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The Chartered
Governance
Institute

Embracing change

Annual report and financial
statements 2018–19



The Chartered
Governance Institute

About The Chartered Governance Institute

The Chartered Governance Institute is the 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 UK, Republic of Ireland and Associated Territories, Channel Islands and Isle of Man Division of The Chartered Governance Institute, as described in more detail on p.23, provides professional development, guidance and thought leadership, and works with regulators and policy makers to champion high standards.

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Our mission and values

Our mission is to champion good governance and develop the value, skills and effectiveness of company secretaries and governance professionals.

Our guiding values are:

Openness

We champion transparency and require that the Institute and its members are clear and open in their business and professional conduct.

Integrity

We work in the public interest and believe that being honest and having strong moral principles is at the heart of good governance. We act ethically and professionally in our business dealings and require that our members are also ethical, professional, impartial, independent and informed.

Authority

We take our role as the leading authority on governance matters very seriously and demand a high standard of professional competence from our employees and members throughout their working lives.

Highlights of the year in numbers

2019

Fellows = 2812 Associates = 6362

Total Chartered membership = 9174

Affiliated members = 548

Total membership = 9722

Graduates = 835 Students = 3119

2018

Fellows = 2844 Associates = 6491

Total Chartered membership = 9335

Total membership = 9335

Graduates = 793 Students = 2914



Qualifications taken **4356** 2018 = 4327



Training course attended **803** 2018 = 783



Annual conference delegates **892** 2018 = 700



Awards Dinner attendees **710** 2018 = 641

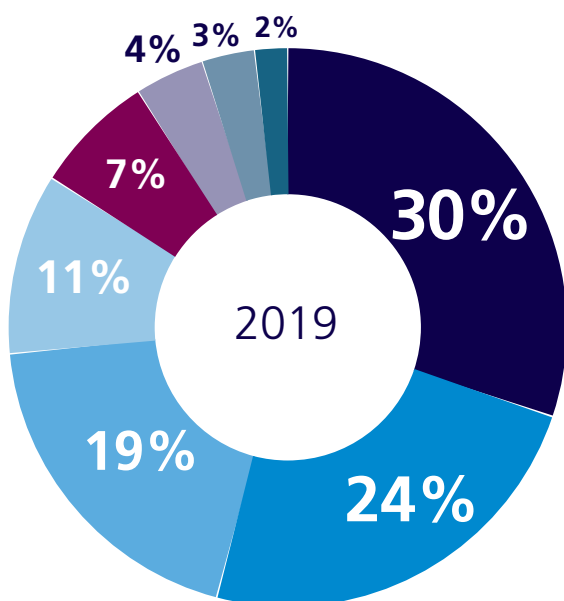


Press mentions **1000** 2018 = 587

Operating Income and Investments

Operating income

UKRIAT Division group operating income for 12 months to 30 June 2019



	2019 £000	2018 £000
● Members	2,345	2,336
● Training, events, board evaluation	1,893	1,539
● Professional qualifications	1,519	1,400
● Other qualifications	830	753
● Proshare	535	34*
● Publishing	293	322
● Magazine	271	232
● Other activities	174	170
Total	7,860	6,786

Investments

	2019 £000	2018 £000
Investment income	478	142
Investment gains	325	161

Group operating income

The group's 2019 operating income is

£7,860,000

compared to

£6,786,000

for 2018

From the President and Chief Executive

This review covers the period 1 July 2018 to 30 June 2019



Embracing change

2018–19 has been a period of change, with the arrival of a new [chief executive](#), the adoption of a new name for the Institute and the introduction of a new designation and new membership class.

The new [Chartered Governance Professional \(CGP\) designation and Affiliated class of membership](#) were both introduced at the start of the membership year to broaden and diversify membership. Another major change came in September 2018 when the global institute's proposal to adopt the name of The Chartered Governance Institute was approved by members. In March 2019, Sara Drake was appointed CEO Designate, taking on the role of chief executive in July 2019 following the retirement as CEO of Simon Osborne. We are most grateful to Simon for his leadership over the past eight years.

Details of our new [Chartered Governance Qualifying Programme](#), were also finalised during the year ready for an autumn 2019 launch and this was supported by the launch in October 2018 of our [Competency Framework for Governance Professionals](#), which identifies the behaviours required for high performance in a company secretarial or governance role.

As the external environment in which we operate becomes ever more complex, it is important that we are able to drive and adapt to changes in governance standards and practice. We were actively involved in shaping the revised UK Corporate Governance

Code and the Wates Principles, which were published in July 2018 and December 2018 respectively. In May 2019 we launched a consultation into the effectiveness of independent board evaluation in the UK listed sector at the behest of the Department of Business, Energy and Industrial Strategy (BEIS).

We continue to be the go-to authority on governance in all the sectors in which we are active. This has seen us showcase our expertise in sports governance with the publication in May 2019 of [The Future of Sports Governance: Beyond Autonomy](#) and research, guidance and professional publications for the education and charity sectors.

In terms of our results, the group's 2019 operating income is £7,860,000 compared to £6,786,000 for 2018. 2018–19 saw an increase in member numbers, which is in line with our growth strategy, and our training and events business also did very well, outperforming expectations and continuing the positive growth trend seen in recent years. The 2018 annual conference in London was particularly successful with the theme of 'The new agenda for governance' drawing a record number of attendees. We also had bumper attendance at our annual Awards, with over 700 company secretaries and governance professionals joining us to recognise and celebrate excellence in governance. You can read about our performance in more detail in the financial review on pages 28–29 and the financial statements, which start on page 31.

2019–20 promises to be another busy year as we continue to develop the Institute's strong profile as the voice of a profession which makes a vital contribution to the credibility and effectiveness of organisations in every part of every sector. We have a strong legacy to build on from the work of Simon Osborne, and exciting times are ahead.

Our change of name reinforces the point that we are the only professional membership body able to award chartered status to company secretaries and other professionals working in the field of governance. After the turmoil of the last few years, governance will be crucial in rebuilding trust and governance professionals will have a key role to play. It is essential, therefore, that the Institute nurtures and supports the type of talent that can make a genuine difference. To ensure that the support that we give to members and students is the best it can be, whatever the stage of their professional development, we carried out a membership survey over the summer, the results of which will help to inform our future strategy.

John Heaton FCG
President

Sara Drake
Chief Executive

A year of change

2018 – 2019

We **adopted a new name**

The Chartered Governance Institute following Royal Charter changes approved by members at the September 2018 AGM

We grandfathered **8,119 members**

over to Chartered Governance Professional status and **548** took up Affiliated Membership following our Royal Charter change

We welcomed **new chief executive Sara Drake**, who

joined as CEO Designate in March 2019, formally taking over from outgoing chief executive Simon Osborne on 1 July 2019

We **shaped governance reform**

by being actively involved in the development of the revised UK Corporate Governance Code and Wates Principles.

We were invited by the UK Government to review the quality and effectiveness of Board Evaluation

We **introduced the Foundation Programme**

(Part One of the new qualifying programme) and we **launched the new qualifying programme in autumn 2019**

We introduced a **new Competency Framework**

for Governance Professionals, which supports the development of company secretaries and governance professionals by identifying the behaviours required for high performance

We accredited the **International Certificate in Financial Services Regulation**, the first

qualification for international financial services regulators in the world

‘The new agenda for governance’ was the theme of the July 2018 Annual Conference, **our most successful conference to date**, with 892 visitors welcomed at ExCel London

Our Strategy

2018–19 saw us expand the five strategic drivers that were in place during the 2017–18 financial year. Our strategy was broadened, with a sixth strategic aim introduced to ensure the successful embedding of [ProShare](#) as follows:

Membership:

Stabilising membership and re-establishing growth

Students:

Recruit more students and support them to be more successful

Knowledge & Profile:

Increase our profile as a leader in company secretarial and governance practice

Capability:

Improve our organisational capabilities

Economic sustainability:

Improve our economic sustainability

ProShare:

Continue to grow membership and profile whilst becoming fully established within Institute ownership.

Our progress against each of these strategic targets is reported on the following pages.



Membership

Strategic objective: Stabilising membership and re-establishing growth

Associated principal risk: Member income declines – see page 18

Stabilising membership and re-establishing growth continues to be a main priority and in 2018–19 we enjoyed a healthy retention rate of 96% and welcomed 203 new graduates and members into membership, giving us a total membership of 9,722 at 30 June 2019 compared with 9,335 at 30 June 2018.

The new approach to the admission of Associate members, introduced at the suggestion of one of our members in June 2019, means that rather than waiting for the next meeting of the UKRIAT Committee, admissions are approved by written resolution. As part of the quality assurance procedures and to ensure levels of accuracy and consistency are maintained within the admission process, the Membership Committee undertakes a full audit of an agreed number of associate applications when it meets three times a year.

The Membership Committee considered numerous upgrade/re-election applications this year, with 318 being subsequently approved by UKRIAT.

The measures that we have taken this year will help to deliver future growth. This year's retention rate was on par with the previous year. The increase in membership

What we have done

- Appointed a new Head of Membership with specific expertise in developing and growing professional body membership.
- Introduced a streamlined approach to the admission of new and re-elected Associate members.
- Established new branches including a new group in the Middle East and North Africa (MENA) region.
- Relunched branches in the British Virgin Islands, the Cayman Islands, Ghana and Sri Lanka.
- Increased focus on mentoring scheme.
- Held successful regional conferences.
- Responded to 1,171 technical helpline queries.



