icsa

The Chartered
Governance
Institute

Transformation, agility and leadership

Annual report and financial statements 2019–2020

The Chartered
Governance Institute

Contents

About ICSA: The Chartered Governance Institute

ICSA: The Chartered Governance Institute is one of nine divisions of The Chartered Governance Institute, the global qualifying and membership body for governance, with over 125 years' experience of educating and supporting governance professionals. With a Royal Charter purpose of leading 'effective and efficient governance and administration of commerce, industry and public affairs', The Chartered Governance Institute provides professional development, guidance and thought leadership, and works with regulators and policymakers to champion high standards.

Headquartered in London, this division represents and supports The Chartered Governance Institute's members and students in the UK, Republic of Ireland, Crown Dependencies and associated territories, which include countries in the Caribbean, sub-Saharan Africa, the Middle East, Mauritius and Sri Lanka, for which it has responsibility under the Royal Charter and Byelaws. The Chartered Governance Institute's eight other divisions are in Australia, Canada, Hong Kong/China, Malaysia, New Zealand, Singapore, Southern Africa and Zimbabwe.

For a more detailed explanation of our structure and the terminology used in this report, please see below.

By grant of a Supplemental Charter on 16 September 2019, the name of the Institute of Chartered Secretaries and Administrators was changed to The Chartered Governance Institute.

During the period covered by this annual report, the division headquartered in London was known as ICSA: The Chartered Governance Institute (the Institute).

The management and control of the global institute's assets and operations within the territories for which the Institute has responsibility (also known as the UKRIAT Division) is the responsibility of the UKRIAT Committee, which is made up of elected representatives of members within the UKRIAT division. The UKRIAT Committee is a committee of the Council of the global institute (the Council).

This report deals exclusively with the finances and activities of the Institute which, unlike the global institute's other divisions, does not operate through an independent service company, but through the Royal Charter body. The income, assets and liabilities of the other divisions are owned by their local service companies; their results are reported separately and do not form part of these financial statements.

The management and control of the activities of the Council's other standing committees, including the Professional Standards Committee, the global institute's association management company and the activities of the Director General are the direct responsibility of the Council. These activities are accounted for within the Royal Charter body but, as they are controlled directly by the Council, they do not form part of these financial statements.

The operations of the global institute that are controlled directly by the Council for the year ended 30 June 2020 are reflected within a separate comprehensive financial statement that was approved by members at the global institute AGM on 14 December 2020.

Annual general meeting

A resolution to receive the financial statements will be put to members at the annual general meeting of the UKRIAT division of The Chartered Governance Institute to be held at 18.00 on Monday 8 February 2021 at Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Auditor

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

Lloyds Bank plc
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London EC2R 8AU

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Highlights of the year in numbers

2020

Fellows = 2,686   Associates = 6,179

Total Chartered membership = 8,865

Affiliated members = 585

Total membership = 9,450

Graduates = 924   Students = 2,598

2019

Fellows = 2,812   Associates = 6,362

Total Chartered membership = 9,174

Affiliated members = 548

Total membership = 9,722

Graduates = 835   Students = 3,119

Exam sittings **2,206*** 2019 = 4,356

Training course attendees **743** 2019 = 803

Annual Conference attendees **up 27%**

Awards attendees **up 11%**

Press mentions **1,090** 2019 = 1,000

*Reflects cancellation of June 2020 exams

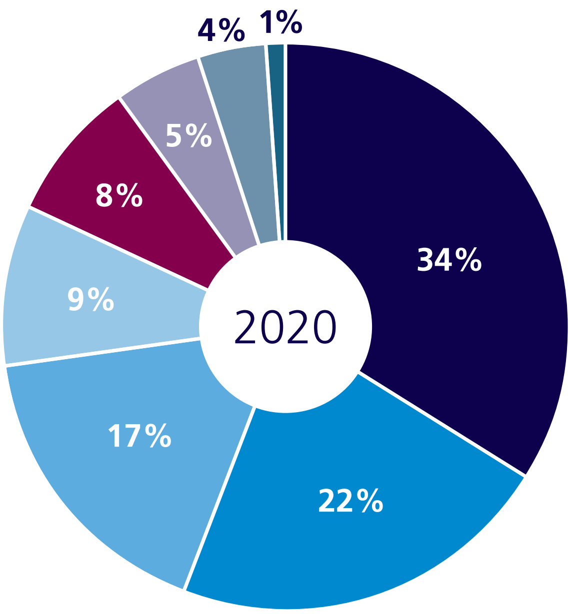
2020 – 69 branch events with **2,454 registrations**

2019 – 71 branch events with **2,074** registrations

Operating income and investments

Operating income

ICSA: The Chartered Governance Institute group operating income for the 12 months to 30 June 2020



	2020 £000	2019 £000
Members	2,371	2,345
Training, events, board evaluation	1,556	1,893
Professional qualifications	1,208	1,519
Other qualifications	633	830
ProShare	536	535
Publishing	324	293
Magazine	267	271
Other activities	108	174
Total	**7,003**	7,860

Investments

	2020 £000	2019 £000
Investment value	31,279	31,441
Investment income	465	478
Investment gains	(162)	325

Group operating income

The group's 2020 operating income is

£7,003,000

compared to

£7,860,000

for 2019

From the President and Chief Executive


This review covers the period 1 July 2019 to 30 June 2020

Transformation, agility and leadership
It has been a year unlike any other. Looking at our previous annual report and preparing to write this one, we were struck by a sense of how quickly the world we knew has changed and how profoundly we have had to adapt the plans that we made last year to reflect our new reality.

At the same time, we share a sense of pride in how much has been achieved – both at the Institute and by our profession more widely. In recent months, we have been struck time and again by the way in which company secretaries and governance professionals have demonstrated their ability to adapt, to innovate and to be pragmatic in order to maintain governance standards in the most challenging circumstances. Our members have held legally compliant general meetings in car parks, fields and front rooms when their planned venues became unavailable and have switched to running virtual board meetings with the minimum of fuss – inadvertently becoming IT consultants to board members. The time that members have invested in curating relationships with their boards and senior teams has proved its worth as they have been able to be the 'bridge' that connects the board to its organisation through a time of extended crisis.

The Institute's year began strongly before COVID-19 with the success of our best-attended Annual Conference yet over two days in July, with a thousand attendees and over 100 speakers combining expertise in emerging areas of governance with insight into how to develop and progress professionally – a fantastic showcase for our profession. Our training business began the year well and our Awards in November also drew a record number of guests and sponsors.

A key area of focus this year was on providing the best possible member and student experience. To inform this work, in September 2019 we carried out our first membership survey for five years. We had a strong participation level with several thousand members taking the time to respond and an increase in numbers who are likely to recommend our work to others. Key insights included members' desire for the Institute to push for greater profile for the profession and the nature of members' changing knowledge needs, reflecting the evolution of governance practice. We are very grateful to those who responded. These insights have helped us to refresh our strategy which was introduced in spring 2020 and reinforces the Institute's commitment to growth in all areas and support for governance professionals at every stage in their career. A full explanation can be found on page 7. We have made a strong start on delivering the refreshed strategy, working on a number of operational but essential transformation projects, including work to replace our core systems and develop our e-learning capabilities to become a 'digital-first' organisation.

This focus on outcomes has also encouraged us to develop new commercial partnerships, including that with Sport England to create the Sports Governance Academy, a governance support hub for the sports and physical activity sector. This provides a model for future work in an increasing number of other sectors where high standards of governance are required to contribute to business and organisational success.

The rapid impact of the coronavirus called for an equally rapid reaction from the Institute. With countries worldwide in lockdown, our key stakeholders required access to our services, guidance and support in new ways, for example:

- The UK AGM season was just getting underway when the lockdown was implemented leaving many organisations facing challenges about how to fulfil their statutory duties in this respect. Our Policy team quickly produced practical guidance about how to hold AGMs and virtual board meetings during the pandemic, as well as guidance about dividend payments. A series of webinars provided updates on the guidance for governance professionals and others and attracted participants across the globe. We also published COVID-19 guidance to support the not-for-profit sector.

- Restrictions on movement resulted in cancellation of our June 2020 exam session and the acceleration of plans for online delivery from November 2020.


Celebrating the success of governance professionals at our biggest Awards yet

- A number of key annual events, including conferences and the graduation and membership ceremony, were either cancelled or replaced with a virtual model of delivery.

- Our virtual training and a successful webinar series supported governance professionals and others in staying abreast of key governance issues.

- Services planned for the recently launched Sports Governance Academy, delivered in partnership with Sport England, were switched to online delivery. This has enabled the Institute to support, develop and connect people working in the sport and physical activity sector who have an interest in governance and expands our good practice to a sector committed to significant improvement.

COVID-19 has also impacted the Institute's financial performance, as it has that of so many organisations around the world. Our 2020 operating income at £7,003,000 compared with £7,860,000 in 2019 reflects the impact upon our events and examination programme. Nevertheless, 2019–2020 saw a slight increase in membership income and growth in revenues from our publishing and ProShare businesses.

You can read about our performance in more detail in the financial review on page 30 and the financial statements, on page 39.

The financial performance this year, however, must be seen in the wider context. We are proud of how the team at Saffron House has responded to the opportunities of the crisis: transitioning to new ways of working; identifying ways in which to accelerate planned development; and protecting and supporting colleagues, members, students, volunteers and the wider community. A strong communications programme has underpinned the Institute's focus on building and fostering a resilient culture and sense of community, underpinned by regular wellbeing advice and support from the HR and leadership teams.

Despite the extraordinary circumstances, our commitment to our members remains at the heart of our operations and we have striven to provide as effective a service working from home as if we had been in the office. The hard work of the team at Saffron House and our branch volunteers has meant that we have remained open for business throughout and continue to strengthen our digital networks for the benefit of members across all our territories.

All of the above has been possible because of the support of the UKRIAT Committee, particularly former president John Heaton who has presided over substantial changes during his three years in office. We thank John for the work he has done to support members and students and to champion the benefits governance brings to society.

It is difficult to predict with any certainty what 2020–2021 might bring given that the pandemic continues. However, amidst the disruption, COVID-19 has been a catalyst to transform our services for the better. By focusing on supporting our stakeholders when they have needed us most, we have made efficiencies to improve our overall service and will continue to look at new ways to deliver value while keeping a watchful eye on managing risk.

Victoria Penrice FCG
President

Sara Drake
Chief Executive

A year of transformation and adaptation

2019 – 2020

Autumn 2019 sees the official adoption of **The Chartered Governance Institute** name by the global institute

The Institute helped shape the UK Government's COVID-19 response by lobbying for change to the law around AGMs and produced guidance on **AGMs and the impact of COVID-19**, as well as on virtual board and committee meetings and dividend suspension

Successful launch of the new **Chartered Governance Qualifying Programme** in November 2019

The Institute's COVID-19 response sees the introduction of **virtual events and training**, which brings our expertise to a wider audience

Sports Governance Academy launched in February 2020 with Sport England, which has provided us with funding over two years to improve governance within the **sports and physical** activity sector and to support those engaged in governance roles

A **digital renewals campaign** was implemented as part of our COVID-19 response, accelerating plans already in place to apply a **digital-first policy**

March 2020 saw the introduction of a refreshed **five-year strategy** following a comprehensive strategy review

Introduction of **online exams** as from November 2020, following the cancellation of our June 2020 exams due to COVID-19

Our strategy

Following consultation with key stakeholders, including members, colleagues, past-presidents, early career professionals and employers, we have refreshed our existing strategy to address challenges in the external and internal operating environment. This work was also informed by the comprehensive member survey in September 2019 which explored the ways in which members value the Institute and how it meets their needs at each stage of their professional development. Consequently, a renewed five-year strategy was introduced in spring 2020, which supports our statement of purpose – to champion good governance and develop the value, skills and effectiveness of governance professionals – by:

- Assuring world-class standards in governance
- Supporting governance professionals in achieving their professional goals
- Promoting the contribution of good governance to economic and societal value and wellbeing.

