

**The London Institute
of Banking & Finance**

Annual Report & Accounts 2020 - 2021



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Contents

The London Institute
of Banking & Finance

	Page
Welcome from the Chief Executive	3
Organisation Overview	4
Professional Education	6
Higher Education	9
Financial Education & Community Outreach	11
Global Learning/MENA	14
Human Resources/People	16
Equality and Diversity Policy Statement	17
Centre for Digital Banking & Finance	18
Centre for Sustainable Finance	18
Centre for Governance, Risk and Regulation	18
Sustainability	20
Financial Review	21
Statement of Corporate Governance	24
Statement of Responsibilities of the Board of Governors	24
Board of Governors (Trustees)	25
Committees of the Board of Governors	26
Risk Management	27
Reference and Administrative Details	28
Disclosure of Information to Auditors	28
Auditor's Report	29
Statement of Principal Accounting Policies	31
Consolidated Statement of Comprehensive Income and Expenditure	34
Consolidated and Institute Statement of Changes in Reserves	35
Consolidated and Institute Balance Sheets	36
Consolidated Statement of Cash Flows	37
Notes to the Financial Statements	38



Welcome



Alex Fraser
Chief Executive

It is pleasing to be able to reflect on a very successful year across the range of our different activities, both in the UK and internationally, despite the continuing impact and uncertainty of Covid-19. The results are a great testimony to the hard work of my colleagues and to the resilience and commitment of the many thousands of students who have sat for one of our qualifications this year.

Our two full-time undergraduate degrees have for the first time attracted over 500 applicants and we will welcome the largest ever first-year cohort to our campus this year. For the 2021 academic year, given the increased enrolments, we plan to devote more of our London estate to our full-time students and to enhance the support we provide for them in areas such as careers and employability. We have increased the number of degree apprenticeship schemes and are currently running programmes for major financial institutions based in the UK, North America and Japan.

Despite continued Covid-related disruption, over 650 schools and colleges have registered students for our Financial Education qualifications this year and we were particularly pleased with the increase in registrations for our Level 3 qualifications. This clearly demonstrates the importance educational professionals attach to ensuring that young people leave secondary education with a good grasp of financial matters.

In Professional Education, the various government schemes to support the property market have helped drive the highest numbers of registrations for our suite of Mortgage Advice qualifications since the financial crisis. We have also enjoyed success with our other regulated advice qualifications.

Internationally, we have seen a strong recovery in our Trade and Transaction Banking qualifications as Covid-related restrictions were eased in key South East Asian markets and as more students took advantage of the flexible assessment options that we introduced during the year.

Our partnership with Abu Dhabi Global Market (ADGM) Academy has entered its fourth year of operation and this year 100 young Emiratis studied for the Institute's International Banking qualifications prior to embarking on a career in banking as part of the government's Emiratisation programme. Outside of Abu Dhabi, we have continued to work with partners and financial institutions in Saudi Arabia, Bahrain and Egypt. We have continued to invest in our MENA operation with a view to building more teaching and business development capacity in the region and broadening the range of programmes we offer.

We had a successful year in South East Asia, winning mandates in Singapore and forging new relationships in other parts of the region.

In May we launched a Centre for Governance, Risk and Regulation to sit alongside our existing Centres for Digital Banking and Sustainable Finance. These Centres bring together leading practitioners and educators in the disciplines, who collaborate on the rapidly growing number of programmes the Institute runs and contribute to our thought leadership.

Finally, I would like to take this opportunity to thank all those who give of their time so generously in support of the Institute and our work. Through their insightful contributions at our various Boards and Committees and through their participation at the many virtual events we have staged this year, they have played an important part in our success.

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 Education & 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 education qualifications each year



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



Higher Education

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 Education & 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.

Higher Education

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.

Professional Education

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.