We welcomed 203 new graduates and members into membership

numbers is largely attributable to the introduction of the new [Affiliated membership](#) grade in August 2018 which attracted 548 new members.

This new class of membership is available to those who have either completed Part One (or equivalent) of the qualifying programme, or successfully completed one of our [short course qualifications](#) in sports, charity, corporate, health or academy governance. Affiliated membership can be held in tandem with student status.

In addition, newly qualified students are automatically upgraded to GradICSA on successful completion of the qualifying programme and those students with the appropriate experience are encouraged to immediately upgrade to [Associateship](#) or [Fellowship](#).

Our [branches](#) continue to be at the heart of our membership strategy. Member awareness of branch activities has grown with better signposting and publicity about branch events. Similarly, support for volunteers running branches has improved with the publication of guidance and documentation. In this first year of its operation, and to create



initial impetus, our Policy team actively supported the programme of speakers, attending 37 branch or network group meetings or other events.

We held successful regional conferences in the Channel Islands and in Ireland, as well as in a number of our associated territories, and 2018–19 saw the Institute partner with other professional bodies in Barbados, Jamaica, Mauritius, the British Virgin Islands and Uganda to run conferences. Such events are a focal point of branch life, helping members and students to enhance their knowledge. Indeed, branches play a pivotal role in the

support that we can offer to members, by providing an active regional presence and networking opportunities, and we are grateful to all the volunteers who support this activity.

We have also worked hard on our mentoring scheme this year, with three mentor training courses in the UK and one in Ireland during the course of the financial year, which saw a total of 31 mentors trained and made 35 new mentor/mentee pairings in the UK, with an additional eight in Ireland.

Plans for the coming year

- Undertake a membership survey to understand member satisfaction and inform future developments.
- Review the member value proposition to ensure that our membership services remain relevant and attractive.
- Introduce a streamlined approach to the application of new and re-elected Fellows.
- Review and improve re-admission process.
- 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.

Students

Strategic objective: Recruit more students and support them to be more successful

Associated principal risk: Member income declines – see page 18

A major part of our work to recruit more students and support them to be more successful this financial year centred on the launch of the [Chartered Governance Qualifying Programme](#), and supporting students, tuition partners and others with the transition to the new syllabus. Communications to students, tuition providers and major employers about the new programme had been underway since the start of 2018, and the study text and exam materials for the new [Foundation programme](#) were published in July.

The new programme got off to a strong start, with the first two exam sittings taking place in November 2018 and June 2019. Some 161 students sat the exam at these sittings, 20% of whom were overseas students. The [study text](#) also proved extremely popular, becoming our best seller for the year in terms of income and with early sales even outstripping student registrations, which bodes well for the development of a student pipeline. We also produced study texts for our certificates in [Academy Governance](#) and [Corporate Governance](#), launched in spring 2018, as well as updated study texts for the International Finance and Administration (IFA) suite of qualifications.

What we have done

- Launched the new [Chartered Governance Qualifying Programme](#).
- Supported students, tuition partners and others with the transition to the new syllabus.
- Published the [study text for the new Foundation Programme](#) and held two examination sittings.
- Published exam papers, rewritten guidance for examiners and new study texts for students for the rest of the new qualifying programme.
- Launched [University of Law validated Masters programme](#).
- Doubled our programme of university careers visits.



Extra graduate open evening added due to demand

Alongside the launch of the Foundation level, work also continued on the rest of the new qualifying programme. We recruited new examiner teams and published exam papers for the new Level 6 and Level 7 modules of the qualifying programme, together with rewritten guidance for examiners and study texts for students. All eight study texts were completely revised and rewritten and published simultaneously in June 2019.

Also in June, we welcomed the University of Law into the portfolio of validated Masters programmes, in the shape of a new [Master of Laws in Corporate Governance](#) delivered through a blend of face-to-face and online learning. The programme has made a strong start and we are confident that numbers will increase as it becomes further embedded into the university. We are also broadening awareness of the Institute by accrediting the [International Certificate in Financial Services Regulation](#), the first qualification for international financial services regulators in the world. Delivered by Jersey International Business School and BPP, the certificate covers the basics of financial regulation for those entering into a career as a regulator or junior member of a regulatory team.

We have continued to engage with students and graduates in the UK



and Ireland through higher education careers services and university law fairs. We have diversified the student base with which we engage by attending finance and business fairs in addition to law school events, as well as holding successful student recruitment events in Barbados, Bermuda, the Cayman Islands, Sri Lanka, Trinidad and Tobago and Zambia. The [Student Forum](#), established in 2018, continues its regular meetings with Saffron House staff and is helping emerging governance professionals to learn from more seasoned professionals.

We have increased our successful programme of [graduate open evenings](#) at Saffron House to increase awareness of governance practice and the company secretary role. Demand was such that we hosted three events during the 2018–19 membership year, scheduling an extra date in late January 2019 in response to high levels of interest.

We also increased our support for the highly valued DMJ [Insight Days](#) from 11

to 14 in 2019 and introduced a prize – the funding of one year of study on the qualifying programme – to recognise outstanding attendees and help them to start their career in governance. We have increased our efforts to identify struggling students and offer them support. We have also revamped and relaunched our tuition partner scheme, with the introduction of a new 'recommended' status available to those partners who meet certain criteria in areas such as pass rates, facilities and student numbers.

Students are encouraged to get involved with their local branch as branch events are a valuable way of keeping members and students informed and connected. Student champions have been appointed in many branches to focus on engaging with students and we will be tracking the success of this initiative over the coming year.

Our [branches](#) are the ideal forum for celebrating our students' success. Graduation and membership ceremonies take place in London each May and one was also held in Mauritius in November 2018. Student exam success was also celebrated at the ICSA Jersey Annual Dinner, Awards and Graduation, an event which grows each year and which generates a good level of interest in the local press.

Plans for the coming year

- 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.

Knowledge and profile

Strategic objective: Increase our profile as a leader in company secretarial and governance practices

Associated principal risk: None

Increasing the profile of the Institute as a leader in company secretarial and governance practice remains a high priority and we continue to focus our efforts around building our influence and reputation with a number of key audiences: governments, regulators, universities, training managers, employers, members, students, peer organisations and the media.

As well as cementing our relationship with the Department for Business, Energy & Industrial Strategy (BEIS) and the Financial Reporting Council (FRC) through our work on board evaluation, the Wates Principles and the revised UK Corporate Governance Code, we met with NHS Providers and the Department for Education, and responded to numerous consultations, including one from

What we have done

- Responded to 22 formal and informal government or regulatory consultations.
- Held 42 meetings with government and regulators on relevant issues.
- Published 8 research or thought leadership reports.
- Published 35 new or updated guidance notes.
- Produced 75 articles or blogs for national, local, regional or trade publications.
- Issued 49 press releases or commentaries on governance issues.
- Achieved 1,000 press mentions.
- Spoken at 85 industry events or conferences.
- Achieved 892 delegates at the annual conference.
- Welcomed 710 attendees at the ICSA Awards dinner.
- Provided training courses to 803 delegates.
- Published 15 books or study texts with £65,000 sales.



Annual Conference draws record number of delegates and exhibitors

the Scottish Government on a Scottish governance code for the third sector, one from UK Sport on funding and one from BEIS on the independent Kingman review of the FRC.

We also responded to consultations on ethnicity pay reporting and audit. Full details of the 22 formal [consultations](#) to which we responded during the year can be found on our website.

Technical [guidance](#) and thought-leadership materials were produced for all of our main sectors. In addition to our Future of Governance reports on [Next Generation Governance](#) and Sports Governance, we also produced research and guidance for the education sector, publishing [Organisational culture in academy trusts](#) in March 2019, along with 18 pieces of guidance throughout the financial year to help those dealing with governance in academy schools and sixth form colleges. Professional titles published for the sector included the new [Academy Governance Handbook](#) and [Academy Governance Checklists](#), along with a study text to support those taking our [Certificate in Academy Governance](#).

Similarly, we produced 25 pieces of guidance for the [charity](#) sector, providing expertise on charity mergers, trustee recruitment and board effectiveness amongst other issues. We also published new editions of our [Charity Handbook](#), [Charity Law and Governance: A Practical Guide](#) and [Charity Checklists](#).

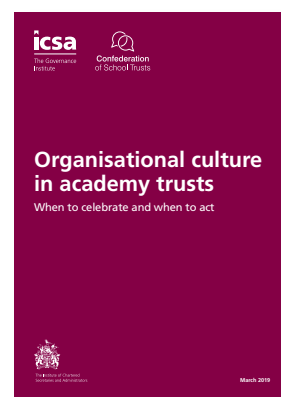
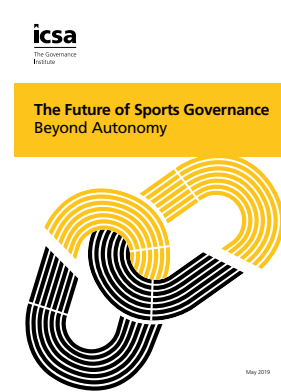
We enjoyed considerable success with the publication of [Corporate Governance Unlocked](#), an introduction-level title designed for the non-specialist market, which became one of our bestsellers. The 5th edition of our [Non-](#)

[Executive Directors' Handbook](#), a joint publication with the Non-Executive Directors' Association, also sold well.