The refreshed strategy demonstrates our commitment to growth in membership, profile, influence, revenue and partnerships and is focused on the following four key strategic drivers:

- Accelerate the growth of membership, increasing our reach and relevance to all those working in governance.
- Support the professional development of members at every stage of their career.
- Promote the contribution of good governance and governance professionals in supporting great business and organisations.
- Develop the organisation as a financially sustainable, innovative, member-focused professional body with a digital-first approach.

Our strategy is supported by a five-year plan which commits to clearly defined goals across three timelines.

Our progress against each of the four strategic objectives is reported on the following pages. While COVID-19 has inevitably resulted in a rescheduling of some areas of development, it has enabled us to accelerate others, including the enhancement of our digital capabilities.

Accelerate

Accelerate the growth of membership, increasing our reach and relevance to all those working in governance.

What we said we would do

- Introduce a streamlined approach to the application of new and re-elected Fellows and improve the readmission process.
- Expand the graduate open evening programme by holding events in new locations, including Birmingham, Edinburgh and Manchester.
- Collaborate with universities on guest lectures from the Institute to augment our presence at careers fairs and faculty events.
- Support the UK Student Forum in establishing a networking event programme for current students and recent graduates of the Institute’s exams.

What we did

- The membership upgrade application process has been streamlined to increase the ease and speed of admissions and readmissions. Campaigns to encourage upgrades and readmissions will commence in the new membership year.
- In the first half of the year, our university outreach programme of participation in careers fairs and faculty events engaged with ever larger numbers of students in business, finance and law. Graduate evenings were introduced outside London and our Insight Days, work experience and shadowing schemes continued to provide valuable opportunities for those interested in joining the profession. Much of this work has been suspended in physical format due to COVID-19 and has been replaced by a series of virtual 'Discover Governance' events which will continue across next year, with the addition of new regional and sector focuses.
- Our Policy & Research Director was in demand and engagements included guest lectures at Henley Business School and Queen Mary University, London.
- The UK Student Forum was supported in its networking events during 2019–2020, both in Saffron House and online. The Forum's virtual event in June 2020 attracted over 700 registrations.

Accelerate

The strategic goal to accelerate growth by increasing reach and relevance signposts the ways in which the Institute will recruit and retain more members. It recognises that growth cannot be achieved through simply doing more of the same. Growth will require revaluation of every aspect of member experience and broadening our audience to provide a professional home to all those working in governance across all sectors of the economy.

The member survey conducted in September 2019 provided a cornerstone for new thinking. It was completed by 20% of members and a substantial number of professional and free subscribers and recently lapsed members. This established a baseline for member satisfaction, and captured insights into what works well, and how member value can be enhanced at each career stage. These insights have been applied to the refresh of the Member Value Proposition (MVP) and planning for greater differentiation of services and support. In this, the initial priority is to increase membership value and relevance for Graduates and Associates, who are most in need of early career support.

There has been much work in recent years to reverse the attrition of membership which has been an issue for the Institute – indeed for the global institute and other professional bodies – for a number of years. We have largely succeeded in closing the gap, with a membership renewal rate this year of 95%, but there is still more work to do to increase membership as we want and need to do. Our focus this year is on more fundamental change that increases the student pipeline, speeds the rate of progression of graduates into membership and secures alternative routes for those qualified by experience. An encouraging trend within membership was the expansion of the relatively new Affiliated class of membership, which increased by 7% (37 members) year-on-year to 585.


Working to be a professional home to all those working in governance

2020 also saw the launch of the new Sports Governance Academy (see page 5). Resources on offer are targeted at funded sports bodies who are required to comply with Tiers 2 or 3 of the Code for Sports Governance and include guidance, reports, a blog, webinars and virtual training. Take-up has been strong and the project is viewed as a model for potential adaptation for different markets with a view to increasing membership from our non-core sectors.

In the refreshed strategy, regional and national branches play a key role in providing a local face of the Institute for our members and potential members. Volunteers in our branches play an enormously important role in supporting members and students with

Accelerate

networking, CPD opportunities and advice at a local level and help us in our aspiration to grow membership in all sectors. Our Outreach team works to support branch volunteers in our home regions, the UK, Ireland and Crown Dependencies, and our associated territories, by aiding the development and delivery of events and increasingly building strong relationships with local employers and education providers. In theory, all members and students have access to a local branch, based upon their home address. However, in practice not all locations in which our members live have an active branch, and not all members who have a branch are aware of it. To address this, we plan to redefine our branch areas in the coming membership year, so that every member and student has the opportunity to be part of their local or regional network. We also plan to change the basis upon which we communicate with members and students about branch events and the CPD, networking and volunteering opportunities that they provide to ensure that everyone has the opportunity to take part.

These initiatives will help to both improve the service that we offer to our members and students, and create more opportunities for student recruitment.

What we plan to do next year

- Embed the new Member Value Proposition to support retention and acquisition activity through the development of new services.
- Ensure that all members and students have access to a branch.
- Host a series of regular virtual discovery events for graduates and career changers in the UK and Associated Territories.
- Establish an Early Career Professionals Network.
- Develop and implement more sophisticated diversity monitoring for membership.
- Increase the programme of employer engagement to support recruitment and service development.

Support

Support the professional development of members at every stage of their career.

What we said we would do

- Upgrade the online membership area – MyCG (formerly MyICSA).
- Support the set-up of a new Special Interest Group for governance professionals in small listed companies.
- Continue refreshed programme of technical briefings.
- Develop opportunities for cross-benefit between ProShare and Institute members.

What we did

- MyCG has been improved to give members access to an easy to navigate, content-rich environment where they can see more clearly the benefits, resources and opportunities membership gives.
- In July 2019, we established the Small Listed Companies Interest Group to support members and our policy work. Suitable for company secretaries and governance professionals working in AIM listed or small cap businesses as well as companies with IPO aspirations, the group welcomes Institute members and non-members alike.
- 33 technical briefings issued during the year covering a variety of subjects across a number of sectors.
- Introduced cross-marketing of relevant events and conferences, with associated preferential rates.

Supporting knowledge and learning through informative events

Support

As part of our commitment to support the professional development of members at every stage of their career this year we laid the groundwork for a more forward-looking programme of lifelong learning, delivered in a modern learning environment and aligned with competencies and our Member Value Proposition.

This is a long-term plan and work this year focused on reviewing our current model, looking to the changes in learning technologies and planning for how best to meet the expectations of modern learners.

The year started with the launch of the core modules of the new Chartered Governance Qualifying Programme, the culmination of several years' work. The launch, at our July 2019 Annual Conference, was a truly collaborative cross-departmental effort. The new programme is mapped to the international qualifying standard and all materials have been completely rewritten for digital-first publication. The first exams were held in November 2019 and pass rates were very encouraging. Due to the pandemic, our annual graduation ceremony planned for May 2020 had to be cancelled, however, we recognised how important this event is for our graduates and it will return in 2021.

Late 2019 saw us screening suppliers for a secure online platform for setting and marking exam papers. Our platform of choice went live in May. Following the arrival of COVID-19, however, it was necessary to cancel the June 2020 exams and it was decided that the appropriate action was to push ahead with plans to deliver our exams online from November 2020, supported by live online invigilation. We had expected to trial online exams in the second year of our five-year plan, so this represented a significant acceleration.

The latter part of the financial year saw work resume on e-learning after a short pause whilst we reviewed progress in the context of our emerging plans. New developments included enhanced e-learning for the Foundation Programme, and for core modules of the qualifying programme to be released in stages across the next two years.

A review of our methods of assessment also got underway, with support from an advisory group of subject matter experts. That work was briefly put on hold as online exams took priority but will recommence in late 2020 and will complement and feed into a similar project being led by the global institute.

Besides ensuring that members and students have access to top-of-the-range qualifications, accessible in a variety of formats, we also support their professional development through a strong and well-established events programme, which promotes the value of good governance and provides members, students and non-members with insight on topical governance issues. It also allows us to celebrate the successes of members and students and others working in governance.

2019–2020 was a year of two halves for our events programme. In July 2019, we kicked off the year with our most successful Annual Conference to date, followed by a Subsidiary Governance Summit in October and our largest annual awards ceremony in London in November 2019 with 710 attendees and new categories looking at disclosure on stakeholders and board evaluation, both areas of increasing focus for the governance community. In February 2020 we held our first Governance in the Digital Age Summit and ran a series of evening CPD events in London on a variety of topics throughout the year.

However, following lockdown and COVID-19, the second part of the programme was quite different. Postponement of our regional conferences in Jersey and Guernsey, and our first event in Leeds, all scheduled for April, as well as the regional event in Ireland in May, left a large hole in the event calendar. As an alternative, we switched our focus to webinars on guidance we had issued during the lockdown, as well as launching chargeable content-based events in June. All have been very successful. We made the commitment to transition to

Support

virtual delivery for all our physical events where we could.

The global lockdown initially disrupted branch activities, and many local event programmes came to a temporary halt. Those branches that embraced virtual CPD events and meetings were rewarded with high levels of participation, an example being our Sri Lankan branch which ran a joint venture webinar with software company BoardPAC, which was accessed by 865 attendees from 30 different countries. This has informed plans for a new blended approach to branch events in 2020–2021, with the support of a dedicated platform and the team at Saffron House. This will also create opportunities for branches in different regions to work more closely together on areas of common interest, including student support and recruitment.

We have continued to work with employers and tuition providers to promote the benefits of our qualifications and membership and explore how experience and shadowing might be managed virtually. Discussions are also underway in the UK on the potential for apprenticeships in governance to offer a new route into the profession.

What we plan to do next year

- Ensure every member and student has access to a branch and support branches in the delivery of virtual and blended events programmes. Once our members are no longer the subject to gathering restrictions, face-to-face networking will be reintroduced as a key benefit of belonging to a branch.
- Introduce a new outcomes-based approach to CPD and communicate changes to members for the 2020–2021 membership year.
- Continue refreshed programme of technical briefings.
- Increase cross-marketing of relevant training, events and conferences. Build special interest groups containing both ProShare and Institute members.
- Explore new learning partnerships, including with employers, training providers and universities.
- Establish a new network and community support for early career professionals.
- Review and refine our virtual training and explore blended models.
- Deliver more differentiated services and benefits for Graduates and Associates.
- Review our assessment methods and contribute to the wider international review.

Promote

Promote the contribution of good governance and governance professionals in supporting great business and organisations.

What we said we would do

- Develop a process for commissioning academic research projects to support profile work.
- Achieve a minimum 1,000 press mentions.
- Engage with the new intake of Members of the UK Parliament (MPs) and Government to raise the profile of share plans.
- Continue to publish research, thought leadership and guidance to raise the profile and demonstrate the importance of the role and the profession.

What we did

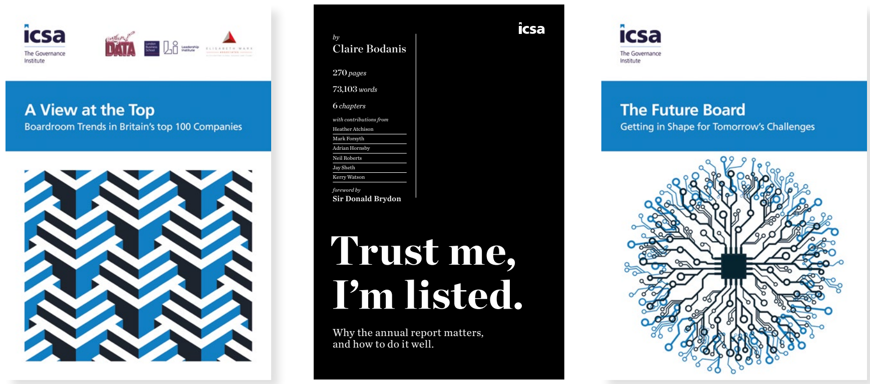
- Collaboration and publication of two academic research reports.
- Achieved 1,090 press mentions and issued 40 press releases or commentaries on governance issues.
- Significant programme of engagement with the new intake of MPs arranged and delivered virtually. Useful contacts established which will support future initiatives.
- Published 15 research or thought-leadership reports and 39 articles or blogs for national, local, regional or trade publications.
- Responded to 26 formal and informal government or regulatory consultations.
- Held 61 meetings with government and regulators on relevant issues and attended 305 external events. Spoke at 40 industry events or conferences.
- ProShare budget submission sent to HM Treasury and Department for Business, Energy and Industrial Strategy.
- Recruited a new role of Head of External Affairs to support lobbying activities, increased profile raising work and stakeholder engagement ambitions.
- Submitted our report on our board evaluation and are waiting for government feedback.

