

**The London Institute
of Banking & Finance**

Annual Report & Accounts 2019 – 2020



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Contents

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of Banking & Finance**

	Page
Welcome from the Chief Executive	3
Organisation Overview	4
Corporate & Professional Qualifications	6
Global Learning	8
Higher Education	10
Financial Capability & Community Outreach	12
People	14
Equality & Diversity Policy Statement	15
Centre for Digital Banking & Finance	16
Centre for Sustainable Finance	17
Sustainability	18
Financial Review	20
Statement of Corporate Governance	23
Statement of Responsibilities of the Board of Governors	23
Board of Governors (Trustees)	24
Committees of the Board of Governors	25
Risk Management	26
Reference & Administrative Details	27
Disclosure of Information to Auditors	27
Auditor's Report	28
Statement of Principal Accounting Policies	30
Consolidated Statement of Comprehensive Income and Expenditure	33
Consolidated and Institute Statement of Changes in Reserves	34
Consolidated and Institute Balance Sheets	35
Consolidated Statement of Cash Flows	36
Notes to the Financial Statements	37



Welcome



Alex Fraser
Chief Executive

Inevitably, this report is dominated by Covid-19 and the impact it had from the spring onwards. The Institute took steps to address short-term financial pressures, which means that we end the financial year in a far better position than was anticipated in March.

The pandemic created enormous challenges for many of our students. Our undergraduates had to adapt to online teaching at very short notice, those studying for our Financial Capability qualifications in schools and colleges in the UK faced months of uncertainty in relation to assessment and those who had embarked on a professional qualification were unable to sit exams as Covid-related measures curtailed traditional centre-based exams.

The Institute has responded by providing remote invigilation options for many of our professional students in the UK and our academic community have moved our curriculum into an online format. This gives us the flexibility to move seamlessly between face to face, blended or fully online provision and to offer our students greater choice.

Our year had begun brightly with our hosting the World Conference of Banking Institutes, held in London for the first time in 40 years. This biennial event brought together representatives from professional bodies and institutes from all four corners of the globe to hear sessions by politicians, regulators, bankers and academics all focused on the banking world of the future. Many of the themes explored at the conference such as digitisation have come into sharper focus in recent months. Banks have been obliged to embrace new operating models with most of their own workforce and their clients working remotely, driving the take-up of digital services to unprecedented levels. In order to support these fundamental, structural changes within the industry, institutes such as ours need to adapt both the content and the mode of delivery of their educational offerings.

Many of our UK activities have shown great resilience in the face of the pandemic. Registrations for our Mortgage Advice qualifications have recovered since the spring, schools and colleges continue to attach great importance to giving young people the benefit of the academically-rigorous Financial Capability qualifications we provide and we have welcomed over 80 new full-time undergraduate students – our second largest intake to date.

We continue to enjoy success in the MENA region through our relationship with Abu Dhabi Global Market Academy. This partnership now encompasses the whole range of our activity: Higher Education, through our programme in Sustainable Finance; Professional Banking Qualifications; and, more recently, Financial Capability, where we have partnered with a local social enterprise to provide basic financial educational tools to disadvantaged adults.

I would like to end by paying tribute to our students for the extremely collaborative engagement with us at what has been such a confusing and worrying time and to the staff of the Institute, who have responded so positively amid such turbulence.

We are The London Institute of Banking & Finance, lifelong partners for financial education.

We have a rich heritage of providing education in banking and finance that stretches back over 140 years. Founded in 1879 as the Institute of Bankers, we have evolved in line with the financial services and banking industries. We gained our Royal Charter in 1987 and in 1996 developed the first professional award linked to a university degree. We gained Taught Degree Awarding Powers (TDAP) in 2010 and were granted University College title in 2013.

We exist for a very simple reason – to advance banking and finance by providing outstanding education and thinking, tailored to the needs of business, individuals and society. Our focus is on lifelong learning; equipping individuals with the knowledge, skills and qualifications to achieve what they want throughout their career and life. We provide a balance of experience, insight and thought leadership into today's financial world, delivered by industry leaders, thinkers and members of our community.

And because we've been at the heart of the sector since 1879, we create connections and build partnerships between people and business that make banking and finance more accessible and understood, and enhance social inclusion through better financial capability.

The organisation's strategic plan, LIBF 2023, outlines the key objectives we aim to achieve.

- We will deliver highly regarded and distinctive degrees, professional qualifications and other educational programmes.
- We will support the career aspirations of those who work or seek to work in the financial services industry and equip them with the skills needed to succeed in the digital economy.
- We will enhance financial skills and capability and broaden our outreach to improve financial inclusion.
- We will produce thought leadership that informs and inspires our community and the wider industry.
- We will increase our international footprint across all our activities.

We focus on lifelong learning; equipping you with the knowledge, skills and qualifications to achieve what you want throughout your career and life.

Financial Capability & Community Outreach

We are the only specialist provider of dedicated personal finance qualifications for children and young people and play a leading role in the development of financial understanding in the wider community. We have over 50,000 students studying our qualifications in over 800 institutions.



over **40,000**
young people taking our financial capability qualifications each year



100%
of full-time students in employment or further study within 6 months of graduating



Degree Programmes

Our undergraduate and postgraduate degrees provide the knowledge and skills you need for a successful career in banking and finance. We place employability at the heart of everything we do, ensuring you graduate with the insight and understanding to perform effectively.



Delivery of the strategy is through four core areas:

Financial Capability & Community Outreach

We help schools instil the knowledge and confidence their pupils need to make good financial decisions, as well as inspiring the next generation of finance and banking professionals. Our learning programmes, qualifications and wider community-based initiatives focus on everyday financial skills and essential skills employers say are missing. And through financial champions in schools, membership and higher education qualifications, we make the banking and finance sector more accessible.

Degree Programmes

Delivered by respected academics, practitioners and industry thinkers, we provide the skills and knowledge that the sector expects from you early in your career. Our learning is based on contemporary real life, using a combination of practice and theory which means you graduate better prepared to advance in the industry. All of our graduates are eligible to apply for Chartered status, a mark of professional standing in the sector.

Corporate & Professional Qualifications

Developed by respected industry practitioners, our qualifications follow the FCA guidelines to ensure you have a thorough understanding of their regulations. This gives you the insights required to perform effectively and responsibly and, where required, the authorisation to practise in diverging roles.

International

Our trade finance qualifications are recognised internationally and studied in over 90 countries. They help you to enhance your knowledge and skills, demonstrate technical competence and take your career to the next level. In Abu Dhabi, we are very proud of our partnership with the ADGM Academy and are working with them to build programmes that are locally relevant but firmly set in a global context.

Corporate & Professional Qualifications

Enabling you to advance your career and help organisations to deliver great performance. We provide clear pathways to match competency with career development in banking and finance. In regulated advice, there is a range of specialist certificates and diplomas for those working in Mortgages, Financial Advice, Pensions and Trade Finance. We ensure that professional recognition can be attained by everyone at all levels, from the award of a certificate through to the grant of our highly regarded Chartered Associate status.



A global community of students and alumni in over

120 countries



over 140 years

Providing industry leading education and thought leadership



Community

We are a focal point for the sector. We have an active global community of like-minded individuals and professionals so you can continue your development and grow your networks. We share insight and generate thought leadership through events, training programmes and publications.



Mark Heaton
Managing Director,
Professional Education

Key Strategic Priorities

- **Maintain our leading position in a competitive market by continuing to invest in our qualification portfolio and other learning solutions to meet the needs of learners, their sponsors, and recruiters.**
- **Focus on making digital enhancements and modernising and updating qualifications.**
- **In consultation with the sector, respond to the consolidation we see in the financial advice market (networks) to provide holistic advice in the growing later life (55+) advice market.**
- **Encourage progression from within our existing body of students to continue through our professional banking qualifications framework now that the Chartered Level 6 is in place.**

Measuring Success

The Covid-19 pandemic struck in mid-March, about two thirds of the way through our budget year, negatively affecting qualification registrations and revenue and bringing us in below budget. It had a particularly damaging effect on our banking qualifications revenue.

Despite this, income for the year was £6.8m across the division with a more positive picture for our mortgage and financial advice portfolio, which achieved over £5m. Of the £6.8m, £6.3m is included within corporate and professional qualifications and £0.5m in professional services within notes 1 and 3 on page 37. Registrations to our mortgage qualifications were badly affected in April and May but improved once lockdown eased. Our flagship CeMAP® qualification remains our single largest source of income.

The year saw successful launches of our fully revised Certificate in Regulated Equity Release and a new Diploma in Paraplanning.

Membership support was maintained through regular publication of insight articles, hosting webinars on key topics like protection and vulnerability and, significantly, launching a new recognition for qualified financial advisers, Certified Financial Adviser, with accompanying digital badges, which has been very well received.

Remote Invigilation

Working with wider LIBF teams, we were able to make rapid adjustments to support our students and members. We introduced online assessments using remote invigilation within two months of lockdown for our biggest qualification – CeMAP® – and rolled out remote invigilation for our Financial Advice and on demand qualifications. This was a huge team effort and positively received by our students, as they also adapted to new routines.

Progress During the Year

Banking: the focus was on promoting the banking professional qualifications framework and ensuring our portfolio remains relevant and up to date.

To reflect the digital transformation underway in the sector, we overhauled our retail banking certificate to provide enhanced digital content and features that can also be deployed flexibly as standalone digital learning. The new Certificate in Retail and Digital Banking will launch in the autumn.

Revenue for our banking portfolio is 19% down on last year. Banks have been grappling with an array of initiatives to support individuals and businesses affected by the pandemic, and this has impacted the take up of banking qualifications. Banking L&D spend is on hold or severely impacted and it is uncertain how quickly this will recover. Nevertheless, we saw improved take up at Level 6 (up 63% from last year), evidencing progression from Level 5. We have good links with the major banks and expect graduate recruitment to hold steady. We are also seeing renewed interest in apprenticeships, training and short courses, which we are well-placed to support.

In April, we launched our banking qualifications promotional activity with a white paper, *The 2020s Banker*, setting out the skills needs of the banking sector and how our professional qualifications support banks and individuals to meet customer and career needs. It is pleasing to see we had 130 completers awarded our Professional Diploma in Banking & Finance and 34 completers of our Advanced Diploma in Banking & Finance, who are also eligible for our prestigious Chartered status.

Mortgage Advice: registrations to our flagship mortgage qualification were heavily impacted by the pandemic lockdown and despite some clawback at the end of the year, finished circa 10% below last year. This reflects the mortgage landscape with re-mortgaging at normal levels and lenders keen to lend but showing more caution (e.g. around LTV rates), especially to first-time buyers.

Performance of the wider mortgage related portfolio was enhanced by our updated Certificate in Regulated Equity Release, which was released in early November with a fully revised core text, as well as greater use of digital learning assets.

Recognising the growing demand in the advice industry for a more professional approach to the standards of education and training for protection advisers, we have worked with large firms to design and develop a Level 3 Certificate in Protection (CertPro), which will launch in October. The Certificate will also provide a unit exemption against our CeMAP qualification.

Financial Advice: Our Diploma for Financial Advisers (DipFA®) is one of the leading regulated financial advice qualifications on the FCA approved list of courses. Registrations were steady during most of the year, with a

Division contributes
44%
to LIBF's overall revenue

Record year for DipAF, up almost
60%
with 68 registrations

Level 6 Diploma for Financial Advisers revenue up
19%



strong year end. The Level 6 Diploma in Financial Advice beat budget expectations (revenue up 19% on the previous year), pointing to holders of DipFA® being keen to progress in their studies and achieve higher levels of recognition, including Chartered status. Income across the portfolio was over £1.4m, slightly below expectations, but in line with the previous year.

Demand for our professional development, license to practice qualifications and related SPS and CPD for the regulated Adviser community remained strong.

The year saw a number of notable enhancements to the adviser portfolio, including the launch of our Diploma in Paraplanning in January in recognition of the growing visibility of the paraplanner role in providing financial advice services. This replaces a lower-level qualification, which is being phased out. We also launched our DipFA® Online Academy in August 2020, providing optional, additional support for learners to purchase.

The area of holistic advice for customers in the 55+ age category (covering later life lending, retirement planning, pensions and long-term care) remains of growing interest in the adviser community, and we are engaging with the sector on how we can structure learning to support their education and professional development needs. As part of wider support in the later life lending area, in spring we launched a series of six webinars in partnership with UK Finance, focusing on Later Life Lending CPD for Advisers and will offer this again in the autumn, following positive feedback.

Programme Partners and Accreditation

We continued to develop our accreditation and programme partnerships to support our affiliations with sector partner firms, networks and training providers. We awarded our gold standard Trusted Partner status to a long-standing provider of CeMAP® learning support. Work also continues to simplify our accreditation processes.

Our Diploma in Asset Finance had a successful year, with a record 68 registrations, up almost 60% on the previous year. This is the highest intake since the launch of the programme, which is offered with our long-standing partners, the Finance & Leasing Association (FLA).