Our profile is enhanced by speaking and exhibiting at sector conferences and events. We spoke at 85 events and conferences during the year, including the National Housing Federation's Housing Governance 2019 conference and exhibited at nine conferences across the NHS, charity, sports law, academy schools and education sectors to promote our qualifications and services.

Our events business, a core channel for distributing our professional knowledge, had another good year in 2018–19, with total revenues in excess of £1.6 million. That success was driven in large part by an extremely successful [annual conference](#) in July 2018 that attracted a record 892 delegates, exhibitors and representatives from around the governance community. Sponsorship of events grew by 20% in the year, and again the annual conference saw the biggest rise, with the number of sponsors increasing from 24 to 44. This increase included a number of partners who exhibited under the theme, 'Governance Gives Back' to promote school governor and charity trustee voluntary roles.

Our regular Ireland conference also enjoyed another successful year, with sponsorship growing by 20%. The annual [Awards](#) ceremony in London also performed well, with the number of guests increasing by 11%. Likewise our [training](#) business enjoyed a strong year, with [classroom training](#) comfortably ahead of budget, another successful residential session for the [Governance Leadership Programme](#) and a very solid list of regional courses.



We produced thought-leadership materials for all of our key sectors

Knowledge and profile

continued...

Advertising in *Governance + Compliance* magazine and its website also increased by 20%. Furthermore, we launched our first cross media content initiative with TMF Group, which delivered international entity management themed content via the magazine, polling, webinars and web content.

Our profile with the media is increasing, with our summer 2018 *boardroom bellwether* report generating interest from BBC Radio 4's *Today* programme and front page headlines in *CityA.M.* and media coverage of the report as far afield as Vietnam. Besides the coverage that we get from our partner for this report, the *Financial Times*, the survey was also covered in *The Times* and *the Guardian*, as well as numerous trade publications. Interest was also high for the winter 2018 survey, which saw similar coverage.

The Government's request for us to carry out a review into the quality and effectiveness of board evaluations was heavily reported. A press release that was sent out by the UK Government, which included a quote from the Institute, generated hundreds of press mentions, including coverage in the *Financial Times* and *Mail Online*, and was widely reported in the regional media, including in regions where we have key branches, such as the Republic of Ireland, Northern Ireland, Guernsey and Jersey.

Our work to promote good governance and the company secretarial role as a career option in the Crown Dependencies and Ireland resulted in a good level of regional coverage throughout the financial year. Our expertise in topical governance matters and details of branch news appeared in the business pages of all of the main regional media outlets in Guernsey, Jersey, the Republic of Ireland and the Isle of Man, with radio and television appearances including BBC Radio Guernsey, *Newstalk*, RTE News (*Business News*) and RTE Radio 1 (*Morning Ireland*). We also attracted coverage in many of our Associated Territories, with mentions in the Cypriot, Ghanaian, Maltese, Mauritian, MENA region, Sri Lankan, Ugandan and Zambian press.

Our Next Generation Governance report generated considerable coverage in the trade press and the policy team have responded to a continuous stream of requests for articles and comment from a wide variety of journals and magazines, ranging from *Academy Ambassadors* and *Accountancy Daily*, via BBC Radio 5 Live, *Board Agenda* and *Civil Society Media*, to *Governance* and *Third Sector*. In all, we issued 49 press releases or commentaries on governance issues; produced 75 articles or blogs for national, local, regional or trade publications; and achieved 1,000 press mentions in the year.

Plans for the coming year

- Improve communication of policy team activities to members.
- Develop new special interest groups of members to support policy work.
- Develop a process for commissioning small academic research projects to support profile work.
- Continue refreshed programme of technical briefings.
- Achieve 1,000 press mentions.

Capability

Strategic objective: Improve our organisational capabilities

Associated principal risk: None

In 2019 there was a change in organisational leadership, with the appointment of [Sara Drake](#) as CEO Designate in March to ensure a smooth transition on Simon Osborne's retirement as CEO at the end of June. The appointment of a Head of Membership in March and a Head of Marketing in June enhanced management capacity, bringing new and specific skills. These two new roles will play a critical part in achieving strategic and commercial objectives in the coming year, with an initial focus on improving service standards and increasing student recruitment. We have also recruited a new Head of Human Resources to help us in a fast-changing employment market.

The introduction of the General Data Protection Regulation (GDPR) in May 2018 drove us, in common with most other organisations, to rethink the ways in which we handle personal data and the purposes for which we do so. This has been a helpful process, and data protection and cyber security continued to be priorities for the IT team, with increased investment

in network security through a combination of technical measures and user training. GDPR and cybersecurity were both topics for internal audit in 2018 and 2019, which served to validate and strengthen the Institute's IT plans in these areas.

The Institute's wider technical infrastructure was reviewed by an independent consultancy in March 2019 and this provided immediately actionable insight on good practice as well as informing the business case for planned core system change in 2019–20.

This work, together with the results of the membership survey planned for autumn 2019, will contribute to a wider strategic review and provide secure foundations for the work of the Membership, Learning and Marketing teams in particular across 2019–20. We are also focusing increasingly on partnerships and collaborations with carefully chosen organisations to help us deliver our strategic objectives for the coming year.

What we have done

- Ensured smooth leadership transition on CEO Simon Osborne's retirement.
- Appointed new heads of Marketing, Membership and HR with specific skills and commercial objectives.
- Undertook internal audit reviews of cybersecurity and GDPR compliance.
- Commissioned an external report on technical infrastructure.

Plans for the coming year

- Complete strategic review.
- Commence work on core system change.

Ensuring economic sustainability

Strategic objective: Improve our economic sustainability

Associated principal risks: Diminution in or loss of investments; an insufficient return from investments

Achievement of economic sustainability is a key focus which is being increasingly embedded in our thinking when developing activities. In some cases, such as the appointments of the new heads of Marketing and of Membership, this has been evidenced through building our future capability; in others, such as the successful conferences and awards dinner, economic sustainability has been evidenced through performance. The initiatives to stabilise the membership, and to grow income through the development of new products and services are being supported by investment in IT and digital infrastructure.

We have also significantly enhanced the control and stewardship of our operations and financial resources and introduced a more cost-conscious approach to our many external commitments. The continuing management of

strategic and operational risk is a necessary requirement, as is robust cost control and the management of the Institute's investments.

Our new business plan brings together these additional controls and our strategy to ensure that we can more effectively manage and deliver our commercial and professional targets.

The investments have a key role in the achievement of economic sustainability. They are managed according to an investment policy by the Investment Sub Committee with the assistance of advisers Barnett Waddingham LLP. The investments provide income to meet operational requirements and will provide the investment necessary to implement the initiatives mentioned above, particularly the investments in IT and digital infrastructure.

What we have done

- Appointed a new Head of Membership with specific expertise in developing and growing professional body membership.
- Appointed a new Head of Marketing with specific skills and commercial objectives.
- Achieved 892 delegates at the [annual conference](#).
- Welcomed 710 attendees at the [ICSA Awards](#) dinner.
- Developed a new business plan for 2019/20 with a focus on the growth and retention of members and further development of our commercial activities.

Plans for the coming year

- Commence work on core system change.
- Continue to monitor and review investment strategy and performance.

ProShare

Strategic objective: Continue to grow membership and profile whilst becoming fully established within Institute ownership

ProShare added ten new members during the financial year, including The Weir Group, AstraZeneca and Winterflood Securities and retained all existing members.

We also spread the word about the value of share ownership through a number of highly successful events. The ProShare Annual Conference in October 2018 enjoyed a record-breaking attendance with 350 delegates attending a choice of 30 break-out and plenary sessions. This success was

followed up in January 2019 when ProShare partnered with the Global Equity Organisation's UK Chapter to deliver a share plans roadshow to more than 120 delegates in Birmingham and Edinburgh. Furthermore, the ProShare Annual Awards attracted 520 guests, with the crème de la crème of the UK share plans industry talent recognised.

We continue to review opportunities for synergy between ProShare and the Institute and how we may develop further services for members.

What we have done

- Increased membership and retained all existing members.
- Record-breaking attendance at annual conference.
- Developed a model for ProShare membership in smaller quoted and larger private companies.

Plans for the coming year

- Further integrate the ProShare business within the Institute.
- Develop opportunities for cross-benefit between ProShare and Institute members.
- Continue to grow the ProShare business.
- Engage with the new intake of MPs and Government to raise the profile of share plans.



520 guests celebrate UK share plans industry talent at ProShare Awards

Aims for 2019–20

There is no sector in which good governance does not contribute to long-term economic success and the Institute is uniquely positioned to look at governance challenges and bring cross-sectoral expertise to bear. We are reaching out to our non-core sectors and helping people doing the governance job to recognise their status within the profession, the learning that can be found in other sectors and the support that the Institute can offer.