Professional Education

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, modernising and updating qualifications.**
- **In consultation with the market, expand our service to the financial advice and mortgage advice community.**
- **Increase presence in the Asia Pacific region to support our training and education development strategy.**
- **In response to the Covid-19 pandemic, implement changes to the assessment models for our Trade qualifications.**

Measuring Success

Professional Education was created in August 2020 as a merger of our UK and most of our International Business areas. It is pleasing to note that our overall year end revenue figure was £11.9m and 33% ahead of last year's figure. This has been influenced by a burgeoning growth in Mortgage Advice and supported further by our other areas faring well in what has been a difficult business landscape. We have made positive strides forward in the training sector, securing a small number of sizeable training mandates; this success has heightened our desire to further develop our offering within this space.

Progress During the Year

Financial Services

Mortgage Advice: Our Mortgage Advice area generated £5.03m in revenue at year end - the highest total for many years. While we have been helped by the buoyant property market and various government support schemes, we have also introduced a new qualification for protection advisers (CertPro), which has been very well received, created new and improved support materials, and in June launched a new designation, Certified Mortgage Adviser (CMA), which has proved popular.

Following what was a turbulent year for the housing market, our flagship qualification CeMAP® has benefited greatly from the significant increase in house purchases propelled by the government incentive schemes. Although registration figures stabilised towards the end of the year, CeMAP® continued to perform significantly ahead of last year and, as a result of the increased registrations for mortgages, our expanded support packages have also seen an increase in demand, showing an uplift of 60.7% on 2019/20 figures.

The launch of the Certificate in Protection (CertPro) has exceeded expectations, achieving its first year's business plan 3 months ahead of schedule, securing an impressive 452 registrations at year end. We have forged strong corporate links with three significant advice networks who are using CertPro as a standard of professionalism for their protection advisers. The process for granting a unit exemption into CeMAP® has also been completed.

Financial Advice: Our Diploma for Financial Advisers (DipFA®) remains one of the leading regulated FCA-approved financial advice qualifications, with income generated up 10.3% on last year. The Level 6 Diploma in Financial Advice (Adv DipFA®) remains strong, with the introduction of a new enhanced unit of study, Financial Planning in Retirement (FPIR). Within the first registration period, 50 students applied and have completed the first phase of the qualification. The innovation incorporated into FPIR has further enhanced our reputation for practicality, utilising forum contribution, video presentation and a timed open-book assessment.

Later-life planning continues to grow with an ageing population wishing to pass on their wealth to their families within their lifetime. As a result, more advisers are moving into this area, both for financial advice and equity release advice. With increased focus on this segment of the industry, we have worked with our corporate partners to introduce a set of webinars in partnership with UK Finance and have consulted with the Equity Release Council and other corporates to take forward plans to produce an industry standard CPD proposition that is recognised by the Institute.

Banking

It has been a challenging year for banking, with registrations and revenue down across the majority of qualifications due to Covid-19, the impact of bank restructures and the associated effects on student capacity to study. The pandemic resulted in many students pausing programmes or deferring their exams by up to 12 months, although in recent months we have noticed a positive trend of students re-engaging with their studies and moving through to completion.

This year has seen the addition of two new programmes to enhance our offering in the banking arena, the Level 3 Certificate in Retail and Digital Banking (CertRDB) and the Professional Experiential Route (PER) to chartered status. CertRDB's target market is frontline staff working in retail banking and/or digital roles. We have already received significant interest from several key banking relationships and we are anticipating this to be very popular with the banks in the next financial year. PER provides a route to chartered status for banking professionals with a minimum of ten years' industry experience. Achievement is gained through self-reflective learning rather than the traditional professional qualification route.



CeMAP
revenue
35%
ahead of last year

Trade
Finance income
increased by
27%

452
CertPro registrations
achieved since launch

Trade and Transaction Banking

Despite ongoing market challenges, we have made significant progress over the last 12 months with our Trade and Transaction Banking qualifications and have substantially broadened our international reach. Revenue increased by 27% when compared to last year, taking us to £2.9m, which was no doubt influenced by our increased network, the introduction of remote invigilation, the conversion to on-demand for certain qualifications and the significant number of deferred registrations from last year.