Promote

The value of good governance has been in sharp focus during the pandemic and we have worked with the Department for Business, Energy & Industrial Strategy (BEIS) and the Financial Reporting Council in particular to produce guidance about AGMs, virtual board and committee meetings and dividend payments that supported their COVID-19 response. The guidance generated a large amount of media coverage and was a tangible demonstration of the way in which good governance and governance professionals support business and other organisations.

Building relationships with government and regulators is a key part of our work to raise the profile of the Institute, our members and the value of the profession. We reviewed board evaluation for BEIS and are awaiting government feedback on our report, which has been delayed because of COVID-19 and the UK Government's Brexit preparations. We also helped to launch the Charity Governance Code refresh consultation to reflect areas of increasing focus, such as diversity and inclusion.

Speaking at external industry events is another way in which we showcase our expertise and the value of governance. The 40 events at which members of the team have spoken this year include major conferences in the charity, housing and education governance sectors.



Knowledge, information and guidance: a top membership benefit

Likewise our thought leadership cements our status as a learned society. Our output in 2019–2020 included work on two pieces of academic research: business judgment in the courts, produced by the University of Liverpool and the University of Leeds; and 'A View at the top – Boardroom trends In Britain's FTSE 100 companies', published jointly with the London Business School and Elisabeth Marx Associates. The board was the focus of two other key pieces of research: 'Building a Balanced Board: Thoughts on the Challenges of Board Composition' and 'The Future Board: Getting in Shape for Tomorrow's Challenges'.

The membership survey rated access to the Institute's knowledge, information and guidance as one of the top benefits and we have produced guidance for all our key sectors throughout the year. We have also published technical briefings for members on a range of topics and published professional books to help governance professionals in their work. 'Trust me, I'm listed: Why the annual report matters and how to do it well', published at the end of the financial year, has been a highlight, as have 'Company Meetings Handbook' and Board Committees Handbook', both published after feedback at conferences from members.

We have also put considerable effort this financial year into engaging with Members of the UK Parliament and the

Promote

UK Government to increase awareness of the value and profile of share plans, with a Head of External Affairs appointed to support our lobbying activities. A ProShare budget submission was sent to HM Treasury and the Department for Business, Energy and Industrial Strategy, and we hope that some of our proposals will be addressed in the coming months. A programme of engagement with a broad range of cross-party MPs and members of the House of Lords has been established and some useful contacts are developing.

Our profile with the media continues to rise, with an increasing number of enquiries from the UK national press and increased coverage of our output in Wales and Scotland. Our regional press presence in the Channel Islands and Ireland is well established and throughout the year we have had overseas coverage in Barbados, Cyprus, Ghana, Mauritius, Sri Lanka and Uganda. We are also seeing an increase in coverage of our output by professional bodies, law and accountancy firms. Coverage achieved reflects our presence in all of our key sectors (corporate, education, not for profit and sport), as well as the work of ProShare. The Boardroom Bellwether surveys we run with the Financial Times continue to raise our profile, with coverage of the summer Bellwether report leading to a meeting with a business advisor at No. 10 Downing Street. This reflects the growing influence of the report.

What we plan to do next year

- Establish a research fund to provide support for small research projects which bridge the gap between academic and practitioner interest.
- Achieve 1,200 press mentions.
- Continue to develop ProShare's relationships with the UK Government, politicians and relevant regulators.
- Continue to publish thought leadership and guidance on governance issues and to provide articles and blogs for national, local, regional or trade press.
- Continue to represent members' interests and the interests of good governance and raise the profile of the Institute, our members and their role by responding to formal and informal consultations from government and regulators, building relationships with government and regulators and attending and speaking at external industry events.
- Raise the profile of Employee Share Ownership with a significant research project.

Develop

Develop the organisation as a financially sustainable, innovative, member-focused professional body with a digital-first approach.

What we said we would do

- Undertake a membership survey to understand member satisfaction and inform future developments.
- Review the Member Value Proposition (MVP) to ensure that our membership services remain relevant and attractive.
- Improve communication of policy team activities to members.
- Complete strategic review.
- Commence work on core system change.
- Continue to monitor and review investment strategy and performance.
- Continue to grow the ProShare business and further integrate it within the Institute.

What we did

- Undertook a membership survey to understand member satisfaction and inform future developments.
- Completed the first part of our MVP review, which is being undertaken to ensure that our membership services remain relevant and attractive.
- Improved communication of policy team activities to members through fortnightly technical briefings and via our *Governance and Compliance* journal.
- Completed a strategy review.
- Undertook preparatory work on a major project to deliver core system change.
- Continued integration of ProShare events and finance activities with relevant Institute teams.
- ProShare membership increased to 141 with record-breaking attendances of 365 at the Annual Conference and 562 at the annual dinner.
- Strengthened our teams, including the appointment of new Heads of Events and of External Affairs to bring specific knowledge and experience to support our delivery plans in these areas.
- Restructured the marketing and membership teams.

Develop

Two major pieces of work began this membership year to help support our ambition to be a financially sustainable, innovative, member-focused professional body with a digital-first approach. The first of these, a complete review of our strategy, is reported in more detail on page 7.

The second piece of work was a transformative project to replace our outdated core business systems so that we have the infrastructure in place to support our strategy and digital-focused approach. Work began in 2019 with the appointment of digital infrastructure consultants to gain an understanding of our business requirements, our ways of working and the suitability of our current systems. The work confirmed that our current systems would be a barrier to the achievement of our strategy and led to the development of a plan for technology change to improve the member and customer experience, improve data quality and process efficiency. Our consultants ran an independent procurement process that led to our identifying and engaging a supplier for the replacement of key systems including our customer relationship management (CRM) system, members' and students' examination and qualifications databases. Work is now underway across the entire organisation with the supplier in the implementation of the new systems which are planned to become live in summer 2021.

Celebrations at the 2019 ProShare Awards, the biggest yet

Our digital-first approach, which we are embedding to improve the member experience, saw a number of courses from our classroom training portfolio redesigned for virtual delivery. Again, this was a move framed in the five-year plan but actioned much more quickly than anticipated. These have proven very successful and numbers are running ahead of expectations. Whilst classroom training will return, virtual and blended training will remain in the portfolio.

Management capacity was enhanced in November 2019 with the appointment of a Head of Events to strengthen our events offer and, in February 2020, a consultant was appointed for a fixed period to lead on External Affairs. This has subsequently become a permanent role. These two new roles will play a critical part in achieving strategic and commercial objectives in the coming year.

We undertook a restructure of the marketing and membership teams in order to ensure we had the right knowledge and experience in place to drive the strategy forward. Two new team leaders were appointed in January 2020 and detailed operational plans with several key campaigns have been created to support the Institute's ambitious growth targets.

Six positions were filled during lockdown and these new members of staff experienced the new 'virtual' induction process. Only one member of staff was furloughed during the period because of the very specific impact of COVID-19 on that employee's role.

Efforts to further integrate the ProShare business within the Institute continued, with ProShare events and finance activities more fully incorporated into the work of the Institute's events and finance teams. Furthermore, the cross-marketing of relevant events and conferences, with associated preferential rates, meant that we were able to offer cross-marketed training and development opportunities to members of both ProShare and the Institute, a further demonstration of our member focused approach.

We continued to grow ProShare membership, with 17 new members added during the financial year, taking the total number of members to 141.

Develop

The ProShare Annual Conference in October 2019 enjoyed record-breaking attendance with 365 delegates (up from 350 in 2018) attending a choice of 37 break-out and plenary sessions. Furthermore, the ProShare Annual Awards attracted 562 guests, with the crème de la crème of the UK share plans industry talent being recognised. Successful events like these allow us to spread the word about the value of employee share ownership and are a highlight of the sector's calendar.

The Executive Director of ProShare, who had been with us since 2015, left in December to take up a new role and in June the Head of Member Services moved to an exciting new opportunity with one of our ProShare members. Both had made a huge difference to the development of ProShare in the last five years and the ProShare members and wider community, including all of us at Saffron House.

These changes have given us an opportunity to restructure the management of ProShare within the Institute. Our Policy & Research Director has taken on additional responsibility for ProShare as Executive Director, our Head of External Affairs is leading political engagement for both the Institute and ProShare and a new Head of ProShare joined the team in October 2020.

What we plan to do next year

- Update our terms and conditions of membership to change the way we communicate about branch activities.
- Review the membership model, as part of the new MVP, and consider introducing an experiential route to membership.
- Deliver our first online exams in November 2020.
- Launch e-learning modules for at least two qualifying programme modules.
- Complete the transition of ProShare events and finance activities to relevant Institute teams and seek further opportunities for business integration.
- Maintain ProShare membership as far as possible in a post-COVID environment.
- Transfer events and training to virtual platforms.
- Reinstitute physical events when safe and practicable to do so.

Principal risks and uncertainties

Our risk management process

The UKRIAT Committee is responsible for the assessment and management of risk and reviews the risk registers annually. The Audit & Risk Committee is responsible for monitoring the effectiveness of the group's risk management systems.

With the assistance of RSM Risk Assurance Services LLP (RSM), the Committee reviews the division's risk architecture and methodology which comprises the risk management process.

The senior management team has, through the Executive Risk Subcommittee, responsibility for designing, implementing and maintaining risk management systems in line with the risk management process.

During the year the Executive Risk Subcommittee implemented RSM's recommendation that risks be more clearly identified as being either strategic or operational to allow a clearer division of responsibility between the UKRIAT Committee and the senior management team. Separate registers were created for strategic and operational risks. Strategic risks, those which influence the strategic direction of the division, are overseen by the UKRIAT Committee, the operational risks are overseen by the senior management team and heads of department.

Managers are required to consider and identify risks to their departments' operations and budgets and to assess these risks by type (strategic or operational), likelihood and impact.

Particular attention has been paid to ensure that COVID-19 is identified and recorded within the risk registers as a risk cause and that where possible appropriate controls and mitigations are identified.

The risk scores and their associated mitigation factors are recorded in the risk registers. These are reviewed at least once each year by the Audit & Risk Committee and the most significant risks are reviewed at each meeting.

Risks continue to be monitored and evaluated and it is the opinion of the Audit & Risk Committee that the approach to risk management is appropriate and robust.

Internal audit reviews

The risk registers inform the selection by the Audit & Risk Committee of subjects for internal audit and review by RSM.

At its meeting in May 2019, the Audit & Risk Committee agreed to a reduced audit programme for 2019–2020 until the completion of the planned strategy review and to then recommence with a programme derived from that strategy and its associated risks.

The audit for 2019–2020 was to have been that of the arrangements for the management of commercial contracts. It was scheduled for the second half of 2019–2020 but because of the difficulties of conducting the audit during the pandemic it has been postponed to 2020–2021 when a full programme of audits will resume.