Our aim is to support members at every stage of their professional development, from students to leaders, and to establish a strong profile for the Institute as the voice of a profession which makes an essential contribution to the credibility and effectiveness of organisations in every part of every sector. Our new name is a crucial enabler for us as there are many undertaking governance roles for whom the Institute, providing professional qualifications and membership resources, is a natural home.

Our 2019–20 business plan proposes, therefore, that the drivers that guide and shape our operations and initiatives should be refined as follows:

1

Grow and diversify the membership base

2

Recruit more students and support them to achieve their professional goals more quickly

3

Raise the profile of the Institute with the profession, the public and external stakeholders as the go-to-authority on company secretarial and governance education, research and practice

4

Develop the organisation as a financially sustainable, capable and innovative professional body for the 21st century

Principal risks and uncertainties

Our risk management process

The UKRIAT Committee is responsible for the assessment and management of risk and reviews the risk register 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 policy, architecture and methodology which comprise the risk management process.

The Senior Management team has, through the Executive Risk Sub-Committee, responsibility for designing, implementing and maintaining risk management systems in line with the risk management policy determined by the Audit & Risk Committee.

Managers are required to consider and identify risks to their departments' operations and budgets and to assess these risks by likelihood and impact.

The risk scores and their associated mitigation factors are recorded in the risk register which is reviewed at least once each year by the Audit & Risk Committee.

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.

The risk register informs the selection by the Audit & Risk Committee of subjects for internal audit and review by RSM. During the year 2018–2019 the programme of audits and reviews continued with those of the governance arrangements for our investments, implementation of the General Data Protection Regulation and payroll management.

Internal audit reviews

The review of the governance arrangements for investments included an evaluation of the procedures used to determine the investment strategy and return requirement and the arrangements for the monitoring of investment performance.

It was noted that the procedures used had been devised and conducted with the assistance of independent financial advisers, and that these had comprised a comprehensive process of assessment with clearly stated aims and objectives. The review included an assessment of the investment manager selection process and the choice of funds, and recorded that detailed consideration was given to whether each option was in alignment with the investment objectives and risk appetite.

It was also recorded that there is clear and regular reporting of investment performance, from the investment managers and to the Investment Sub-Committee.

Two low priority actions were recommended which have since been completed.

The GDPR review was undertaken to assess whether internal procedures and controls were operating as intended.

The report concluded that the data retention policy is well documented, roles and responsibilities of the Information Manager are clearly set out and that subject access requests are responded to in accordance with established procedures. Further recommendations included that the review of third party contracts be maintained and that staff awareness training be continued.

The audit of payroll process and controls concluded that substantial assurance can be taken that the controls in place are suitably designed, consistently applied and operated effectively.

Principal risks and uncertainties

continued...

Principal Risks

The principal risks identified are:

<p>Member income declines</p>	<p>Strategic Risk - Membership</p>	<p>Member income is a significant contributor to operating income – 30% in the year under review.</p> <p>Mitigation plans in place include:</p> <ul style="list-style-type: none"> growing membership using the Chartered Governance Professional designation and the new Affiliated membership improvement of student recruitment and support an increased focus on working with validated university partners the continued support of the branch network
<p>The diminution in, or loss of, the investments</p>	<p>Strategic risk - Economic sustainability</p>	<p>Our investments support the long-term economic sustainability of the Institute.</p> <p>Mitigation plans in place include:</p> <ul style="list-style-type: none"> an investment strategy has been devised with the assistance of investment adviser Barnett Waddingham LLP the Investment Sub-Committee operates under terms of reference agreed by the UKRIAT Committee controls are in place to safeguard access to the investment funds
<p>An insufficient return from the investments</p>	<p>Strategic risk - Economic sustainability</p>	<p>Investment return makes a significant contribution to the budget supporting Institute activities.</p> <p>Mitigation plans in place include:</p> <ul style="list-style-type: none"> investment reports are received monthly from each manager the Investment Sub-Committee meets twice a year with the managers and Barnett Waddingham to review investment performance and to determine and implement corrective action should it be necessary

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 the UKRIAT Division and for the preparation of its financial statements under UKRIAT Regulation 92.

UKRIAT 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 UKRIAT Division and the group are required to give a true and fair view of the state of affairs and of 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.

UKRIAT Committee

(as at the date of these financial statements)



Rachael Matzopoulos, Edward Nicholl and Alison Dillon Kibirige were members of the Committee until 31 December 2018

1 John Heaton

John is 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.

2 Victoria Penrice

Victoria is Vice-President of the UKRIAT Committee. She qualified as a chartered secretary over 20 years ago and has significant experience in listed companies. Victoria is currently Company Secretary of the Seadrill Group.

3 Charles Brown

Charles is Vice-President of the UKRIAT Committee and is also a member 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.

4 Frank Curtiss

Frank is Immediate Past President of the UKRIAT Committee and chairs the Investment Sub-Committee. He was Head of Corporate Governance at RAILPEN Investments until his retirement in April 2016. Frank has been a trustee of the Institute's charities since 2007 and is the current chairman of the Chartered Secretaries Charitable Trust.

5 Bentley Barsenbach

Bentley was elected to the UKRIAT Committee in January 2017. A former president of the Institute's Sri Lanka Branch, and a corporate director with over 25 years' experience in aviation, travel and tourism and supply chain logistics, he is currently Managing Director of Brandt Air Services (Pvt) Ltd.

6 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.

7 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.

8 Karen Jolly

Karen is the Group Company Secretary of the BWCI Group. A former chairman 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.

9 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.

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 a member of the global institute's Professional Standard's Committee, chairs the Qualifications Committee and is a member of the Assessment Review Panel.

12 Lisa Sunner

Lisa was co-opted to the UKRIAT Committee in January 2019, serves on the Investment Sub-Committee and is a Trustee of the Institute's pension and assurance scheme. She is Company Secretary for RPMI Ltd, which provides in-house pension and investment services for the railways pension schemes.

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 maintenance, review and development of products in 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 *Governance and Compliance* magazine.



Charis Evans

Business Development Director

Charis is responsible for membership, marketing, commercial partnerships and IT. 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 the Imperial War Museum 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.



Gabbi Stopp

Executive Director of ProShare

Gabbi has led ProShare since 2015 and joined the Institute in May 2018 when ProShare joined the business. She is responsible for representing the employee share plan community to HM Treasury and HM Revenue & Customs, running focus groups for members, conducting research, overseeing ProShare's Annual Conference and Awards, helping to formulate and deliver training and, above all, promoting the value of employee share ownership.



Peter Swabey FCG

Policy and Research Director

Peter manages the Institute's policy and research activities, as well as *Governance + Compliance* magazine. 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.

Our constitutional structure

The Chartered Governance Institute is the premier global qualifying organisation for chartered secretaries and chartered governance professionals, which was founded in 1891 and granted a Royal Charter in 1902.

The UK, Republic of Ireland and Associated Territories, Channel Islands and Isle of Man (UKRIAT) Division is responsible for providing services and support for, and representing, The Chartered Governance Institute's members and students in those parts of the world for which it is responsible under the Royal Charter and byelaws, more details of which are contained in the Membership and Students sections on pages 6–9.

By grant of a Supplemental Charter on 16 September 2019, the name of the Institute of Chartered Secretaries and Administrators (ICSA) was changed to The Chartered Governance Institute. During the period covered by this annual report, the UKRIAT Division was known as ICSA: The Governance Institute.

Unlike the global institute's other divisions (Australia, Canada, China (including Hong Kong), Malaysia, New Zealand, Singapore, South Africa and Zimbabwe), the UKRIAT division 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 and their results are reported separately and do not form part

of these financial statements.

The management and control of the global institute's assets and operations within UKRIAT is the responsibility of the UKRIAT Committee, which is made up of elected representatives from the UKRIAT regions. It is a Committee of the Council of the global institute.

The management and control of the activities of the Council's other standing committees, including the Professional Standards Committee, the institute's association management company and the activities of the Director General are the direct responsibility of the institute's 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 institute's Council for the year ended 30 June 2019 are reflected within a separate comprehensive financial statement that was approved by members at the institute AGM on 1 October 2019.

Annual general meeting

A resolution to receive the annual report and 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 18:15 on Monday 3 February 2020 at Saffron House, 6-10 Kirby Street, London EC1N 8TS.

Auditor

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Bankers

Lloyds Bank plc
39 Threadneedle Street
London EC2R 8AU

Institute address

Saffron House
6–10 Kirby Street
London EC1N 8TS

Phone: +44 (0)20 7580 4741
Email: info@icsa.org.uk
Website: icsa.org.uk

Governance review

The UKRIAT Division of The Chartered Governance Institute (UKRIAT) 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, UKRIAT 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 2018 to 30 June 2019. Information about the UKRIAT Committee members can be found on pages 20–21. Other committee members are shown on pages 24–27 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 UKRIAT and the most recent Past President 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 UKRIAT is eligible to stand for election to the UKRIAT Committee. In autumn 2018, five candidates stood for election to fill three vacancies in the UKRIAT Committee. The successful candidates were: Ruairi Cosgrove, Karen Jolly and David Kyle. The UKRIAT Committee also decided to co-opt Lisa Sunner as a member of the Committee for 12 months.