Covid-19 has had a profound transformative impact across the whole global banking and finance sector, including significant reductions in headcount and L&D spend, but as predicted last year it has also given rise to a range of new opportunities, as banks that may have resisted in the past look to go fully digital. This digital movement has also paved the way for conversion to a learner-led 'on-demand' exam system, allowing students to tailor their exam booking, providing flexibility with date, time and location of the sitting.

The pandemic also prompted an expected and significant rise in the number of deferrals and a reduction of new registrations in the Asia market for session-based examinations. We responded swiftly and positively to this challenge, moving forward with the digitisation of our Trade Finance learning materials, enhancing the learning experience with the usage of Brightspace and converting CDCS and CSDG to on-demand, resulting in our qualifications becoming easily accessible to students wherever they are. With the extensive Pearson VUE exam centres' presence globally, the test centre footprint has been widened considerably from what was previously capitals and second cities. With test centre availability even in the most remote parts of the world, an on-demand approach to exams will also dramatically reduce the need for travel and associated costs at a time when movement might be restricted due to subsequent Covid outbreaks.

Our third annual trade finance conference held in May was a great success, this year hosted as a virtual event, which allowed it to be more inclusive, attracting a much higher number of participants. By way of example, our corporate partner in Egypt registered 40 candidates from a number of Egyptian banks that would not have been able to make the journey to London when it was held as a live event. This conference continues to keep the Institute relevant in the trade and transaction banking arena and allows us to promote the Certificate in Trade Finance Compliance (CTFC) to a far wider audience.

Singapore Office

The Singapore office was opened mid-2019 to offer bespoke training for local and international banks along with a selection of LIBF's professional qualifications in the Asia Pacific region. The Singapore entity provides LIBF with a 'stepping stone' from which to service the wider APAC community through long standing corporate relationships. Our key focus for the coming year will be to strengthen partnerships and continue to build our profile within five key ASEAN countries: Singapore, Malaysia, Thailand, Vietnam and Indonesia. Following the successful delivery of multiple training programmes and to support our plans to develop in this region, we have also appointed a new Business Development Director to spearhead our growth in these target markets.

This year we have established a number of new partnerships and collaborations in the region. In Singapore, the Institute of Banking & Finance have been accrediting each of our new programmes, enabling students to take advantage of the enhanced course subsidies that are currently being offered.

In the wider APAC region, our partnership with the Asian Banking School is going from strength to strength. Having delivered a selection of bespoke Professional Education programmes to students in Malaysia and beyond, we are now looking to expand the offering into other specialist areas. Most recently, in Thailand, we have initiated a collaboration with the University of the Thai Chamber of Commerce.

Programme Partners and Accreditation

A new Level 6 qualification delivered by Practical Financial Exams has been accredited by LIBF. We were impressed with their innovative ways of assessing students and their programme complements our own Level 6 proposition for investment advice.

Gold-standard Trusted Partner status has been awarded this year to Simply Academy, a long-standing provider of CeMAP® learning support. In addition to this, we are now working with them to provide a Financial Adviser Academy focusing on adviser skills training; this is scheduled for launch in the autumn.

Despite a challenging year within the leasing industry, registrations for our Level 5 DipAF have remained buoyant due to the quality of the programme and the strong relationship we hold with our long-standing partner, the Finance & Leasing Association (FLA).

This period has also seen us develop new relationships with the Institute of Banking Studies in Yemen, International Chamber of Commerce Vietnam and Institute of Banking and Finance in Cambodia, as well as enhancing our existing partnerships. In conjunction with this, we have also developed more meaningful direct relationships with a number of banks in Asia, the Middle East, Africa and Europe. All were developed using video calls with people who had previously been reluctant to engage using that tool.



Regulatory Bodies and Stakeholder Engagement

We continue to be proactive in building our relationships with standard-setting bodies, policymakers and regulators. Being an active member of the accredited bodies forum of the Financial Conduct Authority (FCA) supports our work to ensure our members fulfil regulatory obligations. Work also continues with our own forum, the Regulatory Education Advisory Panel (REAP), bringing together representatives from mortgage and financial advice firms. REAP provides us with an informed sounding board to aid our understanding of the needs of the sector with regards to 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, which launched earlier this year.