Regulatory Bodies and Stakeholder Engagement

We continue to be proactive in building our relationships with standard setting bodies, policy makers and regulators. We are a member of the Accredited Bodies Forum, which has membership from the Financial Conduct Authority (FCA) and which supports our work to ensure our members are able to meet regulatory obligations. We also host our own forum, the Regulatory Education Advice Panel (REAP). REAP has over 15 representatives from mortgage and financial advice firms who provide an informed sounding board to aid our understanding of the sector and needs around professional education and development.

We continue to work closely with the FCA to support the inclusion of membership of professional bodies in the new FCA Directory of Certified and Assessed Persons. This was due to launch in December 2020 but has now been delayed to 31 March 2021.

Looking Ahead

Under a new and enlarged Professional Education division covering all corporate qualifications, training and accreditation in the UK and internationally, we plan to continue to grow our brand and reach in key international markets, with particular focus on our strategic partnerships in the Middle East and North Africa (MENA) region and Asia Pacific. Key to this is the renewal of our strategic partnership with the Abu Dhabi Global Market Academy (ADGMA).

We will focus on expanding/enhancing our training and executive education footprint in growth areas, among them MENA and Asia Pacific - through our Singapore Office, and in our UK regulated advice business.

We will continue our efforts to support our centres and partners impacted by the pandemic in the UK and internationally to maintain qualification and exam delivery support to learners. Alongside this, we will enhance our provision of our CPD and membership proposition to aid our students and members with their career development and client support needs.

We anticipate some consolidation across our qualification portfolios to ensure that our product offer remains relevant and up to date, with an emphasis on digital enhancements and learner support facilitated by the migration to our new online learning platform.

Key Risks

- Further, global waves of the Covid-19 pandemic affecting the delivery of qualifications and training in the UK and international locations.
- Delays to renewing our strategic partnership with ADGMA.
- Financial services firms making redundancies and reducing/delaying recruitment and the resulting impact on qualification registration and membership income.
- The ability to adapt qualifications and learning solutions quickly enough to meet changing needs in learning and staff development within banks and financial services firms to maintain relevance and value for our clients, students and members.
- Concentration risk in key parts of our qualification portfolio.
- The threat from competitive challenge to our regulated advice qualification product offer.
- The uncertainty surrounding 'no deal' being reached with the EU into 2021, and a possible further downturn in the economy leading to associated challenges in the housing market and negatively affecting our flagship mortgage qualification.

Key Strategic Priorities

- **Through our two overseas offices we plan to expand our activity across the GCC and APAC regions.**
- **Developing a local faculty able to deliver our bespoke training programmes that combine international best practice with local contextualisation.**
- **Continue to develop our activity in Capacity Building programmes by deepening our relationship with the main development and donor agencies.**
- **Gaining access to key local resources by forming consortium bids with leading professional service firms' local offices.**

Overview of Activities

Covid-19 is having a profound impact across the whole global banking and finance sector, including significant reductions in headcount and L&D spend. But it is also giving rise to a range of new opportunities, as banks seek to go fully digital and address new risk management challenges, such as how to undertake remote due diligence. Despite the challenges, overall revenue across our Global Learning department, included as part of corporate and professional qualifications in note 1 on page 37, was almost £3.5m, achieving 96% of last year's revenue and contributing 22% of our overall annual income in 2019/20 in difficult circumstances.

In this fast-changing environment, strategic priorities for our international business are to ensure our qualifications stay relevant and easily accessible (for example, via remotely invigilated exams). Corporate clients are seeking just-in-time innovative learning with good analytics to evidence their return on investment. our Bank Crisis Management programme developed and delivered entirely online to the Tunisian Ministry of Finance and Non-Executive Directors of state-owned banks (April-July 2020) is a great example of this new approach.

The pandemic has been a catalyst for the Gulf states such as the UAE to prioritise their Emiratisation programmes. A good example of this is the Bankers Programme launched in July 2020 (sponsored by the Human Resources of Authority of the Government of Abu Dhabi and First Abu Dhabi Bank), which will equip local nationals with the know-how and confidence for a career pathway in specialist and leadership roles across the sector. As a founding partner of Abu Dhabi Global Market Academy (ADGM Academy), we are well placed to capitalise on this significant market opportunity.

Successful strategic partnerships lie at the heart of our burgeoning international business. In January 2020 we celebrated the twenty-first anniversary of our Certificate in Documentary Credit Specialists. Its longevity and

success are due to a deep and wide-ranging partnership with the International Chamber of Commerce (ICC), both globally and through local networks (particularly across the Asia Pacific region).

In June 2020, we were approved by IBF in Singapore as a recognised learning provider. This allows us to apply for our qualifications and training programmes to be eligible for generous government subsidy schemes to support local nationals to upskill and reskill.

Measuring Success

We have made significant progress over the last 12 months with our LIBF Middle East and North Africa (MENA) business expansion and broadening our product offering. Key highlights include delivering our flagship programme, the Level 3 International Banking & Finance Certificate - Foundation (IBCF), in Saudi Arabia. We successfully launched the next level of this programme, the Level 4 International Banking & Finance Certificate Intermediate (IBCI) (with specialist units in Compliance, Credit Risk, Corporate and Investment Banking), to ADCB graduates. We also delivered our Retail Banking Conduct programme to FAB in Abu Dhabi for 40 local nationals.

Revenue from our delivery in MENA was 53% of last year's figure and, despite many projects in training at the start of 2020 being impacted, we have a strong pipeline of projects with clients keen to resume learning and development for their staff.

Our Trade Finance was the first business to be impacted by Covid-19. China is our largest market for Trade Finance (c31% registrations and 20% revenue) and the onset of the pandemic led to the cancellation of the two session-based trade finance exams, CDCS and CSDG, in April. These two exams were rescheduled for July and while many students took advantage of this, we had a high number of exam deferrals (notably from India and Bangladesh) to October. Despite this, revenue was still over £2m.

For the first time in 40 years, we hosted the World Conference of Banking Institutes (WCBI) at the Guildhall in London. The event, held in September, was a great opportunity to raise our brand, with over 400 delegates from over 40 countries actively taking part in the topical and lively debate, led by a series of high profile speakers, including the Group Chief Executive of Lloyds Bank and the Governor of the Central Bank of France. ADGM Academy was a founding sponsor of the conference and brought over a senior delegation. It was also wonderful to welcome large delegations from several countries, including Nigeria, Australia and Jamaica.

Progress During the Year

In April we launched a new qualification, the Certificate in SME Lending & Alternative Data (CSME). This qualification is the first to combine traditional approaches to business lending with analysing how alternative data can enable finance to be provided



more effectively to this vital part of the economy. This qualification has been approved by IBF in Singapore and we have received a mandate to deliver training programmes along with the qualification to a cohort for a large bank in Singapore.

Following the onset of the pandemic, we delivered a webinar series to promote our six Trade Finance and Transaction banking qualifications. This series was very well attended and regularly attracted over 400 attendees for each session. As part of our wider engagement exercise, we have launched a regular Trade Finance podcast series.

In May 2020, we successfully launched the Bank Crisis Management programme in Tunisia. This programme provides a mix of technical and soft skills training, as well as executive and group coaching sessions. The programme was quickly adapted in response to the pandemic to cover a range of key topics such as operational risk management and resilience, and leadership skills in times of crisis. The programme was developed and delivered in partnership with two local Institutes, enabling participants to have a comparative of international practice with local contextualisation. The programme is funded by the UK government and has helped to foster closer relationships with the Tunisian government. Overall, revenue from international training was up on the previous year.

We have delivered a range of fintech and digital banking courses in Abu Dhabi, including leadership programmes. Following the onset of the pandemic we have had to cancel the scheduled London Fintech Study tours but plan to reschedule these next year.

In line with the development of our international programmes, we have developed our network of LIBF accredited trainers, able to deliver courses at all levels. More recently we have sought to develop local faculty for LIBF MENA, which will allow us to be far more responsive and price competitive in delivering new programmes.

For the last four years, we have been delivering capacity building programmes, working closely with the Cuban Central Bank. The training programme this year was on Digital Banking and Fintech delivered by one of our faculty from our Centre for Digital Banking & Finance. These programmes have been funded by the UK government through the Prosperity Fund.

For the past four years, the growth and development of our international business has been led by Alastair Tyler. Following a wider restructure of LIBF, including a single Professional Education department covering global and corporate learning, he has taken on a new role as Senior Adviser and Visiting Professor to support the expansion of our network of strategic partners.

Key Risks

- We may not be able to scale our operations quick enough to meet demand. This could be due to a particularly large contract; short notice period for delivery; requirement to develop customised training or due to our priorities and resources being focused on other LIBF businesses.
- Our international business has several key partnerships, the ICC (global and with local ICCs) and ADGMA. We may not be able to agree terms for renewal of these contracts.
- There is a risk to our standards and brand if pass rates are low in international markets due to students being assessed in English, which is their second language. It can be difficult for learners to understand technical content due to language barriers.
- Not generating an appropriate profit margin when agreeing pricing models, underestimating costs involved and in agreeing split with local partners. This could be further impacted by currency conversion rates.
- Our success rate in winning tender mandates for training programmes and capacity building programmes is lower than estimated, given the level of competition from larger more established global training providers.
- Covid-19 pandemic may affect our ability to deliver face-to-face courses and examinations.



Hema Tank
Managing Director,
Higher Education

Delivered by academics, practitioners and industry thinkers, we provide the skills and knowledge that the sector expects from those early in their career. Our learning is based on contemporary real life, using a combination of practice and theory, which means students graduate better prepared to advance in the industry.

Right from the beginning, all our students become members, with the associated benefits that brings. On graduation they are eligible to apply for Chartered status, a mark of professional standing in the sector.

Key Strategic Priorities

- **Secure our position to be internationally recognised as market leaders for Banking and Finance programmes by key stakeholders.**
- **Provide outstanding teaching, and innovative and inclusive education to prepare our students for a rapidly changing world.**
- **Recruit, develop and retain the best staff and provide them with a high-performing supportive environment and culture.**
- **Be selective and strategic in choices, and align planning, evaluation and budgeting processes with strategic aspirations in the most efficient way.**

Measuring Success

We have continued to see revenue growth in HE due to an increase in the number of students on our undergraduate programmes. We have also seen an increase in numbers on our apprenticeship programmes. In early 2020, we began our first apprenticeship levy-funded bespoke programme for mature, experienced professionals, welcoming Northern Trust, a brand new client, to the organisation.

We continue to work on enhancing our portfolio of programmes through international partnerships, specifically through our MENA regional office and the development of our postgraduate offer.

Progress During the Year

Initiatives for Students: We recognise the importance of keeping our portfolio of products relevant to prospective students. To achieve this, we sought and were successful in our application to the University Affiliation Scheme of the Chartered Financial Analyst Institute. This recognised the alignment of the content of our BSc (Hons) in Banking & Finance and our BSc (Hons) in Finance, Investment & Risk to the syllabus of the CFA Institute. We expect this to provide opportunities for our graduates who want to further specialise in the field of financial analysis.

Employer Connections and Employability: In the autumn and spring terms we held a number of student events, partnering with employers. These events included presentations from Handelsbanken, Lloyds Banking Group and Rathbones. Development events included workshops on digital skills, mock assessment centres and events on commodity training.

Since March 2020, due to Covid-19, our services have gone fully digital. We hosted online career coaching sessions, webinars with over 300+ attendees on various topics, including 'Leading during a time of crisis'. We have continued to source almost 250 job opportunities for students, even during these challenging times. We were pleased to welcome over 150 new registrations to our online career centre between September 2019 and August 2020.

Student Experience: While this year our National Student Survey (NSS) scores were not as strong as last year, we achieved amazing results with the new Graduate Outcomes survey. Our focus is always on listening to student feedback and making that our priority. This year we are looking to focus on enhancing a teaching and learning environment that is both face to face and digital. In addition, we continue to respond to the employability agenda by focusing on those softer workplace skills much requested of graduates by employers in the corporate world.

Graduate Outcomes is a new national survey which collects key information about graduate activities and perspectives 15 months after completing an undergraduate degree. The first survey of graduates was completed in December 2018, with data first published in June 2020. We are delighted that stats from this survey show the following:

- We are 3rd in the UK for full-time employment for undergraduate students;
- 100% of our students are working in high or medium skills roles or studying;
- 94% of graduates agree or strongly agree that their work feels meaningful;
- 91% of graduates agree or strongly agree that their current activity fits in with their future plans.

Looking Ahead

We will continue to develop a diverse range of programmes that will enable us to further increase our revenue. We will develop programmes that will be diverse in their delivery, mode of study and location; this will also help decrease our reliance on full-time students on campus, which has almost reached capacity. We will invest in initiatives jointly with colleagues delivering our Financial Capabilities and Corporate Qualification Programmes, such as continuing to offer the Certificate in Relationship Management qualification within our undergraduate degrees, thus providing our students with a bespoke and unique qualification.