The UKRIAT Committee has responsibility for the overall leadership of UKRIAT, setting its vision, mission and values and making sure its goals are met. It carries out this responsibility through the review and approval of UKRIAT's strategic aims, objectives and annual strategic and business plans and the approval of the UKRIAT Division's group annual operating and capital expenditure budgets. During the year, the committee held a formal strategic session in November 2018. The committee also:

- On recommendation of the Nominations Committee and having followed a thorough selection process, appointed Sara Drake as Chief Executive Designate from 1 March 2019. Moreover, it also agreed to appoint John Heaton as UKRIAT President for a third year to ensure stability and help achieve a successful induction of the newly appointed Chief Executive
- Oversaw the plans for implementation of the new name in preparation for the sealing of the supplemental Charter in early autumn 2019
- Approved the investment for the development of e-learning for the Chartered Governance Qualifying Programme following the development of the e-learning pilot for the CSP module in March 2018 with the aim of achieving UKRIAT's main strategic driver to improve student pass rates and in turn their conversion to membership
- Oversaw the agreement put in place for the accreditation of the Certificate in International Financial Services Regulation with the aim of bringing a new audience of international regulators to the Institute
- On recommendation of the Membership Committee, and in order to streamline the process of election of new Associate members, endorsed significant changes to the election process. The Committee now considers Associate applications on a monthly basis, by written resolution. Also

under recommendation of the Membership Committee, the UKRIAT Committee approved the adoption of the Special Entry Examination Scheme as an entry route for Associate membership

- Following the review of its structure in 2017–18, undertook a skills audit and completed an evaluation questionnaire. It also reviewed its governance structure, agreeing to reduce the size of the Committee to 12 members from 1 January 2019. A thorough review of the terms of reference of all committees would commence in 2019–20.

The Committee meets privately, without senior management present, before or during each meeting.

The Committee met three times during 2018–19.

Name	UKRIAT Committee
John Heaton (Chairman)	3/3
Bentley Barsenbach	3/3
Charles Brown	3/3
Ruairi Cosgrove**	2/2
Frank Curtiss	3/3
Alison Dillon Kibirige*	1/1
Susan Fadil	3/3
Karen Jolly	3/3
David Kyle	3/3
Tom Lancaster-King	3/3
Rachael Matzopoulos*	1/1
Leslie Milliken	3/3
Edward Nicholl*	1/1
Victoria Penrice	3/3
Lisa Sunner**	2/2
David Venus	3/3

* Until 31 December 2018 ** As from 1 January 2019

Sub-Committees of the UKRIAT Committee

The Steering Committee

The Steering Committee has delegated responsibility for supervising the management and administration of UKRIAT on behalf of the UKRIAT Committee. It monitors and reports on the implementation of policies, plans and budgetary performance to the UKRIAT Committee. It also undertakes any projects delegated to it by the UKRIAT Committee and it is responsible for recommending to the UKRIAT Committee the appointment of the chief executive, sets the remuneration of the chief executive and other senior employees and advises the chief executive generally on all remuneration policies and retirement and other benefits. The Investment Sub-Committee is a sub-committee of, and reports to, the Steering Committee. It considers matters in relation to the investment of funds managed by the UKRIAT Committee.

The Steering Committee currently comprises the UKRIAT president, who is also its chairman, the immediate past president, the vice-presidents and the chair of the Audit & Risk Committee. Its structure, membership and frequency of meetings continue to be the subject of a review by the UKRIAT Committee with the aim to enhance the effectiveness of the Steering Committee.

The outcome of this review is expected early next year.

During the year the Committee focused on:

- The oversight of the performance in relation to the objectives and targets set by the Executive Committee, including a review of the key performance indicators, the monthly business of UKRIAT and the review of the annual business plan proposed by the senior management team in support of the strategic objectives approved by the UKRIAT Committee
- The assessment of the outcome of the e-learning pilot for the Company Secretarial Practice module and the detailed analysis of the proposal for the development of e-learning for the whole Chartered Governance Qualifying Programme
- Oversight of the implementation of the key actions by the senior management team following the review by UKRIAT Committee of the outcomes of the employee engagement survey
- The agreement to the transfer of funds to the investment managers (Janus Henderson and Columbia Threadneedle) and agreement to delegate the determination of the timing of its placing and apportionment to the Investment Sub-Committee in accordance with the investment strategy
- The oversight of the negotiations and ultimately the agreement of the actuarial valuation of the Pension Scheme and the deficit reduction plan on behalf of the employer
- Oversight of the implementation of the key actions by the senior management team following the outcome of the employee engagement survey.

The Committee met six times during 2018–19. The Committee meets privately, without senior management present before each meeting.

Name	Steering Committee
John Heaton (Chairman)	6/6
Charles Brown	6/6
Frank Curtiss	5/6
David Kyle*	3/3
Victoria Penrice	5/6
David Venus**	5/6

* As from 1 January 2019 ** Until 30 June 2019

The Audit & Risk Committee

The Audit & Risk Committee is responsible for monitoring the integrity of the financial statements of UKRIAT and its 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 in relation to 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.

During the year, the Committee also:

- Oversaw the audit, assurance and risk management processes within UKRIAT, monitoring the level of non-audit work undertaken by the external auditor and agreeing the auditor's independence safeguards
- Received regular progress reports on the implementation of GDPR processes within the business, which included GDPR training for staff and the update of all GDPR related policies
- Reviewed the need for the development of a specific conflicts of interest policy agreeing that a register of conflicts of interest should be reviewed annually by the UKRIAT Committee
- Oversaw the risk awareness training for budget holders within the business to assist them in identifying risks and to increase risk awareness
- Oversaw the internal audit by RSM Risk Assurance Services LLP on payroll and governance arrangement for investments. Overall, there had been minor low-level recommendations for the senior management team and the committee was satisfied that there were sufficiently robust controls in place. It also oversaw the internal audit by RSM on GDPR governance.

The Committee met three times during 2018–19.

Name	Audit & Risk
David Kyle (Chairman)**	2/2
Charles Brown	3/3
Frank Curtiss	3/3
John Heaton	3/3
Tom Lancaster-King	2/3
Rachael Matzopoulos*	0/1
Edward Nicholl*	1/1
Victoria Penrice***	3/3

* Until 31 December 2018 ** As from 1 January 2019
*** Chairman until 31 December 2018

External audit

The Audit & Risk Committee plans the scope of the audit and reviews the report of the auditor. It is also responsible for monitoring 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 (previously haysmacintyre) was initially appointed UKRIAT's auditor at the annual general meeting in February 2018. This is the second year under the current lead partner and the Committee is recommending the re-appointment of Haysmacintyre LLP at the 2020 UKRIAT annual general meeting.

Non-audit services purchased in the year from Haysmacintyre LLP amounted to £9,000 for tax and compliance services. Having reviewed Haysmacintyre's 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.

Governance review (continued)

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

Internal audit and risk management

The internal auditor is invited to attend all meetings of the Audit & Risk Committee. Please refer to page 17 for an explanation on the role of the Audit & Risk Committee in risk management.

Nomination Committee

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

Its membership comprises the UKRIAT president and immediate past president, one vice-president and up to three other UKRIAT Committee members. Early in the year, the Committee recommended to the UKRIAT Committee the appointment of Leslie Milliken to fill a vacancy left by the departure of one of its members at the end of 2018.

During the year, the Committee:

- Set up an ad-hoc panel to oversee the recruitment of a new CEO
- Reviewed the structure and composition of the Steering, Audit & Risk, Membership, Qualifications and Nominations committees. It also reviewed the structure of the Investment Sub-Committee and the Assessment Review Panel, agreeing to make recommendations to the UKRIAT Committee for appointments of new chairs and members to these sub-committees. Diversity was taken into consideration during the reviews
- Reviewed the size of the UKRIAT Committee and the vacancies available to be filled at the end of 2019, as well as a review of the 2019 election process. The Committee also agreed to recommend to the UKRIAT Committee the co-opting of a member for 12 months
- Discussed succession planning for the UKRIAT Committee President and Honorary Officers and agreed to recommend to the UKRIAT Committee the current appointments to ensure stability and achieve the success of the newly appointed CEO.

The Committee met once during 2018–19.

Name	Nomination Committee
John Heaton (Chairman)	1/1
Charles Brown	1/1
Frank Curtiss	1/1
Victoria Penrice	1/1
Rachael Matzopoulos*	0/0
Leslie Milliken**	1/1
* Until 31 December 2018 ** As from 12 February 2019	

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 Nominations 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 submitted in UKRIAT and made recommendations to the UKRIAT Committee for approval
- Under powers delegated by the UKRIAT Committee, continued the oversight of the consultation with branches concerning the adoption of a unitary branch constitution
- Continued with the audit of Associate membership approvals to ensure that the correct marking criteria was applied by the membership team when reviewing the applications
- Supervised amendments to the procedure for awarding Associate and Fellow membership through the Special Entry Examination Scheme, making recommendations to UKRIAT Committee for their adoption and implementation
- Continued its oversight of the review and upgrade of the membership application process for Associate, Fellow and re-elections whose outcome was expected to in 2019–20
- Undertook its annual review of the terms of reference and effectiveness of the committee to ensure it is fit for purpose.