Looking Ahead

A key part of our growth strategy this year is to increase brand awareness and reach in Asia Pacific through our Singapore office. Successful growth in this market is pivotal to support the expansion of our three centres both in the UK and internationally.

Additional focus will also be given to our UK regulated advice business with more programmes added when appropriate opportunities arise. Alongside this, we will be working to enhance our CPD and membership proposition in order to aid our students and members with their career development and client support needs.

We constantly review 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.

In August we launched the new Certificate in Business Banking, which replaced the existing CertBB&C qualification and has been enhanced to include valuable content on managing problem loans, social and technological influences, the role of banks in a digital environment and open banking, APIs, fintech, AI and blockchain.

Key Risks

- **Further, global waves of the Covid-19 pandemic affecting the delivery of qualifications and training in the UK and international locations.**
- **The ability to have competitive timelines to market for the creation of engaging training programmes.**
- **Concentration risk in key parts of our qualification portfolio.**
- **The threat from competitive challenge to our regulated advice qualification product offer.**
- **Continued instability in the banking sector due to internal restructures.**
- **A rebalancing of the current housing market 'bubble'.**



Hema Tank
Managing Director,
Higher Education

Delivered by academics, practitioners and industry thinkers, we provide the skills and knowledge that the sector expects from students 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 of 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 Higher Education due to an increase in the number of students on both our undergraduate and apprenticeship programmes. Our degree-level apprenticeships programmes now comprise both early career and senior professionals. Our first cohort of degree-level apprentices graduated during 2020. The graduation ceremony, while held virtually, gave them a unique opportunity to celebrate their success.

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 through our Research Centres.

Progress During the Year

Employer connections and employability: In 2020/21 we built upon our work, achievements and strategic focus for careers and employability. There were 113 new registrations in the Careers Centre and over 280 one-to-one career coaching sessions. We hosted over 18 companies (digitally), including HSBC, Columbia Threadneedle Investments, Bloomberg, BDO, Commerzbank and Lloyds Banking Group. We have worked with other universities and the Office for Students (OfS) to promote the new Graduate

Employment and Skills Guide. This is a comprehensive document containing lots of useful advice and guidance for students impacted by the pandemic. Our employment statistics continue to remain high, with 100% of those working doing so in high- or medium-skilled roles.

Student experience: Our focus is always on listening to student feedback and acting on that to improve their experience. This year, in the light of the pandemic, we continued to deliver classes virtually. When allowed, in line with government guidance, we gave students the opportunity to attend campus, although many chose to still study online. We adapted our assessment strategy to allow students to sit examinations at home and this was well received. Following guidance from both OfS and the Quality Assurance Agency for Higher Education (QAA) we continued with our 'No Detriment' policy which provided students with a safety net for their grade mark average.

Student support: We moved to digital delivery of library resources more than 15 years ago when we invested in transferring all our books, journals and other resources online. This has meant that students have been able to access all their learning resources, including access to the Bloomberg terminal, from home during the pandemic, while still having access to library support. The Library Services Team have seen a 19% increase in students' use of their services over the last year. Alongside this, they have increased the amount and range of training and teaching that they do. Most of that has, necessarily, moved online during the last year.

Health and well-being: Our Professional Counsellor saw an uptick in those seeking support during the year. Students were looking for help in coping with anxiety relating to the ongoing pandemic. Counselling sessions were able to continue online, and students engaged with these sessions to benefit from the support on offer. In addition to the work of our Professional Counsellor, all Programme Officers are trained mental health first-aiders providing support to HE students. We have had several initiatives throughout the year to support well-being, including the launch of a new webpage with numerous resources for mental well-being and a new publication called Mind Matters that focuses on different mental health issues each month.

Student recruitment: As face-to-face events continued to be restricted, we moved our open days, widening participation sessions, offer-holder activity and school engagement to virtual events. We also created new relationships with organisations such as Whatuni and TARGETcareers, who will help us reach out to students virtually in the continued absence of face-to-face recruitment fairs.