Principal risks and uncertainties

Principal Risks

The principal risks identified are:

The relevance of the Institute and its value to members declines

Mitigation plans in place include:

- the Member Value Proposition is regularly reviewed
- the strategic review recently undertaken which incorporated the results of the members' survey
- future modes of delivery of services and value are under regular review

Impact of economic/political uncertainty results in financial instability of the Institute

Mitigation plans in place include:

- professional advice is sought when necessary
- a constructive relationship is in place with regulators and government
- we have a strong influencing agenda
- a business continuity and resilience plan is in place
- the successful replacement of core business systems

Inability to address the increased regulatory burden (e.g. GDPR), leading to loss of reputation and financial penalties

Mitigation plans in place include:

- professional advice is sought as required
- we have a strong influencing programme with government
- regular training for staff and members in data governance and cybersecurity

Competition – external threat leading to business instability and loss of revenue and membership

Mitigation plans in place include:

- a commercial strategy based on market analysis and high-quality product development
- the continual development of brand awareness and value
- the continued development of a digital strategy

Pandemic and consequences significantly inhibit our inability to run the business

Mitigation plans in place include:

- adherence to government and health advice
- implementation of secure remote working processes
- services migrated to online delivery
- active communication with stakeholders

UKRIAT Committee

(as at the date of these financial statements)

Bentley Barsenbach was a member of the Committee until 31 December 2019

UKRIAT Committee

(as at the date of these financial statements)

1 Victoria Penrice
Victoria is President of the UKRIAT Committee. A Chartered governance professional with over 30 years' experience she was Group Company Secretary at Seadrill Limited until June 2020. Victoria has experience in a number of sectors and is skilled in corporate governance, project delivery and board leadership, having worked for major listed companies.

2 Charles Brown
Charles is Vice-President of the UKRIAT Committee and is also a Vice-President of the Irish Regional Council. Company Secretary for Experian plc in Dublin, he covers corporate governance, statutory and listing rules compliance and reporting, board support, shareholder services and corporate responsibility.

3 John Heaton
John is Immediate Past President of the UKRIAT Committee and serves on the global institute's Council. A self-employed consultant in the share registration industry, John previously carried out a number of senior management roles in operations, compliance and risk, and client relations for Lloyds Bank Group.

4 Frank Curtiss
Frank is Past President of UKRIAT and chairs the Investment Committee. He also chairs the Chartered Secretaries Charitable Trust and the ICSA Pension and Assurance Scheme Trustees. Previously Head of Corporate Governance at RPMI RAILPEN Investments, he is an IIRC Ambassador and sits on the Audit and Risk Committee of the RSA and on the OPDU Advisory Council.

5 Ruairí Cosgrove
Ruairí was elected to the UKRIAT Committee in 2018. A former President of the Institute's Ireland Region and current Council member, he is Director of PwC Dublin's Entity Governance and Compliance Department.

6 Susan Fadil
Susan was elected to the UKRIAT Committee in January 2017. A senior director at JTC UK Limited, providing corporate governance and advisory services to a range of listed entities, she has over 25 years' experience as a Chartered secretary with a background in professional service firms.

7 Karen Jolly
Karen is the Group Company Secretary of the BWCI Group. A former chair of the Institute's Guernsey Branch, she has worked in the fiduciary, fund and insurance sectors of the finance industry in Guernsey for more than 20 years.

8 David Kyle
David was elected to the UKRIAT Committee in January 2016. A former Secretary and Chair of the Institute's Sheffield Branch, he is currently a Senior Lecturer at York St John University. A member of the Chartered Institute of Management Accountants, he also is a technical reviewer for another major accountancy body.

9 Marie Larkin
Marie was elected to the UKRIAT Committee in January 2020 and is based in London. A Governance Professional for the Bank of America since 2014, supporting regulated and non-regulated entities in the EMEA region, she is a qualified solicitor with over 20 years' governance experience in the financial services sector as a lawyer and Chartered governance professional.

10 Tom Lancaster-King
Tom was elected to the UKRIAT Committee in 2017 and is a member of the global institute's International Council, having previously served as a regional branch chair. Tom is based in Guernsey where he has worked for 20 years in a variety of roles in the investment fund industry.

11 Leslie Milliken
Leslie has both public and private sector experience, latterly as a university lecturer. He sits on both First and Upper Tribunals and is a corporate governance exam marker. He is the chair of the Professional Standard's Committee and is a member of the Assessment Review Panel.

12 Lisa Sunner
Lisa joined the UKRIAT Committee in January 2019, serves on the Investment Subcommittee and is a Trustee of the Institute's pension and assurance scheme. She is Group Company Secretary for RPMI Ltd, which provides inhouse pension and investment services for the railways pension schemes.

Statement of the UKRIAT Committee's responsibilities

in respect of the preparation of financial statements

The membership of the UKRIAT Committee recognises its responsibility under Byelaws 61.7 and 61.8 for the management and control of the assets and liabilities of ICSA: The Chartered Governance Institute and for the preparation of its financial statements under UKRIAT Regulation 92.

ICSA: The Chartered Governance Institute is a division of The Chartered Governance Institute which, as a body incorporated under Royal Charter, is not subject to UK company law. However, the UKRIAT Committee has elected to prepare the financial statements in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, as issued by the Financial Reporting Council.

The financial statements of the ICSA: The Chartered Governance Institute and the group are required to give a true and fair view of the state of affairs and the net surplus or deficit of the division and the group for each year. In preparing these financial statements the UKRIAT Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Institute and group will continue in business.

The UKRIAT Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the division and the group. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The UKRIAT Committee is responsible for the maintenance and integrity of the corporate and financial information included on the division's website. Legislation in the UK governing the preparation and dissemination of the financial statements and their information included in the annual reports may differ from legislation in other jurisdictions.

Senior management team

(as at the date of these financial statements)

Sara Drake

Chief Executive

Sara joined the Institute in 2019, having spent much of her career working in the media sector for publishing and television companies, as well as with professional bodies in the built environment and construction sectors. Previously Chief Executive of the Association for Project Management, she is a board member of the Quality Assurance Agency and holds non-executive directorships in the private and charity sectors.

William Booth

Professional Development Director

Will oversees the Institute's events, qualifications and publishing businesses, and is responsible for the planning and strategic oversight of these areas. He joined the Institute in 2000 and much of his work since then has focused around professional and business development. He also previously edited the *Governance and Compliance* journal.

Charis Evans

Business Development Director

Charis is responsible for membership, marketing and commercial partnerships. She joined the Institute in 2013. Her previous in-house and consultancy roles have been with educational publishers, Collins and Granada Learning, heritage organisations including the V&A and Imperial War Museums and digital business, principally recruiters and start-ups in the creative industries.

Robert Ing ACMA, CGMA

Finance Director

Robert joined the Institute in 1991 and is FD of the group, which includes the Institute and three trading subsidiaries. Previously he held a variety of financial, management and project accounting roles for the London Stock Exchange and manufacturing, mining and oil exploration sectors. He is a member of the Chartered Institute of Management Accountants.

Peter Swabey FCG

Policy & Research Director

Peter manages the Institute's policy and research activities, as well as *Governance and Compliance* journal and our ProShare business. He is responsible for developing the profile of the Institute through thought leadership and lobbying campaigns, as well as being responsible for liaison with legislators and regulators. He is a member of a number of industry committees and a regular speaker on governance issues.

Governance review

ICSA: The Chartered Governance Institute is committed to reaching and maintaining the highest standards of corporate governance and in doing so supports the UK Corporate Governance Code as revised by the FRC in 2018. The Code is principally for listed companies and, as such, the Institute is not obliged or, in some respects, able to follow it completely. However, we are dedicated to adopting best practice governance processes and therefore choose to apply the Code to the division's operations as far as it is applicable for a professional body incorporated by Royal Charter.

Throughout this review, the committees' compositions shown are for the period 1 July 2019 to 30 June 2020. Information about the UKRIAT Committee members can be found on pages 22–23. Other committee members are shown on pages 26–29 following a review of the activities of their respective committees.

The UKRIAT Committee

The UKRIAT Committee is composed of those members elected by the members residing in those countries that the division represents and the two most recent Past Presidents of the division. Members of the UKRIAT Committee do not receive any remuneration from The Chartered Governance Institute other than reimbursement of expenses incurred in carrying out their duties.

Any Fellow of the Institute who resides in those countries that the division represents is eligible to stand for election to the UKRIAT Committee. In autumn 2019, eight candidates stood for election to fill four vacancies on the Committee. The successful candidates were: Susan Fadil, Marie Larkin, Leslie Milliken and Lisa Sunner.

The UKRIAT Committee has responsibility for the overall leadership of the division, setting its vision, mission and values and making sure its goals are met. It carries out this responsibility through the review and approval of the division's strategic aims, objectives and annual strategic and business plans, and the approval of the division's group annual operating and capital expenditure budgets. During the year, the Committee held a formal strategic session in November 2019 where the topics of discussion included: the key challenges of growing and diversifying membership, the results of the membership survey, a Member Value Proposition for each level of membership, online exams, methods of assessment, digital transformation and financial sustainability. The Committee also:

- Oversaw the transition to the new name following the sealing of the supplemental Charter in early autumn 2019.
- Approved changes to the division's regulations so the divisional constitution could be brought in line with recent changes to the Charter and Byelaws of the Institute. These included the introduction of Affiliated Members.
- Approved the investment for the development of a specification for the procurement of a new systems' infrastructure and following this phase, approved investment for the digital transformation project ensuring that sufficient controls were in place to mitigate all risks involved. With this in mind, it also approved the creation and the terms of reference for a working group to oversee progress and to ensure the delivery of the project. The Committee acknowledged the opportunity to bring forward the digital transformation work under the current circumstances.
- Oversaw the agreement put in place which established funding from Sport England to the Institute for the delivery of the Sports Governance Academy for the next 24 months. The plan provides for staffing, the provision of training and Annual Conferences, a website, digital knowledge base, forum, webinars, a board development fund, publications and research.
- Approved the strategy refresh of the division agreeing to its objectives and the statement of purpose.
- Approved the budget acknowledging that due to the current circumstances some of the work would be delivered on a longer timescale. It also agreed that closely monitoring the financial performance of the division was critical in the current environment.
- Following the review of the use of post-nominals in the division, agreed to recommend the Council of the Institute shorten the transitional period for using both post-nominals (FCIS and FCG or ACIS and ACG) from four years to one year until 31 December 2020.
- Recommended to the Council of the Institute the creation of a pool of experienced members on whom the division could call when a disciplinary matter had to be investigated. The Council approved this proposal, and there are now 18 members of the Disciplinary Group in the division.
- On the recommendation of the Membership Committee, and to streamline the process of election of new Associate members, endorsed changes to the election process. Fellowship applications are now approved every month by written resolution.
- Following the review of governance documents, approved changes to the Letter of Undertaking for newly appointed Committee members and a Code of Conduct for Volunteers.
- On the recommendation of the Audit & Risk Committee, endorsed changes to a range of financial policies and the risk management methodology.
- Monitored staff wellbeing during the pandemic, discussing government and public advice periodically in conjunction with the senior management team.
- The Committee meets privately, without senior management present, before or during each meeting.

The Committee met three times during 2019–2020.

Name	UKRIAT Committee
John Heaton (Chair)	3/3
Bentley Barsenbach*	1/1
Charles Brown	3/3
Ruairí Cosgrove	3/3
Frank Curtiss	3/3
Susan Fadil	3/3
Karen Jolly	3/3
David Kyle	3/3
Tom Lancaster-King	1/3
Marie Larkin**	2/2
Leslie Milliken	3/3
Victoria Penrice	3/3
Lisa Sunner	3/3

** Until 31 December 2019* *** As from 1 January 2020*

Governance review

Subcommittees of the UKRIAT Committee

The Steering Committee (until September 2019)

The Steering Committee had delegated responsibility for supervising the management and administration of UKRIAT on behalf of the UKRIAT Committee. It monitored and reported on the implementation of policies, plans and budgetary performance to the UKRIAT Committee.