100%
of our students are working in high or medium skills roles or studying



Though our current undergraduate programmes are delivered face to face, we will continue to focus on enhancing our digital capacity to deliver, teach and support students through virtual learning platforms. We will invest in the tools, training and technology to develop an e-learning environment to enable us to be flexible to adapt to a rapidly changing environment.

We are looking to respond to the changes in the financial sector by offering new content such as sustainable finance, fintech and digital technology within the curriculum. In early 2020, we were pleased to welcome a small cohort of students on to our new Postgraduate Certificate in Sustainable Finance, which was developed in response to market demand. Through our strong networks and connections in the sector, we will continue to work with employers in developing content, as guest lectures and as members on our deliberative committees, so that our students have the knowledge, skills and competencies to be successful in their careers.

Key Risks

- The HE sector continues to experience change and a degree of uncertainty in respect of the longer-term strategic position. This year saw last minute changes by the government on exam results. As a small and relatively new provider of Higher Education, any changes such as student number controls could affect us disproportionately.
- Loss of brand and profiling in the sector is a key risk, especially in relation to the student experience, where a negative experience could have a significant impact on future recruitment.
- 2020 saw the world respond to the Covid-19 pandemic. As a smaller institution, we can be more flexible and adapt to such circumstances. However, our small campus space causes challenges, for example with difficulty in social distancing.





Catherine Winter
Managing Director,
Financial Capability &
Community Outreach

Key Strategic Priorities

- Provide lifelong learning through impactful financial education in UK schools and colleges.
- Create highly regarded market leading qualifications and study programmes.
- Expand our provision beyond the traditional classroom environment, targeting the most vulnerable children and young people in society.
- Continue to collaborate with both external and internal stakeholders in the drive to improve financial capability levels across the UK.
- Improve the 'progression of students to Higher Education and the world of work'.
- Develop a stronger international presence for Financial Capability programmes and qualifications.
- Create a culture of empowerment and collaboration within the team.

Measuring Success

Our qualifications and learning programmes help schools and colleges to instil the knowledge, confidence and resilience children and young people need in order that they can be confident and competent financial consumers. They also provide the essential skills employers say young people are lacking as they enter the workplace.

This academic year our qualifications and programmes have been delivered to over 40,000 children and young people in over 650 mainstream schools, colleges, pupil referral units (PRUs) and special educational (SEND) institutions. Set against the backdrop of the removal of one of our key qualifications from performance tables and the Covid-19 challenges, this has exceeded our expectations.

In addition to our UK success, our delivery in schools in China continues and we have also welcomed a new centre in Hong Kong. In June, we bid to provide a financial capability programme in Abu Dhabi. We have been successful in securing this project and the work now starts to fulfil our commitments. We continue to explore options to increase the uptake of our programme internationally.

Progress During the Year

With the exception of our Level 2 Certificate in Financial Education (CeFE), our qualifications continue to feature in Department for Education (DfE) performance tables, to be fully funded and offer maximum UCAS points for those students progressing to university. Following CeFE's removal from the Department of Education Tables, registrations fell by around 80% but all our other programmes have continued to perform well. We have seen an increase in income from our LiFE programme (38%), CeFCCD Level 2 qualification (7%) and Level 3 (10%). Due to Covid-19, schools in the UK were closed in March.

This has driven schools to deliver virtual learning, and the LiFE programme has enabled schools and colleges to continue to deliver financial education outside of the classroom. The LiFE programme is an accessible e-learning suite of programmes that enables students to experience financial education on a 'learning by doing' basis. Students navigate through a series of essential topics, working at their own pace and requiring minimal teacher intervention.

The LiFE programme was enhanced with the inclusion of a unit that develops skills for employment. This is proving very popular with schools and colleges which are now looking to meet the Gatsby benchmarks (government guidelines on school/college career advice) and, as a result, are more focused on ensuring students can make informed choices about post-18 options.

We have responded to the closure of schools in March in two ways. First, we have continued to offer high quality support to our centres. Although we have been working with a reduced team, we have continued to provide first class customer service to our delivering centres. Adapting to new working environments, we have provided over 20 CPD sessions using MS Teams, in both evenings and weekends, to meet the needs of our teachers and students. We released further free resources to all schools and colleges in the UK to support home learning and to allow for the delivery of meaningful financial education.

Second, we have worked collaboratively with Ofqual on its Extraordinary and Extended Extraordinary Regulatory Framework. These frameworks consult on the centre assessed grades (CAG) for summer 2020, autumn resit assessment and summer 2021 assessment.

The CAG process is now complete. All centres that have sent in predictions for their students have been awarded a grade. We have awarded grades to 30,000 students via 600 centres. We have adopted a very robust process, reviewed and quality assured by colleagues within many different LIBF teams. The process we implemented allowed for ongoing dialogue with centres and, as a result, we have had only two centres out of 600 where grades had to be reviewed.

Ofqual have continued to monitor all our procedures for the CAG and recently held a thorough and detailed meeting with us examining and questioning our chosen methods and seeking assurance from us that we are meeting all its requirements. Ofqual's feedback was positive, and highlighted several examples of good practice, not typical of a routine Ofqual meeting.

We also continue the long-term strategy of reviewing and creating new programmes. In line with Ofqual guidance, our priority is to provide robust and reliable qualifications that schools, colleges and employers can trust and respect. We have identified key development areas for our qualifications.

Our qualifications and programmes have been delivered to over

40,000

children and young people



The submission of a new Technical Vocational Qualification for Level 2 has been postponed for a year and, consequently, we have put together a timeline of future development that will enable a greater amount of time to be spent working with selected centres. These key centres will pilot some of our assessment methodologies and be utilised for student and teacher discussion groups on financial education.

Part of our qualification timeline includes a review of our current Level 3 Certificate and Diploma in Financial Studies (CeFS/DipFS). We wish to maintain and ensure that both remain rigorous and robust in line with other Level 3 qualifications.

We are waiting to hear the outcome of our Level 3 T-Level submission. The announcement is due mid-September.

We continue to support our HE colleagues through the work on our scholarship programme, which recognises and rewards high academic achievement by students who have taken the Certificate and Diploma in Financial Studies (CeFS and DipFS). Scholarships have continued to raise the profile of both FC and our university. The Financial Capability team have co-ordinated the delivery of over 1,000 scholarship certificates. This year nearly 20% of students joined our university, taking advantage of this scheme.

Community Outreach

We have consulted with the Money and Pensions Service on its Covid-19 emergency response and offered key recommendations regarding the delivery of financial education in schools and alternative providers. However, our biggest challenge continues to be charities funding cuts. Getting access to those 'hardest to reach' in society to help reduce their financial vulnerability is our aim and our outreach work will continue to explore alternative avenues.

We have continued to expand our reach further than the traditional classroom environment, targeting the most vulnerable children and young people in the community. We have worked with national charities to support individuals at risk of financial exclusion to help them gain invaluable financial awareness and increase their digital, literacy and numeracy skills. Our work for this period has continued to focus on the homeless, and children and young people with special educational needs (SEND).

Four years on from the launch of our LiFE programme, we are delighted to see that we are gradually removing barriers to accessible Financial Capability Education. Many special schools, pupil referral units (PRUs) and hospital schools are now offering the LiFE programme and benefitting from the SEND guide that supports it. As members of nasen (National Association of Special Educational Needs), we have continued to attend various events and gained valuable feedback from SEND professionals around the country.

We have hosted visits to Peninsular House from Citizens Advice and The Salvation Army and organised a workshop with a group of school refusers being

supported by Barnardo's 'Making the Most of your Money Project'. Our relationship with The Salvation Army is progressing, and we are excited to be piloting the LiFE programme across a range of different services it offers.

Policy Engagement

We continue to work closely with policy makers - Department for Education, Institute for Apprenticeships, Money and Pensions Service - and other organisations that are passionate about financial education. On behalf of the Money and Pensions Service, we continue to chair the Children and Young People (CYP) steering committee, which includes other charities, Ofsted and key financial services organisations. The key objectives are:

- All CYP will get the financial education they need by 2025.
- Improved knowledge and skills.
- Increase in positive attitudes and motivations.
- Increased connection and access to products/risk.
- Increase in financially capable behaviours of young people.
- Leading to a future generation of adults who make good financial decisions.

Student Investor Challenge

The Student Investor competition continued to be successful in schools. We now have eight teams waiting to progress through to the final. We will be hosting a virtual final for these teams in November 2020.

Looking Ahead

The Covid-19 situation meant many schools faced huge challenges when they returned in September. We listened to feedback from our centres and initially delivered virtual support to the end of October and are assessing the viability of visiting centres from November onwards. Due to staff redundancies we have a reduced team of staff, but will continue to offer the outstanding support and teacher CPD that are known for. Adaptability will be key in how we support our centres moving forward.

Key Risks:

- Regional or national lockdowns will affect assessment viability both throughout the year and year end assessment (summer 2021) and thus create additional Ofqual regulation.
- Schools key focus will be on catching up on 16 weeks missed learning on key subjects. This will potentially push out their ability to deliver financial education qualifications.
- Government introduces changes or policies which affect the ability to deliver qualifications, for example exclusion from performance league tables.
- 14-19 qualifications funding withdrawn for schools' qualifications.
- Lack of appropriate stakeholder and policy engagement with key stakeholders and the financial community ceasing to engage in the financial education agenda.
- Staff motivation due to extensive increase in workloads.
- Shift in virtual working and reliance on ageing technology.

Key Strategic Priorities

- To strengthen and support the development of skills and knowledge of staff throughout the organisation to encourage high levels of performance to achieve our business objectives.
- To become an employer of choice in order to recruit and retain staff to meet our business objectives.
- To reward and recognise staff appropriately for the work that they do.
- To promote the beneficial effects of health and wellbeing to our staff.
- To increase employee engagement by providing an effective communications framework.

2019/20 has been an unusual year in that the Covid-19 pandemic resulted in significant changes to the way in which we work: some of our original plans have been put on hold due to social distancing and lockdown measures outside our control, and new working practices were introduced in a short period of time.

Measuring Success

Developing our people: in the 2019/20 financial year we would have maintained our average of 13 hours development per employee. This figure is projected from the 8-month figure due to the pandemic lockdown starting in March 2020.

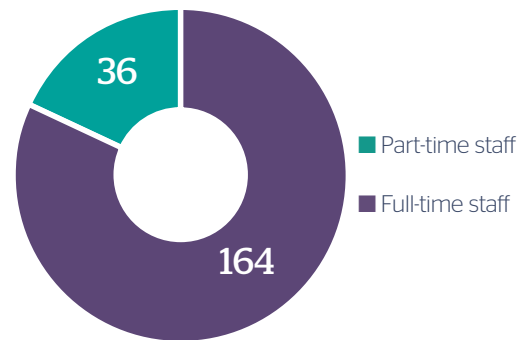
Retaining more of our people: the voluntary turnover rate in 2019/20 reduced to 12% from 13% in 2018.

Maintaining our employer brand: our rating on Glassdoor over the last 12 months to July 2020 has remained around 3.8.

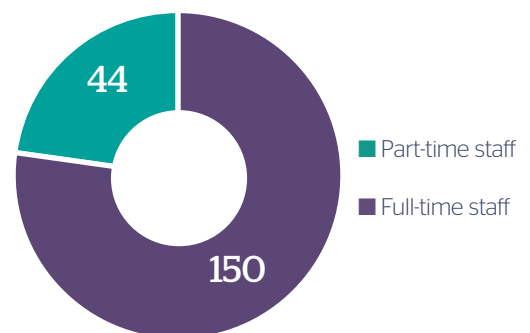
Maintaining our sickness absence rate below the national average: in 2019 this was 5.4 days per employee. Due to some individuals being on longer-term absence, our 2019 figure has increased from our 2018 figure of 4.65 days per employee. However, we are still below the average rate for the private sector in 2019, which is 5.9 days per individual per year (CIPD).

Increasing flexible working: the proportion of part-time workers has increased by 5% from the same time last year as shown below. This is a result of our continuing drive to increase flexibility in our workforce.

31 July 2019 - Total 200 staff



31 July 2020 - Total 194 staff



Learning and Development During the year:

- We researched the skills and competencies that our managers and leaders will need for the future. A programme to coach and develop our leaders is being planned.
- Our competency framework has been reviewed and a simplification process started.
- We researched the skills our staff will need for the present and the future. This work will inform our future development opportunities.
- Our new performance management system was successfully implemented, with the 12-month review now due.
- We have supported our staff to develop themselves further, as well as studying further qualifications. During the pandemic, our development has moved to being 'virtual' and tailored to specific needs such as using Microsoft Teams.