Regulatory oversight: We were pleased to learn that our application to the QAA for indefinite taught degree awarding powers was successful. The review took place in the spring of 2021 following which we



received notification that we had successfully met all the assessment criteria. From April 2021 our degree apprenticeship provision was overseen by Ofsted. They have announced that those offering degree apprenticeship provision can expect a monitoring visit in the near future.

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.

100%
*of those working
doing so in high- or
medium-skilled roles*

Looking Ahead

We will continue to develop a diverse range of programmes that will enable us to further increase our revenue. We are making progress in this area and are seeing an increase in the number of apprentice partners we are working with. We will support our current apprentices through both their studies with us and their end-point assessment during the next academic year.

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 review our online assessment strategy, introduced to support students through the pandemic, to ensure it continues to be fit for purpose. 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. This is becoming increasingly important for our apprentices who will undoubtedly continue to study in a hybrid mode going forward to align with the direction of financial services organisations.

Key Risks

- **The financial services sector is a rapidly changing environment. We must keep our curriculum current to provide our students with the necessary knowledge and skills to compete in this challenging environment.**
- **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.**
- **2021 saw the world continue to respond to Covid-19. We must keep pace with technological advancements in learning, teaching and assessment as the sector moves to further enhance remote provision in the wake of the pandemic.**





Catherine Winter
Managing Director,
Financial Capability &
Community Outreach

Strategic Objective

Provide lifelong learning through impactful financial education in UK schools and colleges.

Strategic Priorities

- **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 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 Education programmes and qualifications.**
- **Retain and develop staff while creating a culture of empowerment and collaboration within the team.**

Measuring Success

Despite a challenging year, we have finished the year with income above expectations.

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

This year's performance is set against a complex backdrop of issues. We continue to deal with the implications of the removal of our Level 2 qualifications from performance tables. National school closures have led to an issue of differentiated learning outcomes and led the government to cancel summer exams as well as implement a further year of teacher-assessed grades. We have been unable to deal with our customers face-to-face, and our biggest challenge has been supporting our centres to continue to deliver meaningful financial education in an already squeezed curriculum where schools have needed to focus on core subjects.

However, these challenges have not adversely impacted our income in this financial year. We finished the year strongly and reported an income of just over £2.54m, slightly above our budget and a 14% increase on last year. All our programmes continue to perform well. We have seen an increase in income from our LiFE programme (19%) and Level 3 (16%).

Our focus continued to be on four key areas: outstanding customer service, business development, meeting our regulatory requirements and the development of new qualifications.

Firstly, we succeeded in continuing to provide outstanding customer service and retaining as many existing centres as possible. We achieved an 89% retention rate, set against a 2019/20 rate of 67%. We also exceeded our target for new centres by 20%. We have delivered to over 30,000 children and young people in over 650 mainstream schools, colleges, pupil referral units (PRUs) and special educational (SEND) institutions. This has all been made possible due to detailed strategic planning, collaborative work and the agility and determination of the Financial Capability team.

Secondly, we continued to focus on business generation activities. Heading towards the end of the school academic year, we continued to receive many registrations for our qualifications; many of these were received from our centres based in Wales. Internationally, we were successful in securing a bid to provide a financial education programme in Abu Dhabi. We provided a full programme of learning materials derived from our LiFE programme, ahead of schedule, to support this exciting partnership. In March, we saw the first cohort of students graduating from this programme.

In addition to our UK success, we have also expanded our international network of delivery centres to include Hong Kong and Germany; our delivery to schools in China continues. We are currently working with an intermediary on a potential option to expand the provision of our Level 3 qualification in China on a more substantive level. We continue to explore options to increase the uptake of our programmes internationally.

Progress During the Year

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.

Due to Covid-19, schools in the UK were closed in January 2021. Schools have continued 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 was enhanced with the inclusion of a unit that develops skills for employment. This is proving very popular with schools and colleges who 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.

