute's pension policy fulfils the requirements of the Employment Equality (Age) Regulations Act 2006; and the pension contribution is related to length of service. Two levels of contribution apply for contributions and some staff have previously been grandfathered into the higher level contributions under the new scheme.

Taxation

The Institute and its predecessor are registered as charities and therefore benefit from exemption from corporation tax on certain sources of income, so long as the income is applied for charitable purposes.

Deferred Taxation

As the Institute's subsidiary company incurs corporation tax, a deferred tax liability may also arise on accelerated capital allowances within the subsidiary and other timing differences.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



2. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

None of the Trustees who served during the year received any emoluments from the charity in the current or prior year, with the exception of the Chairman. The charity's Royal Charter provides for the Chairman to be remunerated for his services and emoluments totalling £28,750 (2009: £25,000) were paid to the holders of that post during the year.

During the year, six of the Trustees were reimbursed by the Chartered Institute for Securities & Investment for travel and subsistence expenses incurred; these amounted to £8,088 (2009: eleven Trustees, £9,810).

Staff costs during the year	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Wages and salaries	4,002,148	4,018,237	3,966,373	3,999,739
Social security costs	332,092	382,055	331,840	381,803
Pension costs	322,972	308,196	322,972	308,196
	4,657,212	4,708,488	4,621,185	4,689,738

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

	2010	2009
£60,001 - £70,000	2	4
£70,001 - £ 80,000	4	3
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£230,001 - £240,000	1	1

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

	2010	2009
Dissemination & advancement of knowledge	70	72
Ethics	7	5
Consultation & research	21	23
Governance	2	2
	100	102
Operations	26	27
Business development	5	7
Chartered Institute for Securities & Investment (Services) Ltd	1	1
Membership, professional development & marketing	17	18
Qualifications & development (including international)	25	24
Management & administrative support	8	9
	82	86
Overseas staff	15	13
Temporary positions	3	3
	100	102



3. RESOURCES EXPENDED

Resources expended include the following:

	2010	2009
	Group	Group
	£	£
Depreciation of assets	131,082	153,911
Rentals under operating leases	621,385	668,272
Auditors' remuneration for audit work	27,000	21,450
Auditors' remuneration for other services	4,890	14,903

ANALYSIS OF TOTAL RESOURCES EXPENDED

GROUP	Staff Costs	Depreciation	Other		Total	Total
			Direct	Support		
	£	£	£	£	2009-10	2008-09
					£	£
Charitable activities:						
Dissemination & advancement of knowledge	3,312,133	78,743	1,200,380	898,165	5,489,421	5,988,288
Ethics	309,142	12,815	195,351	146,168	663,476	769,887
Consultation & research	983,790	39,524	602,521	450,827	2,076,662	2,573,087
Governance	52,147	-	43,205	-	95,352	95,426
Other expenditure:						
Stephen Cooke and Andrew Winkler Funds	-	-	22,267	-	22,267	10,000
Total	4,657,212	131,082	2,063,724	1,495,160	8,347,178	9,436,688

Governance costs comprise Board & Committee expenses, audit and legal fees and costs arising in relation to the provision of company secretarial and corporate registration services. Following a review of the allocation of costs to the governance expenditure category in the current year, the comparative figures in the above table have been re-analysed to reflect the new allocation basis.

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



Analysis of Other Support Costs:

UNRESTRICTED FUNDS	Dissemination & advancement of knowledge	Ethics	Consultation & research	Total 2009-10	Total 2008-09
	£	£	£	£	£
Premises	424,531	69,089	213,090	706,710	755,662
Printing, Postage & Stationery	53,496	8,706	26,852	89,054	161,129
Marketing	62,269	10,133	31,256	103,658	219,250
Travel & Subsistence	29,791	4,848	14,953	49,592	92,359
Irrecoverable VAT	126,150	20,530	63,320	210,000	160,000
Communications & IT	105,110	17,106	52,759	174,975	238,637
Equipment Hire	16,111	2,622	8,087	26,820	128,781
Other	80,707	13,134	40,510	134,351	238,080
Total	898,165	146,168	450,827	1,495,160	1,993,898

4. INVESTMENT INCOME

	2010 £	2009 £
UK bank interest receivable	103,155	359,796

5. OTHER INCOMING RESOURCES

The figure of other incoming resources in the Income and Expenditure account includes a foreign exchange gain of £17,114 (2009: £Nil), income from Regional social and networking activities of £113,445 (2009: £140,130), consultancy services in Singapore of £193,702 (2009: £7,168), income to defray the costs of the London Annual dinner of £32,470 (2009: £33,630), and income relating to the UK Islamic Finance Secretariat of £35,000 (2009: £Nil).