Reward

Reward has been challenging in the last year. Our plans for a new recognition scheme have been put on hold, although our recognition of our employee's length of service is ongoing, with 5 people being recognised this year for 10 years' service. Over the last 12 months we have reviewed the success of our change to a different pension provider, using our Pension Governance Committee.

Recruitment and Retention

We are continuing to develop a brand with a unique selling point to enable us to become an employer of choice. Our focus in the last year has been to improve our public employer profile.

We continue to make vacancies available to internal applicants and to provide feedback after interviewing, along with suitable development where appropriate. This work has resulted in our voluntary turnover rate reducing further in the last year.

Engagement

Employee engagement activity has increased during the year, especially during the pandemic, with more frequent Town Hall meetings and video updates, along with the implementation of Microsoft Teams and new IT infrastructure, which supported the almost overnight move to the majority of people home working.

In the initial few months of home working, a survey was undertaken, and actions have been put in place to support any difficulties people were having.

As our ways of working have changed, this has resulted in some structural changes and these have been supported by our staff representation group, Your Voice.

Wellbeing

During the year, our Wellbeing Group have continued to provide various activities such as on-site fitness classes, massages, and mindfulness sessions. During lockdown, we formed wellbeing buddy groups, which enabled staff from different departments to share their feelings and experiences in Teams discussions.

Further activities moved to being virtual in March, with a 'pets corner', bake off competition and virtual drinks events being held.

We have a regular programme of learning and development around Health and Wellbeing, e.g. mental health and building resilience, and, although we have a number of people across the organisation who are Mental Health First Aiders, we are looking to increase this further in the coming months.

Looking Ahead

In the coming year we are planning to continue to work on the key five HR strategic themes, aiming to support the business areas to achieve their objectives.

Our focus will be on implementing our leadership and management principles, implementing the competency framework and revising associate processes, developing our staff for the future and achieving further flexibility in how we work.

Key Risks

- The risks in the recruitment market, especially in London, have substantially changed since the pandemic as there are now many applicants for a single post. This has widened our pool of talent but causes potential difficulties in shortlisting.
- When the UK leaves the EU there may well be changes in legislation that affect the people side of our business, to which we will have to adapt or amend our practices.

Equality and Diversity Policy Statement

We are committed to creating a culture in which diversity and equality of opportunity are promoted and in which unlawful discrimination is not tolerated. We recognise the real educational and business benefits of having a diverse community of staff, students, members and subscribers to any services and which, therefore, works towards building and maintaining an environment that values such diversity. To meet this commitment, we aim to ensure that:

- individuals are treated solely on the basis of their abilities and skills;
- nobody is discriminated against on grounds of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation;
- students, members, subscribers and employees are afforded the opportunity to fulfil their potential;
- a supportive environment is promoted for staff, students and visitors.

The Centre for Digital Banking & Finance was established in early 2019 to support the organisation's need to be an active participant in discourse and the delivery of learning related to digital banking and financial technology.

The Centre's set up phase was focused on recruiting a virtual 'faculty' of academics and practitioners, with expertise covering the breadth of the challenges and opportunities presented by the digitisation of banking and finance and the key enabling technologies such as blockchain and machine learning. Following the creation of this faculty, the Centre's focus has been on supporting the commercial activity being driven by the Global and Professional Learning teams and on raising awareness of the Centre's existence through the creation and distribution of content.

Commercial Activity

An early decision was made to focus on corporate rather than open programmes, and a range of short course outlines were developed to support sales and relationship building efforts. In the first half of the year, members of the Centre's faculty of experts were deployed on programmes in Cuba, Abu Dhabi and Dubai. Being largely focused on face-to-face delivery of executive courses to international clients, training opportunities and revenue for the second half of the year were curtailed as a result of the pandemic. In particular, two London fintech study tours for international delegations planned for April and May, worth a combined £60,000 in revenue, had to be cancelled. In both cases our partners in arranging the delegations have given strong indications of a desire to reschedule at some point in the future, when social distancing measures have been further eased.

The Centre's focus since March has been on developing new virtual training offers and on supporting the Higher Education and Professional Education teams with qualification development, namely the Postgraduate Certificate in Digital Banking & Fintech and the Certificate in Digital and Retail Banking.

Generation of Content

Over the year, the Centre's content output has been predominantly through events – initially live, face-to-face lectures, then moving to virtual delivery. Highlights have included Renier Lemmens, LIBF's Visiting Professor for Fintech & Innovation, speaking on the threat of 'BigTech' at a live lecture, which attracted over 100 attendees, and a webinar on digital leadership with Carlo Gualandri, CEO of Soldo, which attracted over 200 participants.

Towards the end of the year, the Centre began to also produce content in the form of articles and blogs, as well as acting as a distribution channel for relevant content produced elsewhere in the organisation such as *Financial World* magazine.

Promotion and Awareness Raising

In May, the Centre launched its own **microsite** to help raise its profile, create a more visible home for LIBF content and programmes related to digital and fintech, and project a brand in keeping with the expectations of the target audience. The website offers opportunities for visitors to register interest in future programmes, such as those mentioned above, and in its first three months generated in excess of 100 such contacts.

The Centre has also established its own social media channels, predominantly LinkedIn and Twitter, and taken a proactive approach to sharing content and engaging with relevant influencers.

Members of the faculty have also been active participants in a range of both physical and virtual events run by third parties. Events featuring representatives of the Centre over the year included MoneyLive, Abu Dhabi Fintech and MoneyNext.

Looking Ahead

In the next financial year, the Centre's focus will be on further programme development, specifically the creation of an online multi-week short course in fintech development and strategy, which we hope to launch in the autumn. We have sought and engaged with a number of potential content partners to enable the creation of such a course in an efficient and cost-effective manner.

The Centre will also continue to explore opportunities to deliver virtual executive training to corporate clients and is developing a portfolio of virtual workshops to form the basis of this offer. In the continued expectation that much of this course delivery will be to international cohorts, we also intend to establish and build upon a range of partnerships with appropriate international institutions and education providers.



Key Strategic Priorities

The Centre for Sustainable Finance (the 'Centre') was formally established in September 2019 with the following high-level objectives:

- **Establish LIBF as an authoritative global voice on sustainable finance for financial institutions and companies.**
- **Provide a platform to share knowledge between the private sector, public sector and academia.**
- **Advance the understanding of the implications of sustainable finance for financial institutions, companies and governments.**

Measuring Success

In support of the strategic priorities, a series of activities were initiated during the year, by which the growth and progress of the Centre can be measured.

These activities fall into the following categories:

- Engaging with other institutions to raise the profile of LIBF and create new connectivity. This engagement includes organising conferences and networking events, along with bilateral meetings. The range of external parties to include financial institutions, companies, governments, international development institutions, NGOs and other universities. Progress on this can be measured by the quality of the relationships that are established and maintained.
- Generating research content for consumption by clients and for use by LIBF colleagues in general marketing. Content includes publication of white papers and also an aspiration to produce quality academic research. It also includes other media content such as podcasts, interviews and publication in the media. Measurement is best achieved by monitoring access to the website, downloads of material and usage of recordings.
- Commercial activity that generates revenue for LIBF. This includes any consultancy work, projects, or contributions to courses that relate to sustainable finance that are run by LIBF. These contributions could be in the form of course design or delivery. Metrics are both monetary and the quality/quantity of work undertaken.

Progress against each of these categories is discussed in more detail below.

Progress During the Year

The focus for the Centre in the set-up phase has been on developing connections with financial institutions, universities and potential faculty/authors. The Centre has also engaged with a variety of think tanks, activist groups and public-sector institutions as a means to broaden our network, rather than to collaborate on specific projects.

The plan for this financial year was disrupted by the Covid-19 pandemic. The series of global lockdowns forced many activities online and this required some adaptation and affected the way in which the Centre was able to progress.

External Engagement

The Centre has joined three academic networks during the year. In Europe, we were invited to be a founding institution of

the Research Network for Sustainable Finance with eight other universities, of which four are based in the UK. This network has expanded during the year to include other European and Asian academics. We have become an international participant in a Canadian sustainable finance network run from Concordia University, and also joined the Impact & Sustainable Finance Consortium, which is being run out of Kellogg (Northwestern), and which has about 200 individual academic members around the world. We have also developed good relationships with some academics in Latin America.

In November, we had the opportunity to run a panel event in Singapore for financial professionals in conjunction with the Singapore Institute of Banking. Additional events were being planned during 2020 but all were cancelled due to the pandemic. The pandemic has also slowed down the process of meeting institutions bilaterally, as most firms have experienced some organisation stress during the first half of 2020.

Generation of Content

We published our first working paper on gender diversity in July 2020 and have a pipeline of authors who have agreed to produce similar content. These papers will have an academic format. In addition to written papers, the Centre has contributed to online webinars as part of the shift to online working. This type of content overlaps with our efforts to engage with external institutions.

Commercial Activity

The Centre contributed to the design and the delivery of the Certificate in Sustainable Finance, which was delivered in partnership with the ADGMA. We also ran some sessions for the Tunisian Ministry of Finance in conjunction with the International team.

As a function of expanding our academic network, there are some opportunities to engage with overseas institutions on designing courses which we hope to develop in the next financial year. Discussions with potential partners for research projects have been complicated by the pandemic, as this has introduced budgetary constraints. There are some promising projects in the pipeline, although lead times are expected to be extended until the economic and working environments stabilise.

Looking Ahead

In the next financial year, we will continue to work on engaging with external institutions, producing content and developing our commercial activities. A key issue for the future will be to source external funding to support the Centre's activities, whether through project-based research or a more formal external funding arrangement.

Key Risks

- LIBF is competing to be heard on sustainable finance in a crowded international field, with many top-quality universities also involved. We may not be able to generate sufficient presence and our content might not be sufficiently differentiated or valued.
- It is unlikely that we will be able to scale up the Centre's production of content without some form of external funding, whether from projects or external sponsorship. It will be significantly harder to secure this in the current or post-pandemic environment.



Working to Address UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. We continue to focus on four of the SDGs, where we believe we can make the most impact through our operations.

Each of the UN SDGs has within it a series of targets and this year we focused on measuring our success in meeting those targets. Sadly, the lockdown interrupted our ambitions to do much more, but we aim to pick up progress in 2021.

Goal 3: Health and wellbeing



Targets address:

- communicable and water-borne diseases;
- mental health;
- prevention of substance abuse and road deaths;
- sexual and reproductive healthcare.

LIBF actions

- Water management carried out to prevent Legionella, Coliform and other water-borne diseases.
- Antibacterial gel provided for staff and visitors to use.
- First Aiders trained and available in all buildings.
- Flu vaccine offered to employees.
- Mental Health First Aiders trained and available in all buildings.
- Wellbeing Committee run events.
- LIBF employee assistance helpline available to staff and students.
- Mental Health Week promoted.
- Qualified counsellor available for students.
- Employee assistance helpline available for staff and students.
- Student events have limited alcohol available and are supervised.
- Travel risk assessments available for staff, as pedestrians or in vehicles.
- Risk assessments for student visits include road safety.
- Time off given for antenatal appointments.
- Maternity and paternity leave available.
- Free sanitary products available for students at Lovat Lane.

Goal 4: Quality education



Targets seek to:

- promote equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university;
- increase the number of youth and adults who have relevant skills;
- eliminate gender disparities in education;
- ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people and children in vulnerable situations;
- ensure that all learners acquire the knowledge and skills needed to promote sustainable development.

LIBF actions

- Our REACH programme was shortlisted for a Green Gown Award in 2019 and continues to attract interest. An event for mature learners took place in November 2019 and in February 2020, 23 people attended our REACH event for BAME students. Due to the lockdown, the July REACH event for women in finance has been postponed to October and REACH on the Road - an initiative to take the programme outside London - had to be cancelled.
- Our LiFE programme won a Green Gown Award in 2019, and we continue to work with charities and community groups who use our award-winning LiFE programme to teach financial education to their clients.
- During the lockdown, we made financial education resources freely available and accessible from our website and have promoted their availability in our blog section and through social media.
- We have published six blogs on diversity in banking and finance to promote the drive for equality in the sector and make people aware of our REACH events.
- We have awarded 33 scholarships, 75 bursaries and to help students through the lockdown, a further 37 awards to students from a hardship fund that we introduced specifically to assist students through the pandemic.



- Our Certificate in Sustainable Finance was launched in the MENA region in January 2020 during Abu Dhabi Sustainability Week. A second cohort of students will begin studying for this in January 2021.
- We have updated our Sustainable Finance section of KnowledgeBank to ensure students have updated information and access to our relevant blog content.

Goal 5: Achieve gender equality and empower all women and girls



Targets seek to:

- end all forms of discrimination against all women and girls everywhere;
- ensure women's full and effective participation and equal opportunities for leadership.