Strategic Objective

Provide lifelong learning through impactful financial education in UK

We have responded to the closure of schools in January and the cancellation of summer 2021 exams in two ways. First, although we were working with reduced capacity, we continued to provide first-class support and customer service to our delivering centres. Adapting to new working environments, we have completed over 950 virtual school visits. These included annual reviews, teacher CPD, career talks, scholarship presentations to encourage our university applications, open evenings and student engagement sessions.

Second, we have worked collaboratively with Ofqual on their Extraordinary and Extended Extraordinary Regulatory Framework. These frameworks consult on the operational processes required to maintain the robustness of our qualifications and the assessment of grades for students for summer 2021 and autumn resit assessment. We have also started consultation regarding potential plans for summer 2022 assessment. Ofqual have continued to monitor all our procedures for the teacher-assessed grades (TAG) process.

New processes have been developed to create a robust system to collect and quality-assure the TAGs received from schools and colleges, and by the end of July 2021 the TAG process was complete. All centres who have sent in predictions for their students have been awarded a grade. We have awarded grades to over 31,000 students via more than 900 centres. Additionally, new appeals processes have been developed along with the planning for delivery of resit opportunities for students in the autumn.

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

Having received notification in March 2020 from the DfE of the lifting of the moratorium on Level 2 technical qualifications, we started working on developing a new Level 2 technical qualification for inclusion in performance tables. This qualification was submitted for approval in January 2021. The outcome of this submission is due in September 2021 for delivery to centres starting September 2022. This qualification will be a replacement for the Level 2 CeFE qualification, which was removed from the performance tables at the end of the 2018/19 academic year.

On 14 July, the DfE published outcomes for the second phase of the government's consultation on the future shape of the post-16 Level 3 qualification landscape. We contributed to this consultation and garnered significant support for our Financial Education qualification.

However, the government have made few concessions to awarding bodies. T Levels will be the centrepiece of the technical offering. Funding for qualifications (such as ours) that overlap with T Levels will be withdrawn over the next few years, in our case from 2024.

This means that we will continue to see some registrations for our two-year Level 3 programme in 2021/22 and in 2022/23. Although we are confident of achieving the budgeted revenues for 2021/22, the likelihood is that we will see more significant reductions in 2022/23.

We could reform and resubmit our qualification, but the chances of success appear remote as we do not meet the criteria set out by the government. However, we are nonetheless pursuing this. Additionally, there is currently a moratorium on submission of new Level 3 qualifications.

The Level 3 registrations account for £1.5m out of a total school's income of £2.5m in 2020/21. We are, of course, looking at ways in which we can diversify into different areas, including adult education.

Community Outreach

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).

Five 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, PRUs and hospital schools are now offering the LiFE programme and benefiting from the SEND guide that supports it. As members of the National Association for Special Educational Needs (Nasen), we have continued to attend various events and gained valuable feedback from SEND professionals around the country.

We continue to focus on building strong external stakeholder relationships. We are particularly pleased that we continue to grow our footprint in Wales, thanks in part to the support of Principality Building Society. By the end of this academic year, Principality will have donated a further £36,500 to support the delivery of FE qualifications to over 20 schools and 800 learners in Wales in 2021.

Earlier in the year we started working with the Worshipful Company of International Bankers on an initial project to provide our LiFE programme to a group of young people studying at the London Academy of Excellence in Stratford, London. This sixth form academy was set up with the objective of improving social mobility. This



Our qualifications and programmes have been delivered to over

40,000

children and young people

Over

950

virtual school visits during Covid-19

Awarded grades to over

31,000

students

is our first project with them and to date we have seen over 50 students enrol on the programme. We have had feedback about the positive impact this has already had on these young people.

Our Young Financial Journalist competition was again sponsored by the Financial Times. This competition helps us to engage with a wider audience on the issues facing young people and their relationship with money. In March we launched the findings from our Young Persons' Money Index and were subsequently asked to give evidence to an All-Party Parliamentary Group on young people and their relationship with money. We are currently in discussion with the Bank of England on how we can work collaboratively on creating a framework for a financial education quality standard for schools and colleges.