The Committee met three times during 2018–19

Name	Membership Committee
David Venus (Chairman)	3/3
Bernadette Barber (non UKRIAT Committee member)	3/3
Bentley Barsenbach	3/3
Frank Curtiss	3/3
Susan Fadil**	1/1
Karen Jolly	3/3
Rachael Matzopoulos*	1/1
Edward Nicholl*	1/1
* Until 31 December 2018 ** As from 12 February 2019	

Qualifications Committee

The Qualifications Committee is responsible for monitoring and advising the UKRIAT Committee on all academic and professional aspects of The Chartered Governance Institute qualifications. It also oversees the development of education products and professional qualifications and establishes quality controls and standard-setting policies and procedures in relation to 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, Associates and non-members.

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

- Overseeing the development and launch of the Chartered Governance Qualifying programme including assessment materials, study texts, tuition and transitional arrangements for students in the old qualifying scheme. Also, recommending that the outcomes of the programme be aligned to the new Competency Framework for Governance Professionals, as well as approving new student rules and regulations
- Overseeing the development of e-learning for the Foundation Programme of the Chartered Governance Qualifying Programme
- 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 current short course awards, including current certificates, external awards and the development of new programmes
- 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 Student Forum meetings.

The Committee met three times during 2018–19.

Name	Qualifications Committee
Leslie Milliken (Chairman)*	3/3
David Kyle **	3/3
Ruairí Cosgrove****	1/1
Alison Dillon Kibirige***	1/1
Susan Fadil	2/3
Victoria Penrice***	2/3
Alison Carr (observer/adviser)	3/3
Roz Baxter (observer/adviser)	2/3
Susan Hughes (non UKRIAT Committee member)	2/3
Michael Knight (observer/adviser)***	1/1
Michael Molan (observer/adviser)****	2/3
Edel O'Neil (observer/adviser)****	2/3

* Chairman from 1 January 2019 ** Chairman until 31 December 2018
 *** Until 31 December 2018 **** As from 12 February 2019

Investment Sub-Committee

The Investment Sub-Committee is a sub-committee of, and reports to, the Steering Committee. It considers all matters in relation to the investment of funds managed by the UKRIAT Committee 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 are also part of its duties.

It also makes recommendations to the UKRIAT Committee for the engagement of investment advisers and makes recommendations to the Steering Committee for the appointment of investment managers.

Its membership comprises four serving members of the UKRIAT Committee, one of whom shall be the Chairman 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 sub-committee's work during the year included:

- Reviewing the investment monitoring reports prepared the investment adviser and the reports prepared by the investment managers in relation to the performance of both funds. The sub-committee had been satisfied with the performance of the funds, recognising the downturn in the market at the end of 2018
- Reviewing the investment return requirement
- Under delegated powers delegated by the Steering Committee, agreeing that the placement of £2m would be in line with the current investment strategy of placing funds 50:50 between the DGP and the MAC funds.

The Committee met twice during 2018–19.

Name	Investment Sub-Committee'
Frank Curtiss (Chairman)	2/2
Ian Burger (non UKRIAT Committee member)	1/2
David Kyle*	1/1
Tom Lancaster-King	2/2
Victoria Penrice**	2/2
Lisa Sunner***	0/0

*As from 1 January 2019 **Until 12 February 2019
 ***As from 12 February 2019

Auditor

A resolution to reappoint Haysmacintyre LLP as auditor and to authorise the UKRIAT Committee to set their fees will be proposed at the 2020 annual general meeting for members in UKRIAT.

Staff

UKRIAT employed 72 staff in the UK and overseas at 30 June 2019 (2018: 76).

Financial review

Background

The UKRIAT Division's group financial statements set out in the following pages are for the 12 months ended 30 June 2019. They comprise the results, assets and liabilities of the Institute's affairs in UKRIAT ('UKRIAT') 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 UKRIAT is conferred by the Charter and Byelaws upon the UKRIAT Committee, it is not appropriate for the financial statements of the UKRIAT Division to be consolidated with those of the Institute.

The group's result for the year

The group's result to 30 June 2019 was a net deficit of £230,000 as shown in the consolidated income statement on page 31. This result is after charging tax of £93,000.

A summary of the group's result for the year is as follows:

- Operating income increased by £1,074,000 to £7,860,000
- Gross contribution increased £589,000 to £2,458,000
- Operating deficit increased £54,000 to £940,000
- Investment income and gains on investments increased by £500,000 to a total of £803,000
- Net deficit before tax decreased by £446,000 to £137,000.

The deficit in the defined benefit pension scheme as determined under FRS 102 decreased by £230,000 to £1,410,000. A major contributor to this decrease was the recommencement in the year of deficit reduction payments. The payments totaled £480,000 and are explained further in note 17 (page 49).

An increase in the rent on Saffron House, pension deficit reduction payments and the inclusion of ProShare's operations for twelve months, rather than only two months in the previous year, were the main reasons for the increase in the group's administration expenses from £2,755,000 to £3,398,000. The first rent review of the lease on Saffron House became due in December 2018. The review followed the first five years occupancy which had benefited from a 30-month rent free period. Accordingly premises costs increased by £310,000. Increased IT resource, cyber security investment, insurance and health and safety costs were major contributors to the higher office costs and support services costs.

Professional activities

The gross contribution from professional activities increased by £26,000 to £953,000. As shown in note 2 on page 41 the total income from professional activities increased by £248,000 to £5,139,000. Member income at £2,345,000 was slightly ahead of last year, the majority of the increase coming from Qualifying Programme students and other professional income, in particular magazine advertising and short courses.

The direct costs in support of professional activities increased by £222,000 to £4,186,000 following the introduction of additional resource within business development, through increased costs of staging the qualifying scheme examinations particularly overseas and from the engagement of the new chief executive.

Commercial and other activities

The gross contribution from commercial and other activities increased from £942,000 to £1,505,000. The analysis of the operating income from the commercial activities is shown in note 2 on page 41.

ICSA Publishing

The business suffered another challenging year. Income reduced to £293,000 from £322,000 and the operating deficit before tax and management charges increased from £11,000 to £133,000. Considerable investment was made in the year in the commissioning and production of new study texts to support the new Qualifying Programme syllabus. The texts were made available shortly after the year end to considerable demand.

As it is not expected that the company will move into surplus in the near future it is considered prudent to reduce the carrying value of the Institute's investment. Accordingly an impairment provision of £146,000 has been recognized in the year within the UKRIAT Income Statement in order to reduce the carrying value from £156,000 to £10,000 being the nominal value of the company's share capital.

ICSA Services

ICSA Services Limited operates the training and conference businesses and the board performance evaluation business. Both the training and the conference activities grew during the year their combined income increasing to £1,676,000 from £1,467,000.

Increased demand for board performance evaluation services during the year reversed the challenging conditions faced the previous year, as income trebled from £72,000 to £217,000.

The company's underlying operating surplus before management charges and tax increased to £704,000 from £398,000 the previous year.

ProShare

The business was acquired on 1 May 2018 and thus only two month's trading was included in last year's group result. Income in the year under review increased from £34,000 to £535,000 and the operating surplus before tax and management charge was £60,000 from a deficit of £40,000 the previous year.

Investments

The investment funds exist to generate a real return (above inflation) and provide an income to meet the annual operating deficit of the group. 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 Sub Committee assisted by advisers Barnett Waddingham LLP.

The investments are held equally between the Columbia Threadneedle Dynamic Real Return Fund and Janus Henderson Multi Asset Credit (MAC) Fund, the combined market value of which at 30 June 2019 was £31,441,000 after having placed a further £2m from cash reserves during the year. The funds, which were in place for the whole of the year under review having been set up during the previous year, generated investment income of £420,000 (2018: £29,000 – note 6), and a net gain in value over the year of £325,000 (note 11).

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.

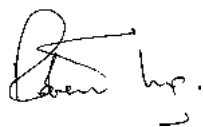
The Janus Henderson MAC fund is a diversified credit fund which operates using the same principles of managing the correlation between risk, return and diversification as a DGF but focuses on corporate and government debt, leveraged loans, asset backed securities and other debt. In addition to value growth the fund also targets income and is the source of the investment income of £420,000.

Reserves

The total reserves of the group are represented by the accumulated fund of £36,758,000. Within this fund are the investments in marketable securities of £31,441,000 and cash holdings of £7,544,000. Cash is held to provide working capital and to fund development opportunities as they arise. The investments are held for the long term to generate income to support the Group's operations and longer term capital expenditure requirements. The UKRIAT Committee keeps the need for a reserves policy under review.

Going concern

The group's total cash balances at the year-end were £7,544,000 (2018: £9,350,000) having placed a further £1m to each of the investment funds during the year. 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 the UKRIAT Division of 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 2019 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 2019 and of the group's and UKRIAT's net deficit for the year then ended; and
- have been properly prepared in accordance with 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 19, 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
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
28 November 2019

Consolidated income statement

(for the year ended 30 June 2019)

		2019	2018
		Total	Total
		Group	Group
	Notes	£000	£000
Operating income	2	7,860	6,786
Direct costs in support of professional activities	3	(4,186)	(3,964)
Direct costs in support of commercial and other activities	3	(1,216)	(953)
Gross contribution		2,458	1,869
Administration expenses	4	(3,398)	(2,755)
Operating deficit		(940)	(886)
Investment income	6	478	142
Gains on investments	11	325	161
Deficit on ordinary activities after taxation		(137)	(583)
Taxation charge on ordinary activities	7	(93)	(70)
Deficit on ordinary activities after taxation		(230)	(653)

Consolidated statement of comprehensive income

(for the year ended 30 June 2019)

		2019	2018
		Group	Group
	Notes	£000	£000
Deficit on ordinary activities after taxation		(230)	(653)
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension scheme	17(c)	(2)	709
Total comprehensive income		(232)	56

All activities in 2019 are continuing.