The Steering Committee comprised the UKRIAT President, the immediate Past President, the Vice-Presidents and the Chair of the Audit & Risk Committee.

Following a review of its structure, membership and frequency of meetings, the UKRIAT Committee agreed that this Committee's role and purpose was not an efficient use of their time and resource and agreed to dissolve it. The last meeting of the Steering Committee was held in September 2019.

During the three months this Committee operated within the period of review, it met once with the attendance of all its members.

The Audit & Risk Committee

The Audit & Risk Committee is responsible for monitoring the integrity of the financial statements of the division and it's subsidiary companies, including the appropriateness of accounting policies, reviewing any significant financial reporting issues and judgments that they contain; it is also responsible for keeping under review the effectiveness of the group's internal controls and risk management systems; considering and making recommendations to the UKRIAT Committee concerning the reappointment of the group's external auditor; oversight of the internal audit function; and overseeing the selection processes for the engagement of external and internal auditors when required.

External audit

The Audit & Risk Committee agrees the scope of the audit and reviews the annual audit report. It also monitors the level and nature of any non-audit services provided by the auditor, considering relevant ethical guidance on the provision of such services.

Haysmacintyre LLP was initially appointed the division's auditor at the AGM in February 2018. This is the third year under the current lead partner, and the UKRIAT Committee is recommending the reappointment of Haysmacintyre LLP at the 2021 UKRIAT annual general meeting.

Non-audit services purchased in the year from Haysmacityre LLP amounted to £7,951 for tax and compliance services. Having reviewed Haysmacintyre LLP's processes and procedures to ensure and preserve its audit independence, the Committee agreed that its independence was not compromised through the level of non-audit work undertaken in the year.

The external auditor is invited to attend the meetings of the Audit & Risk Committee.

Internal audit and risk management

The internal auditor is also invited to attend meetings of the Audit & Risk Committee. Please refer to page 20 for an explanation of the role of the Audit & Risk Committee in risk management.

During the year, the Committee also:

- Oversaw the audit, assurance and risk management processes within the division, monitoring the level of non-audit work undertaken by the external auditor and agreeing the auditor's independence safeguards.
- Following the internal audit on GDPR governance, oversaw the initial implementation of GDPR processes within the group and received further progress reports which included GDPR training for staff.
- Reviewed and approved the approach taken by the senior management team to separate the risk register into strategic and operational risks, agreeing with the proposal that individual operational risk registers would be created for a specific project.
- Oversaw the development of a reserves policy agreeing that this would be included in the Annual Report and Financial Statements 2019–2020.
- Oversaw actions implemented by the senior management team in response to COVID-19 in line with government advice such as the cancellation of the exams in June 2020 and the work undertaken on the updating the business continuity plan
- Monitored amendments to a range of finance policies. including travel expenses for staff and volunteers, treatment of unidentified receipts and validation of changes to supplier bank details. It also approved amendments to the risk management methodology.

The Committee met three times during 2019–2020.

Name	Audit & Risk Committee
David Kyle (Chair)	3/3
Charles Brown	2/3
Frank Curtiss	3/3
John Heaton	3/3
Tom Lancaster-King	2/3

Nomination Committee

The Nomination Committee is responsible for the nomination and succession planning of the division's honorary officers and regularly reviews the structure, size and composition (including the skills, knowledge and experience) of UKRIAT Committee members and its subcommittees.

Its membership comprises the UKRIAT president and immediate past president, one vice-president and up to three other UKRIAT Committee members.

Governance review

During the year, the Committee:

- Reviewed the structure and composition of all subcommittees, agreeing to make recommendations to the UKRIAT Committee for appointments of new members to the Audit & Risk, Qualifications and Nomination committees. It also recommended the proposal to co-opt non-divisional members to the subcommittees to increase diversity, acquire new talent and cover specific skills gaps if the need arose.
- Reviewed the size of the UKRIAT Committee acknowledging that, although no vacancies would be available at the end of 2020, the members of the UKRIAT Committee currently had the right skills to operate efficiently and recommended to retain its size at 12.
- Discussed the possibility of evaluating individual Committee members' performance evaluation to enhance the effectiveness of the UKRIAT Committee and agreed that the president would undertake this project in early 2021.
- Supervised changes to the Letter of Undertaking for newly appointed UKRIAT Committee members and subcommittee members and the Code of Conduct for Volunteers to bring both documents in line with best governance practices.
- Discussed succession planning for the UKRIAT president and honorary officers and agreed to recommend to the UKRIAT Committee the current appointments to ensure stability.

The Committee met once during 2019–2020.

Name	Nomination Committee
John Heaton (Chair)	1/1
Charles Brown	1/1
Frank Curtiss*	1/1
Victoria Penrice	1/1
Leslie Milliken	1/1
Lisa Sunner**	0/0

** Until 30 June 2020*
*** As from 18 June 2020*

Membership Committee

The Membership Committee is responsible for vetting and recommending to the UKRIAT Committee candidates to be admitted to membership or upgraded to Fellowship. It also makes recommendations to the UKRIAT Committee on the systems and procedures established to implement admissions policy and monitors and regularly reviews the Public Practice Scheme to ensure it is fit for purpose.

Its membership is based on skill and expertise identified as appropriate by the Nomination Committee; therefore, it does not require a minimum number of members. However, its chair must be a UKRIAT Committee member. Other members of the Committee include UKRIAT Committee members and other Fellows.

During the year, the Committee:

- Reviewed all fellowship applications and made recommendations to the UKRIAT Committee for approval. In total, it reviewed and recommended 76 Fellowship applications.
- Oversaw the review and upgrade of the membership application process for Associate, Fellow and re-elections to simplify the process for candidates as well as the initial assessment undertaken by the membership team. Under this new streamlined process, it agreed to review Fellowship applications monthly and recommended to UKRIAT Committee that these applications be approved monthly.
- Approved the proposal for changing the process for readmission of immediate past lapsed members who wished to reinstate their membership.
- Continued with the audit of Associate membership approvals to ensure that the correct marking criteria were applied by the membership team when reviewing the applications.
- Finalised the review of the procedure for awarding Associate and Fellow membership through the Special Entry Examination Scheme, making recommendations to UKRIAT Committee for their adoption and implementation
- Received briefings on senior management activity regarding changes to strengthen the division's branch network, membership benefits at each grade to ensure there is value in progression and the new flexible and self-directed CPD approach which will place responsibility on the individual member for setting their personal development plan.

The Committee met three times during 2019–2020.

Name	Membership Committee
Susan Fadil (Chair)	3/3
Bernadette Young (non-UKRIAT Committee member)	3/3
Bentley Barsenbach*	1/1
Frank Curtiss	3/3
Karen Jolly	3/3

** Until 31 December 2019*

Qualifications Committee

The Qualifications Committee is responsible for monitoring and advising the UKRIAT Committee on all academic and professional aspects of the division's qualifications. It also oversees the development of education products and professional qualifications and establishes quality controls and standard-setting policies and procedures concerning these qualifications. Through its Assessment Review Panel, it monitors the quality and standards of the UKRIAT examinations.

Its membership is based on skills and expertise identified as appropriate by the Nomination Committee; therefore, it does not require a minimum number of members. However, its chair must be a UKRIAT Committee member. Other members of the Committee include UKRIAT Committee members and other Fellows and non-members.

Governance review

The focus of the Committee's work during the year included:

- Overseeing the launch of the Chartered Governance Qualifying Programme and reviewing the exam results of the first examination session held in November 2019 which saw 2,200 students taking part.
- Evaluating the performance of tuition partners. Also evaluating the annual reports of external examiners and programme leaders at the University Partner Programmes.
- Continuing with the oversight of the development of an e-learning provision as a way of supporting students in their journey to become Chartered members.
- Reviewing progress on changes to the Registered Tuition Provider Scheme and the development of a plan to replace the existing scheme with one which would differentiate between 'Recommended Tuition Providers' for those that achieve certain criteria including a minimum number of students per session and 'Tuition Partners'.
- Reviewing the exemption policy for students based on the qualifications currently held by students including the application of law courses to this policy.
- Undertaking its annual review of the terms of reference and effectiveness of the Committee to ensure it is fit for purpose.
- Reviewing feedback from the Assessment Review Panel and the Student Forum meetings.

The Committee met twice during 2019–2020.

Name	Qualifications Committee
Leslie Milliken (Chair)*	2/2
David Kyle	2/2
Ruairí Cosgrove	2/2
Susan Fadil	2/2
Alison Carr* (observer/adviser)	2/2
Roz Baxter ** (observer/adviser)	1/1
Susan Hughes ***	2/2
Marie Larkin****	0/0
Michael Molan (observer/adviser)	2/2
Edel O'Neil (observer/adviser)	1/2

** Until 28 February 2020 ** Until 31 December 2019*

****Until 31 July 2019 ****As from 18 June 2020*

Investment Committee

Following the dissolution of the Steering Committee the Investment Committee (formerly Investment Subcommittees) now reports to the UKRIAT Committee. Its terms of reference are currently being reviewed to ensure its effectiveness within the new governance structure.

The Investment Committee currently considers all matters concerning the investment of funds, including consideration of the investment strategy and its implementation. Setting investment return targets as well as monitoring the investment performance against those targets, and the investment strategy also form part of its duties.

It also makes recommendations to the UKRIAT Committee for the engagement of investment advisers and will, in future, make recommendations for the appointment of investment managers.

Its membership comprises four serving members of the UKRIAT Committee, one of whom shall be the Chair of the Audit & Risk Committee, and one other member with recent and relevant investment experience. The President may attend this Committee and be counted as part of the quorum.

The focus of the subcommittee's work during the year included:

- Reviewing the investment monitoring reports prepared by the investment adviser and the reports prepared by the investment managers concerning the performance of both funds. The Investment Committee was satisfied with the performance of both funds, recognising the downturn in the market in 2019 and the impact of the COVID-19 pandemic in the first half of 2020.
- Reviewing the investment return requirement at each of its meetings.
- Closely monitoring market conditions to assess the need if any for changes in investment strategy.
- Reviewing the positive outcome of the internal audit on governance arrangements of investments noting that RSM had found there to be strong controls in place around the governance arrangements for investments, with these controls being complied with and operated effectively.

The Committee met three during 2019–2020.

Name	Investment Committee
Frank Curtiss (Chair)	3/3
Ian Burger	3/3
David Kyle	3/3
Tom Lancaster-King	2/3
Lisa Sunner	3/3

Auditor

A resolution to reappoint Haysmacintyre LLP as auditor and to authorise the UKRIAT Committee to set their fees will be proposed at the 2021 annual general meeting for members in UKRIAT.

Staff

UKRIAT employed 68 staff in the UK and overseas at 30 June 2020 (2019: 73).

Financial review

Background

ICSA: The Chartered Governance Institute's group financial statements set out in the following pages are for the 12 months ended 30 June 2020. They comprise the results, assets and liabilities of the division and its subsidiaries, ICSA Publishing Limited, ICSA Services Limited and ICSA Proshare Limited.

As the responsibility for the management and control of the assets within the division is conferred by the Charter and Byelaws upon the UKRIAT Committee, it is not appropriate for the financial statements of the division to be consolidated with those of the global institute.

The group's result for the year

The group's result to 30 June 2020 was a net deficit of £964,000 as shown in the consolidated income statement on page 33. This result is after charging tax of £5,000.

The COVID-19 pandemic had a significant impact on the result for the year and is the major cause of the increased deficit. A summary of the group's result for the year is as follows:

- Operating income = £7,003,000 (2019: £7,860,000)
- Gross contribution = £2,003,000 (2019: £2,458,000)
- Administration expenses = £3,265,000 (2019: £3,398,000)
- Operating deficit = £1,262,000 (2019: £940,000)
- Investment income = £465,000 (2019: £478,000)
- Loss on investments = £162,000 (2019: gain £325,000)
- Net deficit before tax = £959,000 (2019: £137,000)

Professional activities

An analysis of income is provided in note 2 on page 43. The pandemic and lockdown had a significant impact on revenues. Income from professional activities totalled £4,587,000 against £5,139,000 in 2019.