Policy Engagement

We continue to work closely with policymakers – the DfE, Institute for Apprenticeships and Technical Education, and Money and Pensions Service (MaPS) – and other organisations that are passionate about financial education. On behalf of MaPS, 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.

Looking Ahead

The Covid-19 pandemic will continue to cause challenges for schools and colleges. Most schools face the challenge of dealing with a substantial loss of learning over the past 18 months and will need to prioritise students' knowledge in core subjects. As financial education is not a compulsory subject, we will face our biggest challenge in keeping our programmes and qualifications on the agenda for school leaders. We will continue to engage and support centres to the best of our ability and build on the outstanding relationships we have with our customers.

We will also continue to contribute to the various DfE consultations that are ongoing, in particular the post-16 consultation and the Post Qualification Admissions consultation. The government proposal is to change the admission system to university to allow students to receive their grades before they apply. If this proposal is successful, this would create operational issues for our assessment teams who will need to turn around grades in half the current time. We have planned for this possibility and are well placed to manage this change effectively.

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 over 30% of the undergraduates on our HE courses came from our school qualifications and nearly 20% of students joined our university taking advantage of the scholarship scheme.

Key Risks

- **Regional or national restrictions will continue to affect assessment viability both throughout the year and in year-end assessment (summer 2022), and thus create additional Ofqual regulation.**
- **Schools focus on catching up on missed learning on key subjects. This will potentially push out their ability to deliver financial education qualifications.**
- **Government moves ahead with the removal of funding for all vocational and technical qualifications (VTQs), including our Level 3 qualification.**
- **Failure to gain approval for the new Level 2 Technical qualification for P8 inclusion qualifications.**
- **DfE leaves moratoriums in place to block the submission of new qualifications at Level 3.**
- **Lack of appropriate stakeholder and policy engagement with key stakeholders and the financial community ceasing to engage in the financial education agenda.**



Kareem Refaay
Managing Director,
Gulf & MENA

Key Strategic Priorities

- **Diversify business through the delivery of a broader range of qualifications and programmes across professional education, higher education, financial capability, bespoke training, and other services such as endorsement and accreditation.**
- **Develop major relationships with key regional governmental bodies to support national economic visions and diversity agendas, through the upskilling and reskilling of regional and national new graduates into critical job roles in banking and finance.**
- **Create community impact through financial inclusion, employability and gender diversity initiatives.**
- **Support the banking and finance sector in the region to approach challenging and disruptive trends, including sustainable finance and digital transformation.**
- **Expand our cross-regional business in key financial hubs in the MENA and GCC region.**

Measuring Success

The MENA Regional office measures success through sustainable growth.

This year was LIBF MENA's third year of operation and saw growth of over 200% with revenues of £1.67m, which included £1.456m from corporate, professional qualifications and training. Significantly, it demonstrates LIBF's future growth potential.

LIBF MENA measures success through the impact created in the community. This extends not only to professionals in the banking and finance sector but to the citizens and residents within the region. Our financial inclusion education programme, Ghaya, in collaboration with the Department of Community Development in Abu Dhabi is considered as the first of its kind in the UAE. This programme has supported over 150 beneficiaries to improve their financial literacy and take practical steps to improve their financial situation.

We are very proud of empowering young UAE nationals, especially young females, through our Bankers Programme in which 80% of the participants are females below the age of 25.

Progress During the Year

In Abu Dhabi we have developed a strong relationship with the Human Resources Authority, which has enabled us to launch a flagship National Development Programme. The Bankers Programme was launched with cohorts from two leading banks in Abu Dhabi.

Building on key relationships with partners across the MENA and GCC region, we have expanded our cross-regional business in Bahrain, Kuwait, Egypt and Saudi Arabia through the delivery of short courses, accreditation arrangements and international banking certificates.

Within MENA, interest in our core banking qualifications - the International Banking and Finance Certificates - was received from banks in countries including Egypt, demonstrating the potential to offer the qualifications across the GCC and MENA region.