LIBF actions

- We support and encourage our Women in Finance student society.
- We awarded three Women in Finance scholarships to HE students in 2019.
- REACH programme was shortlisted for a Green Gown Award in 2019 and continues to attract interest. Due to the lockdown, the July REACH event for women in finance has been postponed to October.
- We have published and promoted five blogs on gender equality in banking and finance.
- We've published and promoted an academic paper on gender equality as a sustainability issue, by one of our senior lecturers, Caroline Murray.
- Our Board is gender equal.
- Our Senior Executive Team is gender equal.

Goal 12: Responsible consumption and production



Targets aim to:

- increase sustainable management and efficient use of natural resources;
- halve food waste;
- ensure environmentally sound management of chemicals and all wastes;
- reduce waste generation through prevention, reduction, recycling and reuse;
- adopt sustainable practices;
- create relevant information and awareness for sustainable development.

LIBF actions

- Electricity usage reduced through sensor lights/PCs turning off.
- Toilets at Lovat Lane are fitted with a dual toilet flush to save water.
- LIBF has thorough COSHH risk assessments in place.
- WEEE Directive is complied with (IT).
- All waste contractors hold correct waste transfer notes.
- Printer toners and used light tubes are disposed of correctly (IT).
- Education for employees and students to reduce waste and energy use.
- Recycling carried out on all sites, including batteries and food waste.
- National Living Wage is a requirement for contractors.
- Due diligence carried out on all suppliers.
- Metrics reporting implemented to measure and assess LIBF's impact.
- Promoting staff awareness.
- We have published and promoted 17 blogs on sustainable finance.



Ian Parrett
Chief Operating Officer

Introduction

As an educational charity incorporated under Royal Charter, The London Institute of Banking & Finance uses all its income to advance banking and finance by providing outstanding education and thinking, tailored to the needs of individuals, business and society.

We receive a variety of tax exemptions on our educational activities and on our investment income and gains. We are also entitled to an 80% reduction in business rates on the property occupied for our charitable purposes. The financial benefits received from these tax exemptions are all used for educational purposes.

The fees, kept as low as possible to ensure affordability and wider access, are sufficient to cover the cost of running current programmes and investing in new ones. Funding comes from a variety of sources, both public and private. Employers fund many students and some students, studying for qualifications that are in Ofqual's Qualifications and Credit Framework (QCF), have indirect access to public funding. Full-time students studying for a degree on an appropriate 'designated' course are eligible to borrow their fees from the Student Loans Company.

LIBF is supported in its activities by its wholly owned subsidiary, LIBF Learning Limited, whose main activities encompass sponsorship and events, and LIBF MENA Limited, which covers all activities within Abu Dhabi.

The deficit of £2.242m, shown in the consolidated statement of comprehensive income and expenditure on page 33, is broken down as follows:

	Income £000	Expenditure £000	Deficit £000
General fund	15,907	-17,115	-1,208
Restricted funds	118	-325	-207
Strategic investment	-	-185	-185
Restructuring costs	-	-350	-350
Pension fund	-	-100	-100
Depreciation	-	-192	-192
	16,025	-18,267	-2,242

The general fund is the primary fund against which underlying financial performance is measured. We look to generate a surplus to produce sufficient cash to support strategic objectives and long-term sustainability, targeting an annual surplus

as a percentage of revenue of between 5%-10%. Depreciation, investment performance and funds allocated to strategic projects are excluded from this calculation so we can focus on the ability to generate cash flow.

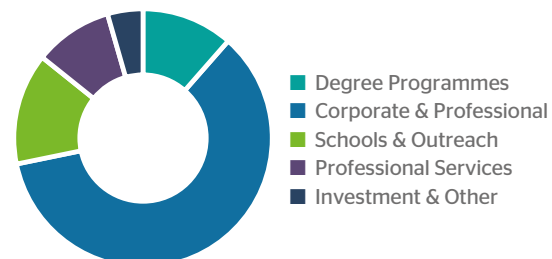
Restricted funds include the Alumni and Scholarship fund, which gives past students the opportunity to participate in this vision and support diverse future generations of financial services professionals; the Bursary fund, which provides means-tested assistance to both full and part-time students; and The Grunfeld fund, which supports the education of persons working in banking and financial services in London.

Strategic funds are those which have been designated by the board separately from the general fund for major projects. Pension fund represents costs borne by the fund during the year which have not been reimbursed by the employer.

Restructuring costs of £350,000 are in respect of redundancies following a reorganisation which was largely completed by the end of July 2020 but for which payments will actually be made in the 2020/21 financial year.

Income

Total income from continuing operations for 2019/20 was £16.025m, a decrease of 5.3% over the previous year's total of £16.922m, with the key revenue analysis as follows:



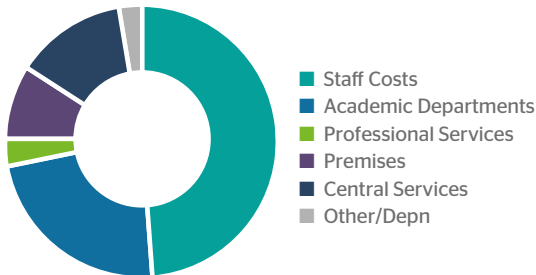
Revenue from full-time degree programmes increased by 29.6% to £1.22m following much larger intakes for both 2018/19 and 2019/20 academic years, which has significantly increased the overall number of students. Demand for part-time courses has continued to increase following the success of degree apprenticeships.

Corporate and Professional qualifications revenue fell by 7.6% to £9.7m. Across the board, our qualifications and delivery were impacted by Covid-19, with registrations down during the months of March to May. Our key qualification in mortgage advice began to recover in July as restrictions eased.

Registrations for Level 3 Financial Capability qualifications grew by 9.7% but the withdrawal of the Level 2 from League tables affected overall revenue and the numbers of schools delivering our qualifications in this area.

Professional services revenue fell 13.2% with a reduction in revenue from events, combined with a drop in membership revenue. Other income includes £416k received from the UK government employment scheme (furlough).

Total expenditure for 2019/20 was £18.267m, an increase of 1% over the previous year's total, with the key analysis as follows



Staff costs increased by 3% to £8.75m. This represents 55% of income (2018/19 50%). Costs for academic departments fell by 6% to £4.187m, reflecting the decreasing volumes delivered during the year. Premises costs remained broadly in line with the previous year, while costs of professional and central services were reduced.

Investments

At 31 July 2020, we held fixed-asset investments with a market value of £3.455m (compared with £3.623m in 2019).

The Trustees, through the Senior Executive Team, delegate the discretionary powers of management of our fixed-asset investments to investment manager Rathbones, and fund values have recovered well since the start of the Covid-19 crisis.

The investment objective is to maximise long-term total return and it is measured against an agreed target. There is no specific direction given to the investment manager regarding social, environmental and ethical considerations. Our bank balances are held in cash funds managed by Barclays.

Pensions

The London Institute of Banking & Finance operates two schemes, a defined contribution scheme that is available to all employees and a defined benefit scheme that closed to future accrual on 31 March 2009.

The most recent triennial valuation of the defined benefit scheme was 31 December 2019, and this showed a technical provisions surplus of £2.42m (106% funded). No contributions were made to the fund during the year but, from 1 August 2021, LIBF has agreed to pay £100,000 per annum to the fund as a voluntary employer contribution, as it aims to reach a fully funded position on a low dependency basis. The volatility caused by the Covid-19 crises saw the scheme

move into deficit and at the end of the financial year this was approx. £500,000. Since the year end the scheme has moved back towards a surplus position.

Financial Outlook and the Impact of Covid-19 on Going Concern

To ensure we have a sound financial base and are well resourced to meet the challenges and opportunities we face, the long-term strategic plan contains key performance indicators on the level of operating surplus (excluding strategic investments) which we should generate each year, broadly 5-10% of revenue.

The strategy also outlines provision for building reserves and cash so they fall within the boundaries of our reserves policy. We aim to maintain a level of reserves that would enable us to fulfil our future commitment to existing alumni and students, notwithstanding unforeseen adverse events. The key performance indicator, a target range for the appropriate quantum of reserves, is currently estimated to be one year's operating costs in respect of alumni services, plus between one and two years' operating expenditure relevant to the provision of qualification services. This equates to a target level of between £6m and £12m.

Reserves for this purpose are defined as consolidated unrestricted income and expenditure reserves less tangible fixed assets. The overall value of those reserves fell during the year by £2.038m to £0.895m as follows:

	2019/20 £000	2018/19 £000
General reserves brought forward	2,933	3,709
Surplus/(deficit) in general funds	-1,208	-507
Strategic investments and capital	-261	-361
Restructuring costs	-350	-
Investment gains	-219	92
General reserves carried forward	895	2,933
Represented by: unrestricted income and expenditure reserve	2,807	4,961
Less: tangible fixed assets	-1,912	-2,028
	895	2,933

2019/20 Actions

Covid-19 began to impact international revenue early in 2020 as examinations were cancelled or deferred, while it impacted the UK predominantly during the period of lockdown from March to June 2020. Scenario planning indicated that we would be over £3m lower in forecast revenue and would not be able to sustain our original forecast of a small surplus. As a result, various cost reductions were put into place impacting staff cost via a recruitment freeze, postponing the annual pay award and using the government furlough scheme for around a third of the workforce. These measures alone

saved nearly £1m in the financial year and therefore reduced the scale of the reported deficit.

To shore up working capital, the Institute applied for a £1.5m Coronavirus Business Interruption Loan (CBIL), which was received at the end of August 2020. The loan is secured on the Canterbury premises, which are not included within the reserves calculation and therefore will add £1.5m to the general reserve highlighted above. The loan term is six years with no interest or repayment in the first year, thereafter it is at a margin of 2.85% above base rate, with a covenant requirement to maintain EBITDA above 1.5 times debt service. We also have the option of drawing down on investment funds which were not touched during the year.

2020/21 and Onwards

The forecasts and budgets have been re-modelled to take into account the impact of Covid-19, particularly on the 2020/21 financial year. In order to meet the new banking covenant, the Institute needed to cut its cost base by around £1.5m per annum, which included staff and other cost reductions. The majority of this was in place by the start of the financial year and will incur one-off restructuring costs of £350,000.

The forecasts indicate there is a return to surplus for the 2020/21 financial year, which then grows for the next four years to within the targets required by the financial strategy. Further action on costs will be taken if there is a sustained second wave which impacts our ability to stay within the covenant requirements.

Early trading indicates we are on target for 2020/21 having hit our forecast numbers for the full-time intake and having seen registrations for mortgage advice reach levels not seen for seven years. In addition, registrations from schools are in line with our forecasts.



Structure, Governance and Management

The governing body of The London Institute of Banking & Finance is the Board of Governors, which comprises the Chair, the Chief Executive and up to 15 appointed members, including a representative from the student body and a representative of the academic community. As Governors, members of the Board of Governors have a single overarching responsibility, which is to ensure that we fulfil our object as stated below. In addition, the members of the Board of Governors are the Trustees of the charity.

Corporate Governance

We have adopted the code of governance for the voluntary and community sector published by the National Governance Hub (a partnership of organisations working to improve governance of charities and other voluntary and community organisations). The code is not mandatory but we have decided to adopt it. We also take into account the Guide for Members of Higher Education Governing Bodies in the UK, published by the Committee of University Chairs.

Constitution

The London Institute of Banking & Finance was established in 1879 as the Institute of Bankers and has latterly used the working names Institute of Financial Services, *ifs School of Finance* and *ifs University College*. It was incorporated by Royal Charter in February 1987 and registered as a charity in June 1987. Amendments to the Charter followed in February 2000, December 2003, July 2006, May 2008, July 2010 and September 2016. These included formally changing the name and changes to the governance.

Charter

The Charter sets out our objects and powers. It requires us to establish a Board of Governors who are the Trustees, and an Academic Board.

The object for which we are constituted is the advancement of knowledge of, and education in, financial services as the Board of Governors may determine from time to time, and to carry out research and publish the useful results of such research for the benefit of the public.

The Trustees are cognisant of the Charity Commission guidance on public benefit and, in particular, guidance for fee-charging charities. The Trustees are satisfied with the steps they have taken in this regard.

Board of Governors

Members of the Board of Governors include senior personnel within the financial services and educational sectors who 'donate' their expertise, experience and limited time on a voluntary basis to act as Governors.

The primary responsibility of the Board is to oversee our strategic academic and educational direction and monitor the progress through regular timely reporting, including reports from all of the key Committees and reviews of key performance indicators. The Board also oversees the management of the finances, property and all business affairs.

Statement of Responsibilities of the Board of Governors

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

The Charities Act 2011 requires the Governors to prepare financial statements for each financial year. The Governors have to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland. The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of our state of affairs, and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting for Further and Higher Education;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain our transactions and disclose with reasonable accuracy at any time our financial position and that enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of our Charter and Statutes. They are also responsible for safeguarding our assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on our website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board meets at least four times a year and receives regular reports from management on our operational aspects, including a quarterly update against operational plan and minutes from all of the sub-committees, including the Academic Boards. At least one of the meetings includes a review of the strategy and five-year plan.