Member income of £2,371,000 was slightly ahead of that achieved in 2019 of £2,345,000. The cancellation of the June 2020 qualifying programme examinations was the main cause of student income reducing to £1,208,000 from £1,519,000 in 2019.

Other professional income which reached £900,000, against £1,101,000 in 2019, comprised mainly of that from journal advertising and from short course qualifications.

The cancellation of the courses' examinations in June accounted for the majority of the overall reduction in other professional income of £201,000 in the year.

The cancellation of the June examinations was also the principal cause of the reduction of £66,000 in other income to £108,000 as other professional bodies were unable to make use of our examinations.

The direct costs in support of the professional activities reduced by £417,000 to £3,769,000 as a direct result of the lower level of activity. In particular, the costs of staging the June examinations, the associated marketing and other costs were almost entirely avoided. In addition, the costs incurred on the engagement of the chief executive were recognised in the previous year.

Commercial and other activities

The gross contribution from commercial and other activities decreased to £1,185,000 from £1,505,000 in 2019. The analysis of the operating income from the commercial activities is shown in note 2 on page 43.

ICSA Publishing

The publication at the beginning of the year of new study texts to support the Chartered Governance Qualifying Programme syllabus assisted in income increasing to £324,000 from £293,000 in 2019. This increase coupled with a reduction in total costs before management charges of £36,000 resulted in the operating deficit before tax decreasing to £65,000 from £133,000 in 2019.

ICSA Services

ICSA Services Limited operates the training and conference businesses and the board performance evaluation business. The pandemic had a significant impact upon the programme of events and on the ability to provide classroom training resulting in income reducing to £1,452,000 from £1,676,000 in 2019.

A reduced demand for board performance evaluation services resulted in income reducing to £104,000 from £217,000 in 2019.

The company's underlying operating surplus before management charges and tax reduced to £380,000 from £704,000 in 2019.

Financial review

ICSA ProShare

ProShare was largely unaffected by the pandemic and lockdown as its two main events, the 2019 conference and 2019 awards were held in the first half of the year under review. Income of £536,000 was in line with that of the previous year of £535,000. Reduced operating costs resulted in the operating surplus before tax and management charge increasing to £121,000 from £45,000 the previous year.

Investments

The investments are held equally between the Columbia Threadneedle Dynamic Real Return Fund and Janus Henderson Multi Asset Credit (MAC) Fund and exist to generate a real return (above inflation) and provide an income to meet the annual operating deficit of the group.

The combined market value of the funds at 30 June 2020 was £31,279,000 (2019: £31,441,000) having generated income of £428,000 (2019: £420,000 – note 6) and a net loss of £162,000 (2019: net gain £325,000 – note 10).

Uncertainty caused by the pandemic saw the funds' value fall by 9.5% over February and March. Much of that fall was reversed by the year-end and since then values have continued to increase beyond the year end value of £31,279,000.

The funds are invested in accordance with an investment strategy agreed by the UKRIAT Committee. Oversight of the investments and their performance is provided by the Investment Committee assisted by advisers Barnett Waddingham LLP.

The Columbia Threadneedle Dynamic Real Return Fund is a Diversified Growth Fund (DGF), primarily comprised of equity-based strategies designed to produce equity-like growth over the long term, but be more resistant to market volatility, that is risk, than a passive equity fund. The fund targets value growth rather than income.

The Janus Henderson MAC fund is a diversified credit fund which operates using the same principles of managing the correlation between risk, return and diversification as a DGF but focuses on corporate and government debt, leveraged loans, asset backed securities and other debt. In addition to value growth the fund also targets income and is the source of the investment income of £428,000.

Reserves Policy

The total reserves of the group are represented by the accumulated fund of £35,342,000 which includes the investments in marketable securities of £31,279,000 and cash holdings of £6,775,000. Cash is held to provide working capital and to fund development opportunities as they arise. The UKRIAT Committee reviews the level of the group's reserves against identified financial risks and financial performance. Reserves are held to provide foreseeable working capital requirements without the need to borrow, to allow investment in opportunities to develop the group's operations and business, and to protect against unexpected circumstances and demands for funds.

Going concern

The group's total cash balances at the year-end were £6,775,000 (2019: £7,544,000). Cash flow forecasts for the group show that it will have positive cash flows for at least 12 months from the date of these financial statements. It is therefore considered appropriate that these financial statements are produced on a going concern basis.

Robert Ing ACMA, CGMA
Finance Director

Independent auditor's report

to the members of ICSA: The Chartered Governance Institute

Opinion

We have audited the financial statements of the UKRIAT Division of The Chartered Governance Institute ('UKRIAT') and its subsidiaries (collectively, the 'group') for the year ended 30 June 2020 which comprise the Consolidated and UKRIAT Income Statements, the Consolidated and UKRIAT Statements of Comprehensive Income, the Consolidated and UKRIAT Statements of Financial Position, the Consolidated and UKRIAT Statements of Changes in Equity, the Consolidated and UKRIAT Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and UKRIAT's affairs as at 30 June 2020 and of the group's and UKRIAT's net deficit for the year then ended; and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and UKRIAT in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the group and UKRIAT financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the UKRIAT Committee

As explained more fully in the Statement of the UKRIAT Committee's Responsibilities set out on page 24, the UKRIAT Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the UKRIAT Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the UKRIAT Committee is responsible for assessing the group's and UKRIAT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the UKRIAT Committee either intends to liquidate the group or UKRIAT or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the UKRIAT Division, as a body. Our audit work has been undertaken so that we might state to the members of the UKRIAT Division 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 UKRIAT Division and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
20 November 2020

Consolidated income statement
(for the year ended 30 June 2020)

		2020	2019
		Total	Total
		Group	Group
	Notes	£000	£000
Operating income	2	7,003	7,860
Direct costs in support of professional activities	3	(3,769)	(4,186)
Direct costs in support of commercial and other activities	3	(1,231)	(1,216)
Gross contribution		2,003	2,458
Administration expenses	4	(3,265)	(3,398)
Operating deficit		(1,262)	(940)
Investment income	6	465	478
(Losses)/gains on investments	10	(162)	325
Deficit on ordinary activities before taxation		(959)	(137)
Taxation charge on ordinary activities	7	(5)	(93)
Deficit on ordinary activities after taxation		(964)	(230)

Consolidated statement of comprehensive income
(for the year ended 30 June 2020)

		2020	2019
		Group	Group
	Notes	£000	£000
Deficit on ordinary activities after taxation		(964)	(230)
Other comprehensive income			
Actuarial loss on defined benefit pension scheme	15(c)	(461)	(2)
Total comprehensive income		(1,425)	(232)

All activities in 2020 are continuing.

Pages 39 to 55 form an integral part of these financial statements.

UKRIAT income statement

(for the year ended 30 June 2020)

		2020	2019
	Notes	£000	£000
Operating income	2	4,828	5,415
Direct costs in support of professional activities	3	(3,769)	(4,186)
Direct costs in support of commercial and other activities	3	(4)	(3)
Gross contribution		1,055	1,226
Administration expenses	-	(2,619)	(2,965)
Operating deficit		(1,564)	(1,739)
Investment income	-	457	470
(Losses)/gains on investments	10	(162)	325
Deficit on ordinary activities before taxation		(1,269)	(944)
Taxation credit/(charge) on ordinary activities	7	33	(23)
Deficit on ordinary activities after taxation		(1,236)	(967)

UKRIAT statement of comprehensive income

(for the year ended 30 June 2020)

		2020	2019
	Notes	£000	£000
Deficit on ordinary activities after taxation		(1,236)	(967)
Other comprehensive income			
Actuarial loss on defined benefit pension scheme	15(c)	(461)	(2)
Total comprehensive income		(1,697)	(969)

All activities in 2020 are continuing.

Pages 39 to 55 form an integral part of these financial statements.

Statements of financial position

(as at 30 June 2020)

		2020	2020	2019	2019
		Group	UKRIAT	Group	UKRIAT
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	8	198	51	296	91
Tangible assets	9	278	277	292	289
Investments in marketable securities	10	31,279	31,279	31,441	31,441
Investments in subsidiary undertakings	11	-	150	-	150
		31,755	31,757	32,029	31,971
Current assets					
Stocks	-	-	-	4	-
Debtors: amounts falling due within one year	12	3,382	3,686	3,790	3,237
Cash at bank and in hand		6,775	4,298	7,544	5,582
		10,157	7,984	11,338	8,819
Creditors	13	(943)	(594)	(1,359)	(842)
Deferred income	14	(3,801)	(3,432)	(3,840)	(2,961)
Net current assets		5,413	3,958	6,139	5,016
Total assets less current liabilities		37,168	35,715	38,168	36,987
Pension scheme liability	15(a)	(1,835)	(1,835)	(1,410)	(1,410)
Total net assets including pension scheme liability		35,333	33,880	36,758	35,577
Accumulated reserves					
Accumulated fund		35,333	33,880	36,758	35,577

Pages 39 to 55 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the UKRIAT Committee on 17 November 2020.

David Kyle

David Kyle FCG
Chairman, Audit & Risk Committee

Consolidated statement of changes in equity

(as at 30 June 2020)

Reserves at 30 June 2020

Group

	Accumulated fund	Total reserves
	£000	£000
At 1 July 2019	36,758	36,758
Deficit for year	(964)	(964)
Other comprehensive expense for the year:		
Net actuarial loss in year	(461)	(461)
At 30 June 2020	35,333	35,333

UKRIAT

At 1 July 2019	35,577	35,577
Deficit for year	(1,236)	(1,236)
Other comprehensive expense for the year:		
Net actuarial loss in year	(461)	(461)
At 30 June 2020	33,880	33,880

Reserves at 30 June 2019

Group

	Accumulated fund	Total reserves
	£000	£000
At 1 July 2018	36,990	36,990
Deficit for year	(230)	(230)
Other comprehensive expense for the year:		
Net actuarial loss in year	(2)	(2)
At 30 June 2019	36,758	36,758

UKRIAT

At 1 July 2018	36,546	36,546
Deficit for year	(967)	(967)
Other comprehensive expense for the year:		
Net actuarial loss in year	(2)	(2)
At 30 June 2019	35,577	35,577

Consolidated statement of cash flows

(for the year ended 30 June 2020)

	2020	2020	2019	2019
	£000	£000	£000	£000
Cash flows from operating activities				
Cash used in operations		(1,082)		(59)
Tax paid		(72)		(39)
Net cash (outflow)/inflow from operating activities		(1,154)		(98)
Cash flows from investing activities				
Purchase of investments	-		(2,000)	
Purchase of intangible fixed assets	(36)		(146)	
Purchase of tangible fixed assets	(44)		(40)	
Interest received	37		58	
Investment income	428		420	
Net cash generated/(used) in investing activities		385		(1,708)
Net decrease in cash and cash equivalents		(769)		(1,806)
Cash and cash equivalents at beginning of year		7,544		9,350
Cash and cash equivalents at 30 June		6,775		7,544

Reconciliation of deficit on ordinary activities before taxation to cash (used)/generated from operations		
Deficit on ordinary activities before tax	(959)	(137)
Adjustments for:		
Change in fair value of investments	162	(323)
Investment income	(465)	(478)
Amortisation of intellectual property and development costs	134	54
Depreciation charge	58	46
Difference between net pension expenses and cash contributions	(36)	(232)
Changes in:		
Stocks	4	34
Debtors	408	782
Creditors	(349)	82
Deferred income	(39)	113
Cash used in operations	(1,082)	(59)

UKRIAT statement of cash flows

(for the year ended 30 June 2020)

	2020	2020	2019	2019
	£000	£000	£000	£000
Cash flows from operating activities				
Cash used in operations		(1,690)		(815)
Tax repaid/(paid)		(7)		(14)
Net cash outflow from operating activities		(1,697)		(829)
Cash flows from investing activities				
Purchase of investments	-		(2,000)	
Purchase of intangible fixed assets	-		(48)	
Purchase of tangible fixed assets	(44)		(38)	
Interest received	29		50	
Investment income	428		420	
Net cash generated/(used) in investing activities		413		(1,616)
Net decrease in cash and cash equivalents		(1,284)		(2,445)
Cash and cash equivalents at beginning of year		5,582		8,027
Cash and cash equivalents at 30 June		4,298		5,582

Reconciliation of deficit on ordinary activities before taxation to cash used in operations		
Deficit on ordinary activities before tax	(1,269)	(944)
Adjustments for:		
Change in fair value of investments	162	(323)
Investment income	(457)	(470)
Amortisation of intellectual property and development costs	40	25
Depreciation charge	56	44
Impairment of investment in subsidiary	-	146
Difference between net pension expenses and cash contributions	(36)	(232)
Changes in:		
Debtors	(449)	871
Creditors	(208)	25
Deferred income	471	43
Cash used in operations	(1,690)	(815)

Notes to the financial statements

1 Accounting policies

a. General information

The Institute of Chartered Secretaries and Administrators changed its name to The Chartered Governance Institute on 16 September 2019. These group financial statements represent the activities of the UKRIAT Division (UKRIAT) of The Chartered Governance Institute (the Institute) and are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the group's transactions are denominated.