6. TAXATION

On 11 November 2009 the Chartered Institute for Securities & Investment became a registered charity and hence no liability to corporation tax has arisen on its activities.

The subsidiary company, the Chartered Institute for Securities & Investment (Services) Ltd, has entered into a Gift Aid arrangement whereby it makes an annual donation to the Chartered Institute for Securities & Investment. This donation is equal to its taxable profit.

Deferred Taxation

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses carried forwards and capital allowances in excess of depreciation, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £37,721 (2009 - £46,252). The asset would be recovered if suitable, sufficient taxable profits arise in the foreseeable future.



7. TANGIBLE FIXED ASSETS

Group and Charity	Computer equipment £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
As at 31 March 2009	1,029,262	203,304	395,066	1,627,632
Additions	78,656	29,718	-	108,374
As at 31 March 2010	1,107,918	233,022	395,066	1,736,006
Depreciation				
As at 31 March 2009	996,075	175,581	294,775	1,466,431
Charge for the year	55,924	25,010	50,148	131,082
As at 31 March 2010	1,051,999	200,591	344,923	1,597,513
Net book value 31 March 2010	55,919	32,431	50,143	138,493
Net book value 31 March 2009	33,187	27,723	100,291	161,201

8. SUBSIDIARY COMPANIES

On 1 March 1994, the charity's predecessor established a wholly-owned subsidiary company, Securities & Investment Institute (Services) Ltd, now known as Chartered Institute for Securities & Investment (Services) Ltd. The subsidiary company is registered in England and Wales. The value of the investment has been written off in the charity's financial statements.

On 23 March 2010, by way of special resolution, the issued ordinary share capital of Chartered Institute for Securities & Investment (Services) Ltd was reduced by 250,000 shares to 500,000 shares.

The purpose of Chartered Institute for Securities & Investment (Services) Ltd is to carry on the trading activities of the Chartered Institute for Securities & Investment, which comprises bespoke training courses and non-charitable activities carried out on behalf of the Chartered Institute for Securities & Investment.

Subsidiary operations were also incorporated in Singapore (3 April 2006), in India (8 July 2006) and in the People's Republic of China (20 August 2007). The company in India is a liaison office which represents and promotes the interests of Chartered Institute for Securities & Investment. Chartered Institute for Securities & Investment (Singapore) PTE Ltd began trading during the year to 31 March 2007 and Securities & Investment Institute (China) received its WOFE (wholly owned foreign enterprise) licence in January 2008.

In January 2009 Securities & Investment Institute (India) extended its licence to act as a liaison office for a further period of three years.

No details of the income/expenditure and assets/liabilities of the overseas subsidiaries are included in the figures below which relate to the UK services company (Chartered Institute for Securities & Investment (Services) Ltd). The income and funding costs of the overseas subsidiaries are reflected in the group figures.



**Chartered Institute for
Securities & Investment (Services) Ltd**
**Investment
in Subsidiary
£**
Cost

As at 1 April 2009	750,000
Arising from reduction in capital of subsidiary	(250,000)
As at 31 March 2010	500,000

Provision for impairment of value

As at 1 April 2009	750,000
Arising from reduction in cost of investment	(250,000)

As at 31 March 2010	500,000
---------------------	---------

Net book value

31 March 2009 and 31 March 2010	-
---------------------------------	---

For the year ended 31 March 2010, the subsidiary's profit and loss account showed:

	2010 £	2009 £
Income	97,290	141,348
Expenses	(66,436)	(97,711)
Profit for the year before taxation and donation under gift aid/deed of covenant	30,854	43,637

Its balance sheet showed:

	2010 £	2009 £
Current assets	96,724	320,414
Current liabilities	(711)	(5,175)
Funds	96,013	315,239

For the year ended 31 March 2010, the subsidiary made a donation under Gift Aid of £80 in order that no liability to corporation tax would arise, as described in note 5.