Pages 37 to 53 form an integral part of these financial statements.

UKRIAT income statement

(for the year ended 30 June 2019)

		2019	2018
	Notes	£000	£000
Operating income	2	5,415	5,095
Direct costs in support of professional activities	3	(4,186)	(3,964)
Direct costs in support of commercial and other activities	3	(3)	(3)
Gross contribution		1,226	1,128
Administration expenses		(2,965)	(2,157)
Operating deficit		(1,739)	(1,029)
Investment income	6	470	142
Gains on investments	11	325	161
Deficit on ordinary activities before taxation		(944)	(726)
Taxation charge on ordinary activities	7	(23)	(42)
Deficit on ordinary activities after taxation		(967)	(768)

UKRIAT statement of comprehensive income

(for the year ended 30 June 2019)

		2019	2018
	Notes	£000	£000
Deficit on ordinary activities after taxation		(967)	(768)
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension scheme	17(c)	(2)	709
Total comprehensive income		(969)	(59)

All activities are continuing.

Pages 37 to 53 form an integral part of these financial statements.

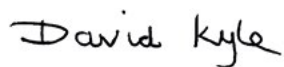
Statements of financial position

(as at 30 June 2019)

		2019	2019	2018	2018
		Group	UKRIAT	Group	UKRIAT
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	8	296	91	204	68
Tangible assets	9	292	289	298	295
Investments in marketable securities	11	31,441	31,441	29,118	29,118
Investments in subsidiary undertakings	12	-	150	-	156
		32,029	31,971	29,620	29,637
Current assets					
Stocks	13	4	-	38	-
Debtors: amounts falling due within one year	14	3,790	3,237	4,572	4,248
Cash at bank and in hand		7,544	5,582	9,350	8,027
		11,338	8,819	13,960	12,275
Creditors	15	(1,359)	(842)	(1,223)	(808)
Deferred income	16	(3,840)	(2,961)	(3,727)	(2,918)
Net current assets		6,139	5,016	9,010	8,549
Total assets less current liabilities		38,168	36,987	38,630	38,186
Pension scheme liability	17(a)	(1,410)	(1,410)	(1,640)	(1,640)
Total net assets including pension scheme liability		36,758	35,577	36,990	36,546
Accumulated reserves					
Accumulated fund		36,758	35,577	36,990	36,546

Pages 37 to 53 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the UKRIAT Committee on 27 November 2019.



David Kyle FCG
Chairman, Audit & Risk Committee

Consolidated statement of changes in equity

(as at 30 June 2019)

Reserves at 30 June 2019

Group

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

UKRIAT

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

Reserves at 30 June 2018

Group

	Accumulated reserves
	£000
At 1 July 2017	36,934
Deficit for year	(653)
Other comprehensive expense for the year:	
Net actuarial gain in year	709
At 30 June 2018	36,990

UKRIAT

At 1 July 2017	36,605
Deficit for year	(768)
Other comprehensive expense for the year:	
Net actuarial gain in year	709
At 30 June 2018	36,546

Consolidated statement of cash flows

(for the year ended 30 June 2019)

	2019	2019	2018	2018
	£000	£000	£000	£000
Cash flows from operating activities				
Cash (used)/generated from operations		(59)		1,873
Tax paid		(39)		-
Net cash (outflow)/inflow from operating activities		(98)		1,873
Cash flows from investing activities				
Purchase of investments	(2,000)		(29,000)	
Purchase of intangible fixed assets	(146)		(217)	
Purchase of tangible fixed assets	(40)		(17)	
Interest received	58		113	
Investment income	420		29	
Net cash used in investing activities		(1,708)		(29,092)
Net decrease in cash and cash equivalents		(1,806)		(27,219)
Cash and cash equivalents at beginning of year		9,350		36,569
Cash and cash equivalents at 30 June		7,544		9,350

Reconciliation of deficit on ordinary activities before taxation to cash (used)/generated from operations

Deficit on ordinary activities before tax		(137)		(583)
Adjustments for:				
Change in fair value of investments		(323)		(118)
Investment income		(478)		(142)
Amortisation of intellectual property and development costs		54		18
Depreciation charge		46		47
Difference between net pension expenses and cash contributions		(232)		210
Changes in:				
Stocks		34		44
Debtors		782		2,440
Creditors		82		(459)
Deferred income		113		416
Cash (used)/generated from operations		(59)		1,873

UKRIAT statement of cash flows

(for the year ended 30 June 2019)

	2019	2019	2018	2018
	£000	£000	£000	£000
Cash flows from operating activities				
Cash (used)/generated from operations		(815)		1,080
Tax paid		(14)		-
Net cash (outflow)/inflow from operating activities		(829)		1,080
Cash flows from investing activities				
Purchase of investments	(2,000)		(29,000)	
Purchase of intangible fixed assets	(48)		(77)	
Purchase of tangible fixed assets	(38)		(13)	
Interest received	50		113	
Investment income	420		29	
Net cash used in investing activities		(1,616)		(28,948)
Net decrease in cash and cash equivalents		(2,445)		(27,868)
Cash and cash equivalents at beginning of year		8,027		35,895
Cash and cash equivalents at 30 June		5,582		8,027
Reconciliation of deficit on ordinary activities before taxation to cash (used)/generated from operations				
Deficit on ordinary activities before tax		(944)		(726)
Adjustments for:				
Change in fair value of investments		(323)		(118)
Investment income		(470)		(142)
Amortisation of intellectual property and development costs		25		9
Depreciation charge		44		46
Impairment of investment in subsidiary		146		-
Difference between net pension expenses and cash contributions		(232)		210
Changes in:				
Debtors		871		2,296
Creditors		25		(572)
Deferred income		43		77
Cash (used)/generated from operations		(815)		1,080

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, 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 2019, the group had an excess of assets over liabilities, in other words net assets, of £36,758,000 compared with

£36,990,000 in the previous period. Included within net assets is that of net current assets of £6,139,000. 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 £3,840,000 and the pension scheme liability of £1,410,000. 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 significant 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 (continued)

1 Accounting policies (continued)

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

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 (continued)

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 17.

2 Operating income

	2019	2019	2018	2018
	Group	UKRIAT	Group	UKRIAT
	£000	£000	£000	£000
Operating income				
Professional activities				
Member income	2,345	2,345	2,336	2,336
Student income	1,519	1,519	1,400	1,400
Other professional income	1,101	1,101	985	985
Other income	174	450	170	374
	5,139	5,415	4,891	5,095
Commercial and other activities				
Publications	293	-	322	-
Training courses and conferences	1,676	-	1,467	-
Board performance evaluation	217	-	72	-
Proshare	535	-	34	-
	2,721	-	1,895	-
Total operating income	7,860	5,415	6,786	5,095

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

	2019	2018
	Total	Total
	Group	Group
	£000	£000
Premises - net of income from tenants of £51,000 (2018: £45,000)	975	665
Finance & general administration	764	824
Office costs	426	333
Commercial activities	840	624
Support services	339	291
Amortisation of intellectual property costs	28	5
Amortisation of development costs	26	13
	3,398	2,755

Notes to the financial statements (continued)

5 Deficit on ordinary activities before taxation

	2019	2018
	Group	Group
	£000	£000
Deficit on ordinary activities before taxation is stated after charging:		
Amortisation of capitalised development costs	26	13
Amortisation of intellectual property	28	5
Depreciation	46	47
Auditor's remuneration:		
Audit fees	31	33
Tax fees	9	9
Operating lease rentals:		
Land and buildings	506	239
Equipment	53	53
Staff costs:		
Salaries	3,265	2,800
Social security costs	352	301
Pension costs:		
Defined benefit	360	283
Defined contribution	122	96
The average number of employees during the year was:	74	67

6 Investment income

	2019	2018
	Group	Group
	£000	£000
Bank interest receivable	58	113
Income from investments	420	29
	478	142

7 Taxation

(a) Analysis of charge in period

The taxation credit on the surplus on ordinary activities comprises:

	2019	2018
	Group	Group
	£000	£000
Corporation tax payable for the current year	77	42
Adjustments in respect of prior years	(1)	–
	76	42
Deferred taxation:		
Current year	16	28
Under provision in respect of prior years	1	–
Current year tax charge	93	70

(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% (2018: 19.00%)
The differences are explained below:

	2019	2018
	Group	Group
	£000	£000
Deficit on ordinary activities before taxation	(137)	(583)
Deficit on ordinary activities before taxation, multiplied by the standard rate of taxation in the UK of 19.00% (2018: 19.00%)	(26)	(111)
Effects of:		
Income less expenditure not assessable for taxation purposes	177	152
Exempt ABGH distributions	(80)	(5)
Capital gains - not recognised	62	–
Fixed asset differences	5	6
Deferred tax - difference in tax rates	(7)	28
Deferred tax - not recognised	(39)	–
Adjustments in respect of prior periods	1	–
Current year tax charge	93	70