Accordingly, these financial statements comprise the results, assets and liabilities of the Institute in the UK, Republic of Ireland and Associated Territories, the Channel Islands and Isle of Man (UKRIAT), and the Institute's trading subsidiaries, ICSA Publishing Limited, ICSA Services Limited and ICSA Proshare Limited.

The UKRIAT Committee has managed the affairs of the Institute and its group in UKRIAT in accordance with the requirements of the Institute's Byelaws 61.7 and 61.8 and the UKRIAT Regulations made thereunder.

Under UKRIAT Regulation 92 the UKRIAT Committee is responsible for producing the audited financial statements of UKRIAT.

The Institute is a United Kingdom professional body for governance. It was granted a Royal Charter in 1902. The Institute's address is Saffron House, 6-10 Kirby Street, London, EC1N 8TS.

The principal accounting policies that have been applied, by all subsidiaries, in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

b. Basis of preparation

These financial statements are prepared in accordance with FRS102 as issued by the Financial Reporting Council under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section (u). Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

c. Going concern

The financial statements have been prepared on a going concern basis. At 30 June 2020, the group had an excess of assets over liabilities, in other words, net assets, of £35,333,000 compared with £36,758,000 in the previous period. Included within net assets is that of net current assets of £5,413,000. This figure is a measure of the ability of the group to meet its obligations to its creditors as they fall due. Also included within the figure for net assets are the deferred income balances of £3,801,000 and the pension scheme liability of £1,835,000. The deferred income figure arises as a consequence of the group's income recognition policy and represents income received in advance. As such, it is not normally repayable and is shown separately within the statement of financial position. The pension scheme is funded by way of contributions, the amount of which has been agreed with the scheme actuary. The cash flow forecasts prepared by senior management show that the group will have positive cash flows for at least 12 months from the date these financial statements are approved. The UKRIAT Committee therefore considers that the group has sufficient funds to meet its obligations as they fall due and deems it appropriate that the financial statements are produced on a going concern basis.

d. Consolidation policy

The financial statements comprise those of UKRIAT and its subsidiaries. Subsidiaries which are directly or indirectly controlled by the group are consolidated. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with group policies for consolidation purposes.

The acquisition method of accounting is used by the group when it undertakes a business combination.

All intra-group transactions and balances between group entities are eliminated on consolidation.

e. Operating income – revenue recognition

Member subscription income is recognised in the period to which it relates. Student examination income is recognised in the period in which the examinations are taken. Member subscriptions and student examination income received in advance of the period the subscription falls due or of the period the examination is taken, are carried forward as deferred income at the reporting date.

The income from book sales is recognised upon despatch and publications income is recognised in the period to which it relates. Income from training courses and conferences is recognised upon the timing of the event and all other income is recognised upon provision of the goods or services.

Amounts received in advance of the date the training courses and conferences are held, and publications subscription income received in advance of the period in which it falls due, are carried forward as deferred income at the reporting date.

Notes to the financial statements

1 Accounting policies

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

f. Foreign currency

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Exchange differences are taken to the income statement.

g. Taxation

Income tax expense represents the sum of the current tax and deferred tax. The Institute's transactions with its members are not subject to tax. Other transactions are taxable on a basis agreed with HM Revenue & Customs. Subsidiary companies are subject to tax on a normal basis; the charge for current tax is based on the result for the year, or the period to the date of disposal, adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date. Current and deferred tax is recognised in the same component of the income statement, other comprehensive income or equity as the transaction or event that resulted in the tax expense or income.

h. Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on timing differences between taxable profits and the total comprehensive income as reported in the financial statements. In addition, where there is a difference between the taxable amount of an asset (other than goodwill) acquired in a business combination and the value at which it is recognised, deferred tax is recognised in respect of that difference.

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which timing differences can be utilised.

Deferred tax is calculated at the tax rates that have been enacted, or substantively enacted by the reporting date, and are expected to apply in the period when the liability is settled or the asset realised.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws is recognised in the income statement, or comprehensive income to the extent that it relates to items previously recognised in comprehensive income.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

i. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period if there are indicators of change. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is assessed as greater than its estimated recoverable amount.

Depreciation is provided on all property, plant and equipment and is calculated on the straight-line basis at the following per annum rates, which are sufficient to reduce them to their estimated residual value:

Leasehold improvements	7%
Fixtures and fittings	10% to 33%
Computer equipment	15% to 33%

Property, plant and equipment are depreciated from the beginning of the month in which they were purchased.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

j. Investments

Investments in marketable securities are included at fair value. Investments in subsidiaries are included in the statement of financial position at cost, less a provision where there is deemed to be a permanent impairment in value.

k. Other intangible assets

Research expenditure is written off to the consolidated income statement in the period in which it is incurred.

Development expenditure is written off in the same way unless the technical, commercial and financial viability of individual projects is such that the expenditure will derive future economic benefit. In these circumstances, the expenditure is capitalised and amortised over a period of up to three years, being the time the group is expected to benefit, subject to annual impairment reviews.

l. Impairment of non-financial assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of

Notes to the financial statements

the cash-generating unit to which the asset belongs.

m. Financial assets and liabilities

General

Financial instruments are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Section 11 of FRS102.

Subsequent measurement

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method. Investments in preference and ordinary shares classified as basic financial instruments, and all financial instruments not classified as basic are measured at fair value at the end of the reporting period, with the resulting changes recognised in the income statement. Where their fair value cannot be reliably measured, they are recognised at cost less impairment.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

n. Impairment of financial assets

Assets carried at cost or amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be estimated reliably.

o. Trade debtors

Trade debtors are amounts due from customers for products sold or services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

p. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date

q. Reserves

Reserves attributable to the owners of the parent consist of the accumulated fund.

r. Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

s. Employee benefits

Retirement benefit obligations

The group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service with the group and compensation levels.

Under FRS102 the operating costs of providing the benefits, the service costs, the interest cost and the expected return on assets are included in the income statement in the period in which they arise. The actuarial gains and losses from the pension scheme are recognised in the statement of comprehensive income. Any surplus or deficit in the defined benefit pension scheme is shown in the statement of financial position as an asset or liability. Actuarial valuations are obtained triennially and updated under FRS102,

Notes to the financial statements

Employee Benefits, at each reporting date. The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

The contributions payable in providing benefits under the defined contribution scheme are charged to the income statement in the period to which they relate.

t. Leasing

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

u. Estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on the management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

A significant area of judgement is that of the determination of the assumptions used in calculating the net liability in the defined benefit pension scheme. These assumptions are set out in note 15.

Notes to the financial statements

2 Operating income

	2020	2020	2019	2019
	Group	UKRIAT	Group	UKRIAT
	£000	£000	£000	£000
Operating income				
Professional activities				
Member income	2,371	2,371	2,345	2,345
Student income	1,208	1,208	1,519	1,519
Other professional income	900	900	1,101	1,101
Other income	108	349	174	450
	4,587	4,828	5,139	5,415
Commercial activities				
Publications	324	-	293	-
Training courses and conferences	1,452	-	1,676	-
Board performance evaluation	104	-	217	-
Proshare	536	-	535	-
	2,416	-	2,721	-
Total operating income	7,003	4,828	7,860	5,415

3 Direct costs

All items of expenditure directly attributable to the support of the profession and generation of operating income have been shown as direct costs.

4 Administration expenses

	2020	2019
	Total	Total
	Group	Group
	£000	£000
Premises - net of income from tenants of £55,000 (2019: £51,000)	1,070	975
Finance & general administration	660	764
Office costs	361	426
Commercial activities	727	840
Support services	380	339
Amortisation of intellectual property costs	28	28
Amortisation of development costs	39	26
	3,265	3,398

Notes to the financial statements

5 Deficit on ordinary activities before taxation

	2020	2019
	Group	Group
	£000	£000
Deficit on ordinary activities before taxation is stated after charging:		
Amortisation of capitalised development costs	106	26
Amortisation of intellectual property	28	28
Depreciation	58	46
Auditor's remuneration:		
Audit fees	33	31
Tax fees	8	9
Operating lease rentals:		
Land and buildings	664	506
Equipment	23	53
Staff costs:		
Salaries	3,190	3,265
Social security costs	345	352
Pension costs:		
Defined benefit	304	360
Defined contribution	116	122
The average number of full time employees during the year engaged in continuing operations was:	70	74

6 Investment income

	2020	2019
	Group	Group
	£000	£000
Bank interest receivable	37	58
Income from investments	428	420
	465	478

Notes to the financial statements

7 Taxation

(a) Analysis of charge in period

The taxation credit on the surplus on ordinary activities comprises:

	2020	2019
	Group	Group
	£000	£000
Corporation tax payable for the current year	48	77
Adjustments in respect of prior years	(5)	(1)
	43	76
Deferred taxation:		
Current year	(26)	16
Under provision in respect of prior years	(12)	1
Current year tax charge	5	93

(b) Factors affecting the corporation tax charge for the year

The corporation tax assessed for the year is different to that at the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)
The differences are explained below:

	2020	2019
	Group	Group
	£000	£000
Deficit on ordinary activities before taxation	(959)	(137)
Deficit on ordinary activities before taxation, multiplied by the standard rate of taxation in the UK of 19.00% (2019: 19.00%)	(182)	(26)
Effects of:		
Income less expenditure not assessable for taxation purposes	307	177
Exempt ABGH distributions	(81)	(80)
Capital (losses)/gains not recognised	(31)	62
Fixed asset differences	5	5
Deferred tax - difference in tax rates	4	(7)
Deferred tax - not recognised	-	(39)
Adjustments in respect of prior periods	(5)	1
Adjustments in respect of prior period (deferred tax)	(12)	-
Current year tax charge	5	93

(c) Factors that may affect future taxation charges

The taxation charge for future years will be affected principally by the extent to which income is not assessable to corporation tax and expenses that are not deductible or allowable for taxation purposes.