9. DEBTORS

	2010		2009	
	Group £	Charity £	Group £	Charity £
Trade debtors	990,071	954,305	487,066	485,066
Other debtors	72,521	71,579	82,365	82,365
Prepayments and accrued income	328,295	328,295	329,694	329,694
	1,390,887	1,354,179	899,125	897,125

10. CREDITORS

Amounts falling due within one year

	2010		2009	
	Group £	Charity £	Group £	Charity £
Subscriptions received in advance	438,538	438,538	430,117	430,117
Trade creditors	142,140	141,428	298,063	296,563
Other taxes and social security	229,377	229,377	229,918	229,918
Other creditors	2,391	2,391	2,391	2,391
Accruals and deferred income	2,071,840	2,071,840	2,369,591	2,365,916
Amounts owed to subsidiary undertaking	-	53,130	-	312,224
	2,884,286	2,936,704	3,330,080	3,637,129

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

	Balance brought forward at 1 April 2009 £	Received during the year £	Balance carried forward at 31 March 2010 £	Income recognised during year £
Membership subscriptions (including received from students)	545,991	2,654,300	554,306	2,645,985
Qualifications & Development	399,331	4,887,464	467,880	4,818,915
Publications & Conferences	84,672	1,057,269	54,068	1,087,873
Other Income	-	469,437	50,000	419,437
	1,029,994	9,068,470	1,126,254	8,972,210



11. UNRESTRICTED FUNDS

	Balance at 31 March 2009	Incoming Resources	Resources Expended	Balance at 31 March 2010
	£	£	£	£
General income fund	4,892,185	9,108,380	(8,324,911)	5,675,654
SII Educational Trust Fund				
– designated fund	51,530	180	-	51,710
Total	4,943,715	9,108,560	(8,324,911)	5,727,364

Work on the formation of the SII Educational Trust Fund began in 2008 when money was set aside from the general income fund to enable students, primarily at postgraduate level, to compete for scholarships.

12. RESTRICTED FUNDS

SCHOLARSHIP FUNDS

	Balance at 31 March 2009	Investment Income	Resources Expended	Balance at 31 March 2010
	£	£	£	£
Stephen Cooke memorial fund	60,742	160	(21,000)	39,902
Andrew Winckler / Euroclear prize fund	5,720	20	(1,267)	4,473
Total	66,462	180	(22,267)	44,375

The Stephen Cooke Memorial Scholarship Fund was established during 1997/98 with the purpose of using the funds donated to contribute to the annual fees of students undertaking courses relevant to the financial services industry. During the year £160 (2009: £2,174) was added to the fund being the interest arising on the deposit less bank charges. The expenditure related to payments made as contributions to fees of certain eligible students.

At 31 March 2010 the Andrew Winckler / Euroclear prize fund monies are shown as a restricted fund. This fund is administered by the Trustees of the SII Educational Trust Fund.

The balances above are represented in the balance sheet by cash at bank.



13. FINANCIAL COMMITMENTS

Operating Lease Commitments

At 31 March 2010, the charity was committed to making the following future annual payments in respect of operating leases:

Leases Which Expire:	2010		2009	
	Land and	Other	Land and	Other
	Buildings		Buildings	
	£	£	£	£
Within one year	-	-	-	37,480
More than five years	706,783	-	696,810	-
	706,783	-	696,810	37,480

At 31 March 2010 the group and the charity had no financial commitments which were contracted for but not provided.

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

	2010	2009
	£	£
Net incoming resources	761,562	948,924
Investment income	(103,155)	(359,796)
Depreciation	131,082	153,911
(Increase)/decrease in stocks	(204)	2,313
(Increase)/decrease in debtors	(491,762)	341,817
(Decrease)/increase in creditors	(445,794)	10,711
Net cash (outflow)/inflow from operating activities	(148,271)	1,097,880



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Company Registration No. RC000834

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

cisi.org

July 2010