Through leadership of the Board, the Chair plays a key role in our business, ensuring that we are well connected with our stakeholders. The Chair promotes the wellbeing and efficient operation of the Board, and ensures that members work together effectively and have confidence in the procedures laid down for the conduct of business. The Chair ensures that committees play a central role in the proper conduct of the Board's business by exercising delegated powers and reporting back to the Board appropriately. The Chair should not be drawn into the day-to-day executive management.

Day-to-day responsibility is delegated to the Chief Executive leading the senior executive team. The Chief Executive is our academic and executive head and is responsible to the Board of Governors for academic, business and financial affairs, and for advising the Board on strategic direction.

It is management's duty to report on operational matters to the Board, including any variances to plan, and to ensure that the Board is presented with relevant information to support its debate on strategic issues.

Governor Selection and Induction

Board members are selected from the financial services industry, commerce, the educational system, the securities and investment sector, and public services.

When first elected to the Board, members receive a personalised induction programme, which comprises briefing sessions with the Chief Executive. These sessions provide Governors with an insight into our workings, nature and the Board, our strategic objectives, and their personal responsibilities as Governors.

In addition, opportunities are provided to meet other members of staff engaged in our activities, and an information pack is available for new and existing Governors. Governors are required to complete a register of interests and a fit and proper person declaration.

Board of Governors (Trustees)

The Trustees as at 31 July 2020 are as follows:

Steven Haberman (Chair)

Steven is currently Professor of Actuarial Science at Cass Business School, City, University of London. From 2002 to 2012, he was Deputy Dean and Director of Cass Business School, and then Dean for three years to the end of 2015.

Steven graduated in mathematics at the University of Cambridge. He qualified as a Fellow of the Institute of Actuaries in 1975, and obtained his PhD and DSc in actuarial science from City University. He is also a Fellow of the Royal Statistical Society and an Honorary Fellow of the Italian Institute of Actuaries.

Steven has worked at Prudential Assurance and for the Government Actuary's Department. He has been a member of the Council of the Institute of Actuaries, a Governor of the City of London Academy (Islington), and a member of the External Advisory Panel to the Morris Review of the UK Actuarial Profession, as well as a founder member of the Financial Reporting Council's Board for Actuarial Standards. He has acted as a consultant to Deutsche Bank, Swiss Reinsurance, the FSA and the National Audit Office, among others.

He is currently a member of Legal & General's Longevity Science Panel. In 2018, He was awarded an honorary doctorate by the University of Haifa, in recognition of his scientific contributions to the discipline.

Steven has co-authored 5 books and has written over 200 papers on a wide range of topics, including mortality and morbidity models, annuities, insurance pricing and pensions. His papers have won research prizes from the Institute of Actuaries (UK), Society of Actuaries (US) and the International Actuarial Association. He has also successfully supervised 30 doctoral students.

Alex Fraser
John Annette
Sabrina Del Prete
Shelley Doorey-Williams
Paul Gordon
David Kennedy
Ali Miraj
Sakhila Mirza
Philip O'Shea
Annabel Todd
Arjan van den Berkmortel
Damian Ward



The following Trustees served during the year but were not Board members when this report was signed:

- Maria Carapeto** (resigned January 2020)
- Harry Crossley** *Student Representative* (resigned August 2020)
- Amanda Francis** (resigned September 2019)
- Elona Gega** *Student Representative* (resigned September 2020)

Committees of the Board of Governors

Board of Governors			
Academic Board	Audit Committee	Remuneration and Nominations Committee	Executive Committees

Academic Board

The Academic Board is our supreme academic authority and guardian of the academic integrity and quality of its higher education awards.

The membership of the Board comprises a majority of persons with academic knowledge and experience at a senior level. The Board is chaired by the Chief Executive and is attended by all of the relevant academic heads and directors. Appointed members include no more than twelve academics with relevant qualifications and experience, one academic delivering teaching for our academic awards, two representatives of the student body, and one elected member of staff responsible for the delivery of the academic programmes who does not manage other staff engaged in such delivery. The principal functions of the Academic Board include to:

- guide the Board of Governors on educational strategy, legislation relating to educational provision, regulatory requirements affecting the award of degrees and the implications of the development of further or revised academic provision;
- approve courses and programmes of study leading to academic awards and all significant amendments or discontinuance;
- regulate all instruction, teaching and research;
- prescribe the criteria, procedures and guidelines for the assurance and the quality and standards of all courses and programmes of study and research;
- prescribe the requirements concerning all matters of academic sufficiency under which persons shall be permitted to pursue their studies.

The Academic Board meets at least four times a year and minutes of its meetings are reported to the Board of Governors.

Board members and external members of the committee are:

- Alex Fraser** (Chair)
- John Annette**
- Maria Carapeto**
- Tony Gandy**
- Alexander Gleave**
- John Hearn**
- Cathy Higgs**
- Heather McLaughlin**
- Ross David Miles**
- Gulnur Muradoglu**
- Osy Plummer**
- Hema Tank**
- Damian Ward**
- Suellen White**
- Simon Wolfe**

Audit Committee

The basic responsibility of the Audit Committee, which meets at least twice a year, is to satisfy itself as far as it can that the annual accounts follow approved accounting principles and give an accurate account of our affairs in as comprehensible a way as possible. It must satisfy itself that the external auditors have no cause for disquiet about any aspect of the accounts or of our control and audit procedures. The Committee also monitors the risk management and internal control processes and provides the Board of Governors with an annual report of its work. The Audit Committee is chaired by a member of the Board of Governors who is also a qualified accountant, and comprises at least one other Board member and one external member. It is also attended by a representative from the external and internal auditors.

- David Kennedy** (Chair)
- Hanif Barma** (appointed December 2019)
- Paul Gordon** (appointed December 2019)
- Maria Vetrone** (external member)

The following served during the year but was not a member when this report was signed:

- Amanda Francis** (resigned November 2019)

Remuneration and Nominations Committee

The Chair of the Board of Governors chairs the Remuneration and Nominations Committee, which meets at least once a year. It is responsible for making recommendations to the Board of Governors on the appointment of Governors, the Chair of the Board, the Chief Executive and Chairs of Committees.

The Committee determines and approves a framework and consistent policy for us on remuneration and pension arrangements. It is specifically responsible for setting the terms of service of the Chief Executive and Secretary to the Board and considers, where necessary and subject to the legislation and regulations applying to charitable bodies, any remuneration for the Chairs of the Board and the Audit Committee.

- Steven Haberman** (Chair)
- Harry Crossley** (resigned August 2020)
- Shelley Doorey-Williams**
- Sakhila Mirza**
- Arjan van den Berkmortel**
- Damian Ward** (Chair for discussion on Remuneration)

The following served during the year but was not a member when this report was signed:

- Amanda Francis** (resigned September 2019)

Executive Committees

The Senior Executive Team comprise fortnightly meetings of business heads which focus on strategy creation, budgets and financial review, and quarterly meetings of the Operating Committee, which oversees the successful management of operational risk, regulatory compliance and project management for shared services.

Senior Executive Team

- Alex Fraser**, Chief Executive
- Maria Carapeto**, Dean
- Mark Heaton**, Managing Director, Professional Education
- Linden Muirhead**, Director, Learning Provision
- Ian Parrett**, Chief Operating Officer
- Chris Ray**, Director of Innovation and Transformation
- Kareem Reefay**, Regional Director, Gulf & MENA
- Hema Tank**, Managing Director, Higher Education
- Heather Tilston**, Head of Marketing and PR
- Suellen White**, Registrar, Quality, Policy and Regulation
- Catherine Winter**, Managing Director, Financial Capability & Community Outreach



Reference and administrative details

Charity name

The London Institute of Banking & Finance

Charity number

297107

Incorporated in England by Royal Charter, registered number RC000719.

Registered office

8th Floor
Peninsular House
36 Monument Street
London
EC3R 8LJ

Principal advisers

Bankers

Barclays Bank plc
9 St George's Street
Canterbury
Kent
CT1 2JX

Solicitors

DAC Beachcroft
1 Minster Court
Mincing Lane
London
EC3R 7AA

External auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex

Internal auditor

KCG Audit Ltd
Kingston University
Kenry House, Kingston Hill Campus
Kingston Hill
Kingston upon Thames
KT2 7LB

Investment manager

Rathbones Investment Management Ltd
8 Finsbury Circus
London
EC2M 7AZ

The Report of the Board of Governors was approved by the Board of Governors on 19 November 2020 and signed for and on their behalf by

Steven Haberman

Chair

Disclosure of Information to Auditors

At the date of making this report, each of the Governors, as set out on page 24, confirm the following:

- so far as each Governor is aware, there is no relevant information needed by the Charity's auditors in connection with preparing their report of which the Charity's auditors are unaware; and
- each Governor has taken all the steps that he or she ought to take as a Governor in order to make him or herself aware of any relevant information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

The external auditor, BDO LLP, was appointed in the year.

Approved by the Board of Governors on 19 November 2020 and signed for and on their behalf by

Steven Haberman

Chair

Alex Fraser

Chief Executive

Independent Auditor's Report to the Board of Governors of The London Institute of Banking & Finance

Opinion

We have audited the financial statements of The London Institute of Banking & Finance ("the Institute") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the Consolidated and Institute statement of comprehensive income and expenditure, consolidated and Institute balance sheets, consolidated and Institute statement of changes in reserves, consolidated and Institute balance sheets, consolidated statement 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 of the Institute's affairs as at 31 July 2020 and of the Group's and the Institute's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

Other information

The board are responsible for the other information. 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 financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information included in the Report of the Board of Governors set out on pages 3 to 27 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.

Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material respects:

- Funds from whatever source administered by the Institute for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019:41) have been met.



We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The Institute's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The Institute's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information in the Governor's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the board of governors responsibilities statement set out on page 23, the board 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 board of governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the Group and the Institute'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 board either intend to liquidate the Group or the Institute or to cease operations, or have 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.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Institute have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS.

Use of our report

This report is made solely to the governors, as a body, in accordance with paragraph 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the board 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 Institute and the board as a body, for our audit work, for this report, or for the opinions we have formed.

James Aston

James Aston (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick

Date: 15 January 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The London Institute of Banking & Finance is a Registered Charity and incorporated by Royal Charter in England and Wales.

1. Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments and certain tangible assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): accounting for further and higher education 2019, and in accordance with Financial Reporting Standard FRS102. We are a public benefit entity and have therefore applied the relevant public benefit requirements of FRS102. The functional currency is pound sterling.

The Institute meets the definition of a qualifying entity under FRS102 as the results of the Institute are consolidated into the Group financial statements, which are publicly available. In accordance with FRS102 S1.12, the Institute has taken advantage of the exemptions in respect of the preparation of a cash flow statement, disclosure of the remuneration of key management personnel and the disclosure of financial instruments.

b) Going concern

We have considered the principal risks and likely impact of Covid-19 on the business for the next 12 months. The situation is rapidly changing making forecasting difficult, but we have considered how we may respond to the variety of challenges.

Within higher education, our 2020/21 intake exceeded expectations and we have the ability to deliver our programmes using a blend of face-to-face and online teaching or entirely online if required as a result of government interventions. We see no reason why there would be a decline in our intake for the next academic year starting in 2021.

The government has made a commitment to keep schools open and therefore our programmes will be delivered during the current academic year and registrations for our level 3 qualifications with a deadline at the end of October 2020 have already exceeded our forecast. We are also in a good place to deliver our Level 1 and 2 qualifications by e-learning. Our ability to adapt to different assessment methodology should the need arise was demonstrated during the April to June 2020 lockdown.

Our corporate and professional qualifications saw the largest impact from the Covid-19 lockdown but primarily they were impacted by the ability to deliver assessments rather than a shrinking market and these areas have since recovered to pre-Covid levels. We were already assessing many qualifications using electronic testing and have introduced a range of alternatives to enable this to be completed without

attending a centre. We are also looking to adapt some of our international qualifications in trade finance to enable them to be examined by this method. Having considered a number of scenarios, our budget for 2020/21 was based upon very conservative revenue assumptions. We have allowed some headroom before we move into another deficit position and there is scope to reduce costs mid-year as we did during the 2019/20 first lockdown period.

To boost liquidity, we arranged for a £1.5m government-backed Coronavirus loan which was received during August 2020 and we also have the investment fund of around £3m which can be drawn at relatively short notice. Our low point in the cashflow is normally October/November but this will be enhanced by the advance of student loan fees.

Management will review the financial performance of the organisation on a monthly basis, including an evaluation of actual results compared to budgets and forecasts and will report regularly to the Board.

The Board has a reasonable expectation that we have sufficient resources to continue in operation for at least 12 months from the signing date of these financial statements and therefore considers it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c) Basis of consolidation

The consolidated financial statements combine our financial statements and subsidiary undertakings. Further details of the subsidiary undertakings are disclosed in the notes to the accounts.