(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 (continued)

8 Intangible fixed assets

	Intellectual property	Development costs	Total
Group	£000	£000	£000
Cost			
At 1 July 2018	140	112	252
Additions	-	146	146
At 30 June 2019	140	258	398
Amortisation			
At 1 July 2018	5	43	48
Charge for the year	28	26	54
At 30 June 2019	33	69	102
Net book value			
At 30 June 2019	107	189	296
At 30 June 2018	135	69	204

	Intellectual property	Development costs	Total
UKRIAT	£000	£000	£000
Cost			
At 1 July 2018	-	77	77
Additions	-	48	48
At 30 June 2019	-	125	125
Amortisation			
At 1 July 2018	-	9	9
Charge for the year	-	25	25
At 30 June 2019	-	34	34
Net book value			
At 30 June 2019	-	91	91
At 30 June 2018	-	68	68

9 Tangible fixed assets

	Leasehold improvements and fixtures/ fittings	Computer equipment	Total
Group	£000	£000	£000
Cost			
At 1 July 2018	461	223	684
Additions	25	15	40
At 30 June 2019	486	238	724
Depreciation			
At 1 July 2018	183	203	386
Charge for the year	32	14	46
At 30 June 2019	215	217	432
Net book value			
At 30 June 2019	271	21	292
At 30 June 2018	278	20	298

	Leasehold improvements and fixtures/ fittings	Computer equipment	Total
UKRIAT	£000	£000	£000
Cost			
At 1 July 2018	462	220	682
Additions	24	14	38
At 30 June 2019	486	234	720
Depreciation			
At 1 July 2018	184	203	387
Charge for the year	31	13	44
At 30 June 2019	215	216	431
Net book value			
At 30 June 2019	271	18	289
At 30 June 2018	278	17	295

Notes to the financial statements (continued)

10 Acquisition of Proshare

On 1 May 2018 the group completed the purchase of the ProShare business from which date the business was conducted from ICSA Proshare Limited a wholly owned subsidiary previously named ICSA Corporate Services Limited.

The assets acquired comprised principally of the business intellectual property rights. The consideration paid for these rights was £140,000.

11 Investments in marketable securities

	Marketable securities
GROUP and UKRIAT	£000
Market value	
At 1 July 2018	29,118
Additions at cost	2,000
Equalisation adjustment	(2)
Net change in value during the period	325
At 30 June 2019	31,441

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.

12 Investments in subsidiaries

	Chartered Governance Institute Shareholdings
UKRIAT	£000
Cost	
At 1 July 2018	457
Investment in subsidiary during year	140
At 30 June 2019	597
Amount provided	
At 1 July 2018	301
Impairment provision in year	146
At 30 June 2019	447
Net book value	
At 30 June 2019	150
At 30 June 2018	156

The consideration of £140,000 for the acquisition by ICSA Proshare Limited of the intellectual property rights to the Proshare business had been provided by way of a non interest bearing loan from ICSA Proshare Limited's parent undertaking. As agreement has been reached to convert the loan of £140,000 into share capital it is considered appropriate that the loan is reclassified as an investment.

As ICSA Publishing Limited will continue to require financial support from its parent undertaking it is considered prudent to reduce the carrying value of the Institute's investment. Accordingly an impairment provision of £146,000 has been recognized in the year.

12 Investments in subsidiaries (continued)

The subsidiary undertakings of The Chartered Governance Institute were:

Name	Principal activity	Company Registration no.	% of equity	
			2019	2018
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 2019 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.

13 Stocks

	2019		2018	
	Group	UKRIAT	Group	UKRIAT
	£000	£000	£000	£000
Work in progress	-	-	15	-
Miscellaneous stocks	4	-	23	-
	4	-	38	-

Notes to the financial statements (continued)

14 Debtors

	2019	2019	2018	2018
	Group	UKRIAT	Group	UKRIAT
(Amounts falling due within one year)	£000	£000	£000	£000
Trade debtors	3,001	2,315	2,930	2,397
Amounts due from group undertakings	-	427	-	490
Other debtors	387	93	1,307	1,029
Corporation tax	-	-	3	-
Prepayments and accrued income	402	402	332	332
	3,790	3,237	4,572	4,248

15 Creditors

	2019	2019	2018	2018
	Group	UKRIAT	Group	UKRIAT
(Amounts falling due within one year)	£000	£000	£000	£000
Trade creditors	457	367	386	277
Other creditors	243	33	142	11
Corporation tax	77	8	43	15
Deferred tax	44	44	27	27
Other taxes and social security costs	143	81	148	115
Accruals	395	309	477	363
	1,359	842	1,223	808

16 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.

17 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 £122,000 (2018: £96,000). Contributions totaling £19,000 were owing at the year-end (2018: nil).

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 £360,000 (2018: £283,000). 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.

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:

	2019	2018
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Present value of funded obligations	(19,500)	(18,042)
Fair value of scheme assets	18,090	16,402
Net liability	(1,410)	(1,640)

(b) The amounts charged to the income statement:

	2019	2018
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Current service cost - net of employee contribution	108	106
Past service cost	26	-
Scheme expenses	185	118
Total service cost	319	224
Net interest cost	41	59
Amount recognised in consolidated income statement	360	283

Notes to the financial statements (continued)

17 Pension arrangements (continued)

(c) The amounts recognised in other comprehensive income:

	2019	2018
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Actuarial (loss)/gain on liabilities	(2)	709

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

	2019		2018	
	Group and UKRIAT	Group and UKRIAT	Group and UKRIAT	Group and UKRIAT
	£000	£000	£000	£000
Opening present value of defined benefit obligation		18,042		18,613
Current Service cost		136		134
Interest cost		484		492
Past service cost		26		-
Actuarial (gains)/losses:				
Experience loss/(gain)	80		(284)	
Loss/(gain) on changes in assumptions	1,123		(83)	
		1,203		(367)
Benefits paid		(391)		(830)
Closing present value of defined benefit obligation		19,500		18,042

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

	2019	2018
	Group and UKRIAT	Group and UKRIAT
	£000	£000
Opening fair value of scheme assets	16,402	16,474
Interest income on assets	443	433
Actuarial gain on asset return	1,201	342
Contributions by employer	592	73
Employee contributions	28	28
Scheme expenses	(185)	(118)
Benefits paid	(391)	(830)
Closing fair value of scheme assets	18,090	16,402

17 Pension arrangements (continued)

The main financial assumptions used are as follows:

	2019	2018
	%	%
Retail price inflation (RPI)	3.40	3.30
Consumer price inflation (CPI)	2.65	2.55
Increase in salaries	2.50	2.50
Rate of increase in pensions and deferred pensions	2.40	2.40
Rate used to discount scheme liabilities	2.30	2.70

The mortality assumptions adopted imply the following life expectancies (years):

	2019	2018
Male currently aged 65	87.40	87.90
Female currently aged 65	89.40	89.90
Male currently aged 45	89.10	89.70
Female currently aged 45	91.20	91.70

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

	2019	2018
	%	%
Bonds	9	37
Equities	19	42
Liability driven investments	31	-
Multi-asset / diversified funds	23	-
Private equity	9	-
Liquidity fund	5	-
Fixed interest Gilts	-	4
Index-linked Gilts	-	3
Property	-	13
Cash	4	1
	100	100

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

	2019	2018
	£000	£000
Bonds	1,648	6,057
Equities	3,409	6,819
Liability driven investments	5,586	-
Multi-asset / diversified funds	4,135	-
Private equity	1,659	-
Liquidity fund	849	-
Fixed interest Gilts	-	660
Index-linked Gilts	-	531
Property	-	2,157
Cash	804	178
	18,090	16,402

Notes to the financial statements (continued)

18 Operating annual lease commitments

	2019	2018
Group and UKRIAT	£000	£000
Leases of land and buildings		
Not later than 1 year	664	465
Within 2 to 5 years	2,657	1,860
Later than 5 years	2,989	2,558
	6,310	4,883
Leases of equipment		
Not later than 1 year	53	53
Within 2 to 5 years	33	88
	86	141

19 Capital commitments

There were no capital commitments contracted for at 30 June 2019 (at 30 June 2018: nil).

20 Key management remuneration

The aggregate remuneration of key management personnel for the year to 30 June 2019 was £912,000 (2018: £659,000) comprised as follows:

	2019	2018
	Group	Group
	£000	£000
UKRIAT, ICSA Services Limited, ICSA Publishing Limited and ICSA ProShare Limited		
Remuneration	912	659
Number of key management personnel	8	6

Key management personnel for the year under review comprise the Senior Management Team (page 22), the Head of Secretariat and the former chief executive.

23 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
	2019	at 30 June 2019	2018	at 30 June 2018
Members of UKRIAT Committee:	£000	£000	£000	£000
Examination services:				
L Milliken	5	-	5	-
D Kyle	3	-	2	-
	8	-	7	-

Fees of £20,000 were payable to Mr Simon Osborne (2018: £7,000) in relation to the provision of services to clients of ICSA Services Limited. Mr Osborne received no expenses during the year in relation to the provision of services to clients of ICSA Services Limited (2018: nil).

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 (2018: nil).

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