Notes to the financial statements

8 Intangible fixed assets

Group	Intellectual property £000	Development costs £000	Total £000
Cost			
At 1 July 2019	140	258	398
Additions	-	36	36
At 30 June 2020	140	294	434
Amortisation			
At 1 July 2019	33	69	102
Charge for the year	28	106	134
At 30 June 2020	61	175	236
Net book value			
At 30 June 2020	79	119	198
At 30 June 2019	107	189	296

UKRIAT	Intellectual property £000	Development costs £000	Total £000
Cost			
At 1 July 2019	-	125	125
Additions	-	-	-
At 30 June 2020	-	125	125
Amortisation			
At 1 July 2019	-	34	34
Charge for the year	-	40	40
At 30 June 2020	-	74	74
Net book value			
At 30 June 2020	-	51	51
At 30 June 2019	-	91	91

Notes to the financial statements

9 Tangible fixed assets

Group	Leasehold improvements and fixtures/ fittings £000	Computer equipment £000	Total £000
Cost			
At 1 July 2019	486	238	724
Additions	4	40	44
At 30 June 2020	490	278	768
Depreciation			
At 1 July 2019	215	217	432
Charge for the year	33	25	58
At 30 June 2020	248	242	490
Net book value			
At 30 June 2020	242	36	278
At 30 June 2019	271	21	292

UKRIAT	Leasehold improvements and fixtures/ fittings £000	Computer equipment £000	Total £000
Cost			
At 1 July 2019	486	234	720
Additions	4	40	44
At 30 June 2020	490	274	764
Depreciation			
At 1 July 2019	215	216	431
Charge for the year	33	23	56
At 30 June 2020	248	239	487
Net book value			
At 30 June 2020	242	35	277
At 30 June 2019	271	18	289

Notes to the financial statements

10 Investments in marketable securities

	Marketable securities
GROUP and UKRIAT	**£000**
Market value	
At 1 July 2019	31,441
Net change in value during the period	(162)
At 30 June 2020	31,279

Marketable securities comprise units in the Columbia Threadneedle Dynamic Real Return Fund and the Janus Henderson Multi Asset Credit Fund. These funds are revalued at the balance sheet date to market quoted prices.

11 Investments in subsidiaries

	The Chartered Governance Institute Shareholdings
UKRIAT	**£000**
Cost	
At 1 July 2020 & 2019	597
Amount provided	
At 1 July 2020 & 2019	447
Net book value	
At 30 June 2020	150
At 30 June 2019	150

Notes to the financial statements

11 Investments in subsidiaries (continued)

The subsidiary undertakings of The Chartered Governance Institute were:

Name	Principal activity	Company Registration no.	% of equity 2020	% of equity 2019
ICSA Publishing Limited	Publishing & professional education services	1576660	100	100
ICSA Services Limited	Board performance evaluation & education services	2656725	100	100
ICSA Proshare Limited	Promotion of employee share ownership	8187010	100	100
CSPONLINE Limited	Dormant	8187336	100	100
ICSA Board Evaluation Limited	Dormant	2754744	100	100
ICSA Distance Learning Limited	Dormant	2241961	100	100
ICSA Nominees Limited	Dormant	8291635	n/a	n/a
ICSA Recruitment Limited	Dormant	8187301	100	100
ICSA Software Limited	Dormant	4599784	100	100
Incorporated Secretaries Association Limited	Dormant	326945	100	100
Investors in Governance Limited	Dormant	9437290	100	100
The Governance Institute	Dormant	8291655	n/a	n/a
UKRIAT Nominees Limited	Dormant	10116026	100	100

At 30 June 2020 all subsidiary undertakings are owned directly by The Chartered Governance Institute (and managed by the UKRIAT Committee) and are companies registered in England and Wales.

Notes to the financial statements

12 Debtors

	2020	2020	2019	2019
	Group	UKRIAT	Group	UKRIAT
(Amounts falling due within one year)	£000	£000	£000	£000
Trade debtors	2,759	2,266	3,001	2,315
Amounts due from group undertakings	-	913	-	427
Other debtors	299	183	387	93
Prepayments and accrued income	324	324	402	402
	3,382	3,686	3,790	3,237

13 Creditors

	2020	2020	2019	2019
	Group	UKRIAT	Group	UKRIAT
(Amounts falling due within one year)	£000	£000	£000	£000
Trade creditors	239	225	457	367
Other creditors	360	151	243	33
Corporation tax	48	5	77	8
Deferred tax	6	6	44	44
Other taxes and social security costs	96	52	143	81
Accruals	194	155	395	309
	943	594	1,359	842

14 Deferred income

Deferred income represents member and student subscriptions, student examination income and ProShare membership income received in advance of the year the subscription falls due, or of the year the examination is taken, amounts received in advance of the date of training courses and conferences and publications income received in advance of the year it falls due. As these sums are not expected to be repaid in the normal course of business, they have been shown separately on the face of the statement of financial position, and will be released to revenue in the next financial year.

Notes to the financial statements

15 Pension arrangements

Defined contribution schemes
From 1 May 2005, UKRIAT has contributed to a stakeholder scheme which is available to the employees of the Institute, ICSA Publishing Limited, ICSA Services Limited and ICSA ProShare Limited. Contributions during the year totalled £116,000 (2019: £122,000). Contributions totalling £18,000 were owing at the year-end (2019: £19,000).

Defined benefit scheme
The Institute operates a funded defined benefit pension scheme, available to the employees of the Institute, ICSA Publishing Limited and ICSA Services Limited, whose assets are held in separate trustee administered investment funds. Pension arrangements are accounted for in accordance with FRS102 Section 28, Employee Benefits. The pension cost is assessed in accordance with advice from an independent qualified actuary using the projected unit method. Contributions to the scheme are charged to expenditure in the period in which the benefits arise. The total pension cost, including expenses, charged in the income statement for the defined benefit pension scheme was £304,000 (2019: £360,000). The scheme was closed to new members from 1 February 2005. The last actuarial valuation was at 1 July 2017, which was based on a range of agreed assumptions. The market value of the scheme assets was £14.6 million, the funding level was 83% and the deficit in the scheme was £2,913,000.

This deficit excludes prepaid contributions of £1,906,700 being the balance of the additional contribution of £2m paid in March 2017 which had been treated as a prepayment of the monthly deficit reduction payments of £31,100 payment of which thereby ceased from 1 April 2017. If this balance of prepaid contributions were included in the valuation at 1 July 2017 the deficit in the scheme would reduce from £2,913,000 to £1,006,300 and the funding level increase to 94%. The balance of the prepaid contributions at 30 September 2018 of £1,440,200 was released to form part of the assets of the scheme from 1 October 2018. In accordance with advice from the scheme actuary, the employer's contribution increased from 19.6% to 26.3% from 1 October 2018, and £20,000 was paid in October 2018 in regard to the period 1 July 2017 to 30 September 2018. With the intention of eliminating the remaining effective deficit of £1,006,300 by 30 June 2020, a lump sum of £300,000 was paid in October 2018 and monthly deficit contributions of £20,000 commenced from 1 October 2018. The next valuation has an effective date of 1 July 2020 and is currently under preparation.

FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland
In accordance with FRS102 administration (that is non-investment) expenses are recognised as part of the service cost and the net interest cost, based on the net defined benefit liability, are recognised in the income statement.

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2020	2019
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Present value of funded obligations	(22,003)	(19,500)
Fair value of scheme assets	20,168	18,090
Net liability	(1,835)	(1,410)

(b) The amounts charged to the income statement:

	2020	2019
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Current service cost - net of employee contribution	132	108
Past service cost	-	26
Scheme expenses	140	185
Total service cost	272	319
Net interest cost	32	41
Amount recognised in consolidated income statement	304	360

Notes to the financial statements

15 Pension arrangements (continued)

(c) The amounts recognised in other comprehensive income:

	2020	2019
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Actuarial (loss)/gain on liabilities	(461)	(2)

(d) Changes in the present value of the defined benefit obligations are as follows:

	2020	2020	2019	2019
	Group and UKRIAT	Group and UKRIAT	Group and UKRIAT	Group and UKRIAT
	£000	£000	£000	£000
Opening present value of defined benefit obligation		19,500		18,042
Current Service cost		161		136
Interest cost		446		484
Past service cost		-		26
Actuarial (gains)/losses:				
Experience loss/(gain)	(164)		80	
Loss/(gain) on changes in assumptions	2,473		1,123	
		2,309		1,203
Benefits paid		(413)		(391)
Closing present value of defined benefit obligation		22,003		19,500

(e) Changes in the fair value of scheme assets are as follows:

	2020	2019
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Opening fair value of scheme assets	18,090	16,402
Interest income on assets	414	443
Actuarial gain on asset return	1,848	1,201
Contributions by employer	340	592
Employee contributions	29	28
Scheme expenses	(140)	(185)
Benefits paid	(413)	(391)
Closing fair value of scheme assets	20,168	18,090

Notes to the financial statements

15 Pension arrangements (continued)

The main financial assumptions used are as follows:

	2020	2019
	%	%
Retail price inflation (RPI)	2.80	3.40
Consumer price inflation (CPI)	2.30	2.65
Increase in salaries	2.50	2.50
Rate of increase in pensions and deferred pensions	2.30	2.40
Rate used to discount scheme liabilities	1.50	2.30

The mortality assumptions adopted imply the following life expectancies (years):	2020	2019
Male currently aged 65	87.70	87.40
Female currently aged 65	90.00	89.40
Male currently aged 45	89.10	89.10
Female currently aged 45	91.50	91.20

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
	%	%
Bonds	8	9
Equities	16	19
Liability driven investments	33	31
Multi-asset / diversified funds	27	23
Private equity	9	9
Liquidity fund	6	5
Cash	1	4
	100	100

The fair value of the assets of the scheme are invested as follows:

	2020	2019
	£000	£000
Bonds	1,631	1,648
Equities	3,366	3,409
Liability driven investments	6,696	5,586
Multi-asset / diversified funds	5,450	4,135
Private equity	1,745	1,659
Liquidity fund	1,163	849
Cash	117	804
	20,168	18,090

Notes to the financial statements

16 Operating annual lease commitments

	2020	2019
Group and UKRIAT	**£000**	**£000**
Leases of land and buildings		
Not later than 1 year	664	664
Within 2 to 5 years	2,657	2,657
Later than 5 years	2,325	2,989
	5,646	6,310
Leases of equipment		
Not later than 1 year	20	53
Within 2 to 5 years	4	33
	24	86

17 Capital commitments

There were no capital commitments contracted for at 30 June 2020 (at 30 June 2019: nil).

18 Key management remuneration

The aggregate remuneration of key management personnel for the year to 30 June 2020 was £809,000 (2019: £912,000) comprised as follows:

	2020	2019
	Group	**Group**
	£000	**£000**
UKRIAT, ICSA Services Limited, ICSA Publishing Limited and ICSA ProShare Limited		
Remuneration	809	912
Number of key management personnel	7	8

Key management personnel for the year under review comprise the Senior Management Team (page 25), and the Head of Secretariat.

Notes to the financial statements

19 Related party transactions

The UKRIAT Committee and staff

During the year the following members of the UKRIAT Committee charged or earned fees in respect of examination and training services and associated expenses to the group as follows:

	Group and UKRIAT		Group and UKRIAT	
	Transactions	Amount owing	Transactions	Amount owing
	2020	at 30 June 2020	2019	at 30 June 2019
Members of UKRIAT Committee:	£000	£000	£000	£000
Examination services:				
L Milliken	6	-	5	-
D Kyle	3	-	3	-
	9	-	8	-

Former chief executive Simon Osborne received fees of £20,000 during the year ended 30 June 2019 in relation to the provision of services to clients of ICSA Services Limited. Mr Osborne received no expenses during that year in relation to the provision of services to clients of ICSA Services Limited.

The costs of the Council

The costs of the Institute's association management company, the costs of the Council and of the Professional Standards Committee meetings, and those of the Institute's Director General were shared between the overseas divisions and UKRIAT in proportion to the numbers of members and students living in each geographical area at the start of each period. For this purpose three students are taken to equal one member. Each overseas division's share is paid on its behalf by the third party independent service company or local society set up in its divisional territory. UKRIAT did not recharge any costs to the overseas divisions during the year (2019: nil).

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