The subsidiary company, Institute of Financial Services Limited, has remained dormant throughout the period. Both LIBF Learning Limited and LIBF MENA Limited were trading during the period and have been consolidated into the financial statements.

Overseas centres have not been consolidated on the basis that they operate as separate legal entities governed by their own constitution. The grants made are given on the express undertaking that they will be applied wholly for educational purposes. Grants are included on the basis of amounts payable.

d) Recognition of income

Income from tuition fees and education contracts is recognised over the length of the course being offered.

Investment income is included on a receivable basis.

With no new life subscriptions being received, the balance is being released to income over a 20-year period on a straight-line basis. Other subscriptions and income are included on the basis of amounts receivable and any amounts received in advance included within deferred income.



Donations are included in the financial statements on the basis of amounts received.

All other incoming resources are included in income and expenditure when we are legally entitled to the income and the amount can be quantified with reasonable accuracy. Any amounts received in advance are included within deferred income.

Gift Aid is recognised as a distribution at the point that a specific obligation has been created.

e) Accounting for retirement benefits

We operate a funded defined benefit scheme, the assets of which are held in a specific trust separately from those of The London Institute of Banking & Finance. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost evenly over employees' working lives with us. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method and discounted using an AA corporate bond rate. The pension scheme assets are valued at market rate. Pension fund deficits are recognised in the balance sheet but surpluses are not recognised as assets where they cannot be recovered either through a refund from the scheme or reductions in future benefits.

We also operate a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the statement of comprehensive income and expenditure in the year to which they relate. These contributions are invested separately from the charity's assets in an independently administered fund.

f) Post-retirement benefits

Post-retirement benefits are included within the financial statements on the basis of the net present value of future cash flows, with any gains or losses charged to the income and expenditure account.

g) Operating leases

Rentals paid under operating leases are charged to revenue on a straight-line basis over the terms of the leases. Where incentives are offered at the start of a lease, these are spread over the period of the lease. Transitional arrangements have been applied to those lease incentives already in place at the time of transition.

h) Foreign currency transactions

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the statement of comprehensive income and expenditure as they arise.

i) Fixed assets

Individual assets costing £1,000 or more are capitalised at cost.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated using the following rates:

Leasehold improvements	10% over initial lease term
Computer hardware and software	33% per annum on cost
Furniture and equipment	25% per annum on cost

Computer hardware, software and items of furniture and equipment under £1,000 have been charged in full to revenue in the year of purchase.

The freehold building is stated at cost and depreciated over a period of 50 years.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

j) Investments

All investments are stated at market value, except for the 100% shareholding in the subsidiaries which is stated at cost. Market values have been determined as follows, with realised and unrealised gains and losses taken to the statement of financial activities:

- quoted investments at mid-market value;
- unit trusts and managed fund investments are stated at the average of the bid and offer prices.

k) Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Work in progress represents expenditure on the production of our publications where the first print is still to take place. Such expenditure will be written off at the first print run.

l) Cash and cash equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and deposits but excludes cash held as part of the investment portfolio.

m) Taxation

We are an exempt charity within the meaning of the Charities Act 2011 and, as such, are a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988. Accordingly, we are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. We receive no similar exemption in respect of value added tax.

The subsidiary trading companies operate as commercial organisations and are subject to corporation tax. The profits of these companies are Gift Aided to us and tax is provided for to the extent that trading profits exceed the amounts formally committed to in the year.

n) Reserves

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of our general objectives and which have not been designated for a specific purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose. The aim of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by us for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.



Consolidated statement of comprehensive income and expenditure for the year ended 31 July 2020

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £000s	Institution £000s	Consolidated £000s	Institution £000s
Income					
Tuition fees and education contracts	1	13,663	13,101	14,828	14,460
Funding Body Grants	2	94	94	-	-
Other income	3	2,063	2,060	1,941	1,921
Investment income	4	95	98	135	155
Donations	5	110	110	18	18
Total income		16,025	15,463	16,922	16,554
Expenditure					
Staff costs	6	9,103	9,103	8,487	8,487
Other operating expenditure	7	8,972	8,188	9,410	9,018
Depreciation	8	192	192	191	191
Total expenditure		18,267	17,483	18,088	17,696
(Deficit) before other gains losses		(2,242)	(2,020)	(1,166)	(1,142)
(Losses)/gains on investment assets	9	(237)	(237)	108	108
Actuarial (loss)/gain in respect of pension schemes	20	(192)	(192)	-	-
(Deficit) for the financial year		(2,671)	(2,449)	(1,058)	(1,034)
Total comprehensive income for the year		(2,671)	(2,449)	(1,058)	(1,034)
Represented by:					
Restricted comprehensive income for the year		(225)	(225)	(287)	(287)
Unrestricted comprehensive income for the year		(2,446)	(2,224)	(771)	(747)
		(2,671)	(2,449)	(1,058)	(1,034)

All items of income and expenditure relate to continuing activities
The accompanying notes on pages 37 to 46 form part of these financial statements.

Consolidated and institute statement of changes in reserves for the year ended 31 July 2020

Consolidated	Unrestricted £000s	Restricted £000s	Total £000s
Balance at 1 August 2018	5,732	938	6,670
(Deficit) from the income and expenditure account	(771)	(287)	(1,058)
Total comprehensive income for the year	(771)	(287)	(1,058)
Balance at 1 August 2019	4,961	651	5,612
(Deficit) from the income and expenditure account	(2,446)	(225)	(2,671)
Total comprehensive income for the year	(2,446)	(225)	(2,671)
Balance at 31 July 2020	2,515	426	2,941

Institution	Unrestricted	Restricted	Total
Balance at 1 August 2018	5,732	938	6,670
(Deficit) from the income and expenditure account	(747)	(287)	(1,034)
Total comprehensive income for the year	(747)	(287)	(1,034)
Balance at 1 August 2019	4,985	651	5,636
(Deficit) from the income and expenditure account	(2,224)	(225)	(2,449)
Total comprehensive income for the year	(2,224)	(225)	(2,449)
Balance at 31 July 2020	2,761	426	3,187



Consolidated and institute balance sheets as at 31 July 2020

	Notes	As at 31 July 2020		As at 31 July 2019	
		Consolidated £000s	Institute £000s	Consolidated £000s	Institute £000s
Non-current assets					
Fixed assets	8	1,912	1,912	2,028	2,028
Investments	9	3,455	3,455	3,623	3,623
		5,367	5,367	5,651	5,651
Current assets					
Stock and work in progress	10	47	47	55	55
Trade and other receivables	11	1,838	2,195	2,865	2,906
Cash at bank and in hand		873	750	2,160	2,103
		2,758	2,992	5,080	5,064
Creditors: amounts falling due within one year	12	(4,804)	(4,792)	(5,039)	(4,999)
Net current (liabilities)/assets		(2,046)	(1,800)	41	65
Total assets less current liabilities		3,321	3,567	5,692	5,716
Provisions					
Other provisions	13	(88)	(88)	(80)	(80)
Pension provisions	20	(292)	(292)	-	-
Total net assets		2,941	3,187	5,612	5,636
Restricted funds					
Income and expenditure reserve - restricted	14	426	426	651	651
Unrestricted reserves					
Income and expenditure reserve - unrestricted		2,807	3,053	4,961	4,985
Pension reserve	20	(292)	(292)	-	-
		2,515	2,761	4,961	4,985
Total Reserves		2,941	3,187	5,612	5,636

The financial statements were approved by the board on 19 November 2020 and signed on its behalf on that date by:

Steve Haberman

Steven Haberman
Chair

Alex Fraser

Alex Fraser
Chief Executive and Accountable Officer

The accompanying notes on pages 37 to 46 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 July 2020

	Notes	2020 £000s	2019 £000s
Cash flow from operating activities			
(Deficit) for the year		(2,671)	(1,058)
Adjustment for non-cash items			
Losses/(gains) on investments and property	9	237	(108)
Investment income	4	(95)	(135)
Depreciation, profit on sale and amortisation	8	192	191
Decrease in stocks		8	1
Net decrease/(increase) in debtors		1,027	(680)
Net (decrease) in creditors and provisions		65	(135)
Net outflow from operating activities		(1,237)	(1,924)
Cash flows from investing activities			
Investment income	4	95	135
Payments to acquire tangible fixed assets	8	(76)	(196)
Payments to acquire investments	9	(990)	(1,322)
Receipts from sales of investments	9	966	2,319
		(5)	936
(Decrease) in cash and cash equivalents in the year	15	(1,242)	(988)
Cash and cash equivalents at the beginning of the year	15	2,230	3,218
Cash and cash equivalents at the end of the year	15	988	2,230

The notes on pages 37 to 46 form part of these financial statements.



Notes to the financial statements

for the year ended 31 July 2020

	2020 Consolidated £000s	2020 Institute £000s	2019 Consolidated £000s	2019 Institute £000s
1. Tuition fees and education contracts				
Higher Education students				
Full-time Home and EU students	1,222	1,222	943	943
Part-time students	522	522	422	422
Financial capability qualifications	2,217	2,217	2,959	2,959
Corporate and professional qualifications	9,702	9,140	10,504	10,136
	13,663	13,101	14,828	14,460
2. Funding body grants				
Office for students recurrent grant	94	94	-	-
	94	94	-	-
3. Other income				
Professional and alumni services	1,550	1,484	1,778	1,697
Government grants	416	416	-	-
Rent receivable	97	-	163	-
Management charges	-	160	-	224
	2,063	2,060	1,941	1,921
<i>The government grant represents money received under the Uk Government Coronavirus Job Retention Scheme</i>				
4. Investment income				
Investment income on restricted reserves	8	8	16	16
Other investment income	87	87	119	119
Gift aid	-	3	-	20
	95	98	135	155
5. Donations				
Restricted fund donations	110	110	18	18
General donations	-	-	-	-
	110	110	18	18
Note: The source of grant and fee income, included in notes 1 to 3 is as follows:				
Grant income from the OfS	94	94	-	-
Grant income from other bodies	416	416	-	-
Fee income from non-qualifying courses (exclusive of Vat)	11,919	11,357	13,463	13,095
Fee income for taught awards (exclusive of Vat)	1,744	1,744	1,365	1,365
	14,173	13,611	14,828	14,460

Notes to the financial statements

for the year ended 31 July 2020

6. Staff costs	2020	2019
Group and Institute	£000s	£000s
Salaries	7,541	7,288
Social security costs	723	745
Pension cost	489	454
	8,753	8,487
Restructuring costs	350	-
	9,103	8,487
Remuneration of the Chief Executive		
Emoluments	193	195
Pension costs	15	10
Benefits - medical insurance	2	2

The Chief Executive's basic salary is 6.3 times (2019 6.1 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by LIBF to its staff.

The Chief Executive's total remuneration is 6.3 times the median total remuneration of colleagues (2019 6.1), where the median pay is calculated on a full-time equivalent basis for the salaries paid by LIBF to its staff.

The Chief Executive's salary is reviewed annually by the Remuneration and Nominations Committee. This takes into account a review of the personal objectives and performance of LIBF by the Chair. The salary of the Chief Executive is determined according to a number of factors including the breadth of responsibilities, accountability, size of organisation and comparative data.

Average monthly number of employees calculated on the basis of full time equivalents was:	2020 Non-Covid Equivalent*	2020 Number	2019 Number
Academic departments and support services	105	100	100
Professional services	28	26	29
Premises	8	8	7
Central services	39	37	43
	180	171	179

* The non-covid equivalent is given for information purposes and represents the figures without adjustment for reduction of hours as a result of Covid-19.

The basic remuneration of higher paid staff, excluding pension contributions in excess of £100,000 was:

£105,000 - £109,999	2	2
£110,000 - £114,999	-	1
£120,000 - £124,999	1	-
£140,000 - £149,999	-	1
£155,000 - £159,999	-	1
£190,000 - £194,999	1	-
£195,000 - £199,999	-	1

Key management personnel listed on page xx are those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. This includes the Chief Executive and members of the Senior Executive Team. No Board member has received any remuneration/waived payments from the group during the year in respect of their services to the Board.

	2020	2019
	£000s	£000s
Key management personnel compensation	1,639	1,643



Notes to the financial statements

for the year ended 31 July 2020

6. Staff costs (continued)

Severance payments - during the year the Institution undertook restructuring which resulted in £54k in compensation for loss of office being paid to 3 employees. (2018/19: £0 to 0 employees). Shortly before the end of the financial year the Institute undertook a significant restructure which will result in £350k in compensation for loss of office being paid to 21 employees for which a provision has been made in these accounts.

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the Institution's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by Institution management in accordance with delegated authority.

7a. Other operating expenditure	2020	2020	2019	2019
Other operating expenses included:	Consolidated	Institute	Consolidated	Institute
	£000s	£000s	£000s	£000s
Academic departments and support services	4,187	3,404	4,458	4,066
Professional services	544	544	702	702
Premises	1,578	1,578	1,570	1,570
Central services	2,387	2,386	2,514	2,514
Restricted funds	221	221	121	121
Auditor's remuneration				
External auditor's remuneration in respect of audit services	55	55	40	40
External auditor's remuneration in respect of non-audit services	-	-	5	5
	8,972	8,188	9,410	9,018

7b. Access and participation plan (APP) expenditure	2020
	£000s
Access investment	10
Financial support provided to students	25
Support for disabled students	-
Research and evaluation expenditure	5
	40
The total of the approved expenditure in our APP for the year ended 31 July 2020 was	40

Actual expenditure was lower than the approved plan of £58k due to lower student numbers.

Details of the approved plan can be found at:

https://www.libf.ac.uk/docs/default-source/HE/HE-Policies/access-participation-plan-2019-20.pdf?sfvrsn=9910508d_9

As set out in the accounts direction (OfS2019.41), no comparatives have been given as the prior year expenditure relates to the widening participation plan and the amounts are not comparable.

Notes to the financial statements

for the year ended 31 July 2020

8. Fixed assets

Consolidated and Institute

	Freehold property £000s	Leasehold improvements £000s	Computer installation, furniture and equipment £000s	Total £000s
Cost				
At 1 August 2019	1,664	1,534	1,820	5,018
Additions	-	-	76	76
Disposals	-	-	-	-
At 31 July 2020	1,664	1,534	1,896	5,094
Depreciation				
At 1 August 2019	123	1,294	1,573	2,990
Charge for the period	26	60	106	192
Disposals	-	-	-	-
At 31 July 2020	149	1,354	1,679	3,182
Net book value				
At 31 July 2020	1,515	180	217	1,912
At 31 July 2019	1,541	240	247	2,028

Cost of freehold property and net book valued prior to revaluation £833,243.

A valuation, based on existing use value, was carried out by a qualified chartered surveyor, Strutt and Parker, as at 31 July 2016, showing the value at £1.6m. The value of land included within freehold property is £350,000. As this is not significantly different from the net book value there is no indication of impairment of the asset.



Notes to the financial statements for the year ended 31 July 2020

	General £000s	Restricted £000s	2020 Total £000s	2019 Total £000s
9. Non-current investments (consolidated & institute)				
As at 1 August 2019	3,105	448	3,553	4,442
Additions	953	37	990	1,322
Disposals	(942)	(24)	(966)	(2,319)
Investment gains	(219)	(18)	(237)	108
As at 31 July 2020	2,897	443	3,340	3,553
Investments at cost				
Managed funds				
UK equities	1,104	455	1,559	1,524
Overseas equities	879	-	879	838
UK fixed interest	261	-	261	281
Alternatives	451	-	451	509
Cash	113	2	115	70
	2,808	457	3,265	3,222
Investments at market value				
Managed funds				
UK equities	1,038	443	1,481	1,585
Overseas equities	1,129	-	1,129	1,153
UK fixed interest	255	-	255	296
Alternatives	475	-	475	519
	2,897	443	3,340	3,553
Cash	113	2	115	70
	3,010	445	3,455	3,623

Funds were managed during the year by Rathbones. Fees are charged separately to The London Institute of Banking & Finance and deducted from the investment portfolio.

The Charity controls the following subsidiary undertakings, in which its investment amounts to £6 (2019 £5).

	Holding	Nature of Business	Incorporated
LIBF Learning Limited	100% £1 Ordinary shares	Events, sponsorship	England and Wales
Institute of Financial Services Limited	100% £1 Ordinary shares	Dormant	England and Wales
<i>ifs</i> ProShare Limited	100% £1 Ordinary shares	Dormant	England and Wales
The London Institute of Banking & Finance (MENA) Ltd	100% \$1 Ordinary shares	Education in MENA region	Abu Dhabi
The London Institute of Banking & Finance (APAC) PTE Ltd	100% \$1 Ordinary shares	Education in APAC region	Singapore

The results of the limited companies, which are incorporated into the statement of income and expenditure and balance sheet are:

	LIBF Learning Limited		LIBF (MENA) Ltd	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Income	163	323	562	368
Expenditure	(160)	(253)	(784)	(392)
Surplus/(deficit) for the year	3	70	(222)	(24)
Current assets	6	16	389	437
Creditors	(6)	(16)	(635)	(461)
Total net assets	-	-	(246)	(24)

Notes to the financial statements for the year ended 31 July 2020

	2020 Consolidated £000s	2020 Institute £000s	2019 Consolidated £000s	2019 Institute £000s
10. Stock and work in progress				
Publications and sundry stock	47	47	55	55
	47	47	55	55

11. Trade and other receivables

Due within one year				
Members and trade receivables	1,275	1,022	2,123	1,719
Amounts owed from group undertakings	-	630	-	445
Other debtors	2	2	40	40
Prepayments	484	464	660	660
Due after more than one year				
Members and trade receivables	77	77	42	42
	1,838	2,195	2,865	2,906

12. Creditors: amounts falling due within one year

Trade payables	795	795	1,531	1,529
Other creditors and accruals	1,572	1,564	1,216	1,199
Social security and other taxation payable	150	150	188	171
Deferred income (see below)	2,287	2,283	2,104	2,100
	4,804	4,792	5,039	4,999

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

Subscriptions	377	402	402	402
Qualifications	1,834	1,795	1,614	1,614
Life subscriptions	74	84	84	84
Grants	2	2	-	-
Membership and support	-	-	4	-
	2,287	2,283	2,104	2,100



Notes to the financial statements

for the year ended 31 July 2020

13. Provision for liabilities

Consolidated and Institution

Post-
Retirement
Healthcare
£000s

Balance at 1 August 2019	80
Amounts released during the year	(7)
Discount charges for the year	4
Charged to income and expenditure account	11
Balance at 31 July 2020	88

Post-retirement healthcare

The London Institute of Banking & Finance continues to provide post-retirement healthcare benefits to certain retired employees and their spouses, a benefit that ceased to be offered to existing staff some years ago. A provision is made in line with FRS 102 using a discount rate of 5.0% (2019 5.0%) and a rate of increase in medical costs of 7% (2019 7%).

14. Restricted funds

Reserves with restrictions are as follows:

Consolidated and Institution

	Alumni and Scholarship fund £000s	Bursary fund £000s	Grunfeld fund £000s	Strudwick Prize fund £000s	2020 Total £000s	2019 Total £000s
New donations	107	3	-	-	110	18
Investment income	-	4	4	-	8	16
Expenditure	(4)	(64)	(257)	-	(325)	(337)
	103	(57)	(253)	-	(207)	(303)
Increase in market value of investments	-	(9)	(9)	-	(18)	16
	103	(66)	(262)	-	(225)	(287)
Fund balances brought forward at 1 August 2019	145	213	289	4	651	938
Fund balances carried forward at 31 July 2020	248	147	27	4	426	651
Represented by:						
Investments	-	208	237	-	445	455
Net current assets	248	(61)	(210)	4	(19)	196
	248	147	27	4	426	651

The Alumni and Scholarship fund gives past students the opportunity to participate in this vision and support diverse future generations of financial services professionals. The primary purpose of the fund is to provide support for students undertaking The London Institute of Banking & Finance's full-time undergraduate degree programmes. The Bursary fund provides means-tested assistance to both full and part-time students.

The Grunfeld fund was received by The London Institute of Banking & Finance from the Henry Grunfeld Foundation in March 1999 on the undertaking that it would fulfil the foundation's existing obligations and hold the balance of the fund for the purposes of the education of persons working in banking and financial services in London.

The Strudwick Prize fund was received as bequest under the will of Mr HEH Strudwick, FCIB on the undertaking that the £30,000 be used to support a prize in his name.

Notes to the financial statements

for the year ended 31 July 2020

15. Reconciliation of cash flow to balance sheet

	Balance at 1 Aug 19 £000s	Cash flows £000s	Balance at 31 Jul 20 £000s
Cash at bank and in hand	2,160	(1,287)	873
Cash held with investments	70	45	115
	2,230	(1,242)	988

16. Lease obligations

Total rentals payable under operating leases

	2020		2019	
	Land & Buildings £000s	Other £000s	Land & Buildings £000s	Other £000s
Future minimum lease payments due				
Not later than 1 year	1,075	29	875	32
Later than 1 year and not later than 5 years	3,169	33	3,427	58
Later than 5 years	2,556	-	3,373	-
Total lease payments due	6,800	62	7,675	90

17. Related party transactions

The London Institute of Banking & Finance has taken advantage of the exemption available under FRS102 Related Party Transactions not to disclose transactions included within the group.

18. Contingent liabilities

There are no contingent liabilities as at 31 July 2020 (2019 nil).

19. Events after the reporting period

On the 25 August 2020 the Institute received a Coronavirus Business Interruption Loan (CBIL) in the sum of £1.5m. The loan is repayable over 6 years at a margin of 2.85% per annum above the base rate although there are no repayments or interest in the first year. The loan is secured on the freehold property at 4-9 Burgate Lane, Canterbury which was valued for this purpose at £1.8m.



Notes to the financial statements

for the year ended 31 July 2020

20. Pension scheme

The London Institute of Banking & Finance operates two schemes, a defined contribution scheme that is available to new employees and a defined benefit scheme that closed to future accrual on 31 March 2009. Contributions to the defined benefit scheme for the year ending 31 July 2019 are expected to be £nil.

A full actuarial valuation was completed as at 31 December 2019 and the results from this valuation have been updated to 31 July 2020 by a qualified independent actuary as follows:

	2020	2019
Discount rate	1.3%	2.0%
Price inflation (CPI)	2.1%	2.4%
Pension increases pre 2006 excess over GMP	2.1%	2.4%
Pension increases post 2006 pension	1.7%	1.9%
Assumed life expectancies on retirement at age 60 are:		
Retiring today		
Males	27.1	27.9
Females	29.5	28.9
Retiring in 20 years' time		
Males	28.5	29.3
Females	31.0	30.5

The assets in the scheme were:	Value at 31 Jul 20 £000s	Value at 31 Jul 19 £000s	Value at 31 Jul 18 £000s	Value at 31 Jul 17 £000s
Investment fund	15,828	20,217	21,399	24,154
Matching fund	31,386	26,232	21,455	19,600
Fair value of scheme assets	47,214	46,449	42,854	43,754

The actual return on assets over the period was:	2,142	5,146	705	2,267
	2020 £000s	2019 £000s		
Present value of funded obligations			(47,506)	(45,983)
Fair value of scheme assets			47,214	46,449
Surplus in funded scheme			(292)	466
Irrecoverable surplus			-	(466)
Net liability in balance sheet			(292)	-

Notes to the financial statements

for the year ended 31 July 2020

	2020 £000s	2019 £000s
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Benefit obligation at the beginning of the year	45,983	40,426
Interest cost	907	1,031
Actuarial gain/(loss)	1,893	5,875
Past service cost	-	202
Benefits paid	(1,277)	(1,551)
Liabilities at the end of year	47,506	45,983
Analysis of movement in the present value of scheme assets		
Fair value of scheme assets at beginning of year	46,449	42,854
Expected return on scheme assets	915	1,094
Actuarial gain/(loss)	1,227	4,052
Benefits paid	(1,277)	(1,551)
Fund administrative costs	(100)	-
Fair value of scheme assets at end of year	47,214	46,449
Analysis of amount recognised in the comprehensive income and expenditure account		
Service cost - including current service cost, past service cost and settlements	-	202
Service cost - administrative cost	100	-
Total expense	100	202
Remeasurement of the net defined benefit liability/(asset) to be shown in other comprehensive income		
Actuarial gains/(losses) on the liabilities	1,893	5,875
Return on assets, excluding interest income	(1,227)	(4,052)
Change in the amount of surplus that is not recoverable, excluding interest income	(474)	(2,025)
The measurement of the net defined benefit liability/(asset) to be shown in other comprehensive income	192	(202)

21. Accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Defined benefit scheme – management’s estimate of the scheme is based on a number of critical underlying assumptions such as rates of inflation, mortality and the investment returns of the scheme. The assumptions are reviewed annually with a qualified actuary. Variation in these assumptions may significantly impact the net valuation which is currently showing deficit of £0.3m. If the discount rate assumption is increased by 0.1% a year, then it is estimated this will reduce the liabilities (present value of funded obligations) as at 31 July 2020 by approximately £0.9m (from £47.5m to £46.6m) which would result in a surplus of around £0.6m

Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date. Uncertainties in these estimates relate to changes in the useful lives of certain software and IT hardware as well as the useful life and value of the building the Institute own. The value of the building is deemed cost as at 1 August 2015.

Post-retirement healthcare – management’s estimate of the liability is based on assumptions about the discount rate, the rate of inflation as well as mortality. The assumptions are reviewed annually based on the prevailing marketing conditions with the current obligation valued at £80,000.



Annual Report & Accounts 2019 – 2020



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