Within Professional Education, our bespoke training offer has seen growing interest, especially in the areas of digital banking and sustainable finance, as well other bespoke programmes with the largest bank in Abu Dhabi, covering cloud banking, fintech and AI.

The second cohort of the Executive Postgraduate Certificate in Sustainable Finance commenced in January. The first cohort of the Executive Postgraduate Certificate in FinTech launched in May - this is the inaugural cohort for the programme and marks a historic first for the organisation.

In Financial Capability, the first cohort of the Ghaya financial capability programme concluded with a virtual graduation event in March. The second cohort of the programme, open to Arabic-speaking residents and citizens, started in June with almost 100 beneficiaries taking part. Additional Abu Dhabi government departments have partnered for cohort two of Ghaya to provide a wider range of beneficiaries. Cohort three is scheduled for October 2021.

Leveraging the expertise within our Research Centres, we supported the banking and finance sector in the region to approach challenging and disruptive trends through an array of qualifications, bespoke training and board-level sessions covering sustainable finance, digital and fintech, and governance, risk and compliance. We saw a growing level of interest and maintained a strong pipeline of proposals throughout the year.



Growth of over
200%

Our accreditation services, Technical Banking Diagnostics Assessment Centre and Career Development Centre continue to support new accreditation arrangements, including our strengthening relationship with the Bahrain Institute of Banking and Finance (BIBF). We supported the launch of the BIBF Sustainable Development Academy with a representative from our Centre for Sustainable Finance joining their Open House event in July ahead of delivering our suite of sustainable finance short courses during 2021.

Reflecting the opportunities for growth, a new Business Development Manager has been recruited. In addition, we appointed a Senior Faculty Lead for MENA, recognising the importance of growing our regional faculty to support qualification and programme delivery across the MENA and GCC region.

Looking Ahead

LIBF MENA will focus on sustainable growth through the continued provision of innovative and customised programmes that respond to the needs of the banking and finance industry in the MENA and GCC region. We will launch the Certified FinTech Practitioner MENA programme in September 2021, demonstrating our commitment to offer regionally oriented programmes.

We will continue to diversify our geographic coverage through the introduction of successful programmes into other countries in the region, most notably our flagship National Development Programme format, financial inclusion, and International Banking and Finance Certificates. This will support strategic government initiatives around employability, upskilling and economic development, and evidence our commitment to financial inclusion and diversity.

We will work with ADGM Academy and other strategic partners on themed programme series in sustainable finance, digital banking, and governance and risk, which leverage the expertise within the LIBF Research Centres and provide further opportunities for bespoke programmes, short courses and qualifications.

We will engage with the banking and finance community across the region through an extensive thought leadership agenda that reflects the specific challenges and experiences of the MENA and GCC region.

We will keep working with our partners in Abu Dhabi toward the full local accreditation of our Higher Education programmes in the year 2021/22.

Key Risks

- **LIBF MENA current and future growth plans are contingent on growing the local and regional manpower of both direct hires and regional and local faculty members.**
- **As we have been successful in delivering remote and digital classrooms, we will need to make sure of our readiness to go back to in-person classrooms.**

Key Strategic Priorities

During the year, we revised our People Strategy to support our aim of keeping people engaged in the ever-changing world of work and to enable our move to hybrid working. Our revised strategic priorities are:

- To develop a culture that supports the next stage of our business transformation to enable us to deliver an effective service to our customers.
- To recruit, successfully onboard and retain the right people to continue our journey to become an employer of choice.
- To develop and upskill our people to be able to encourage high levels of performance.
- To ensure our reward mechanisms are fair and transparent and that we recognise our people for their efforts and achievements.
- To create a working environment that considers the needs of all stakeholders and ensures equality, diversity and inclusion for all.
- To create a working environment where our employee's health and wellbeing is integral to the success of the business.

Measuring Success

Developing our people: in 2020 the average number of development days per employee was 785 hours; as expected this figure has decreased compared to previous years due to the Covid-19 pandemic.

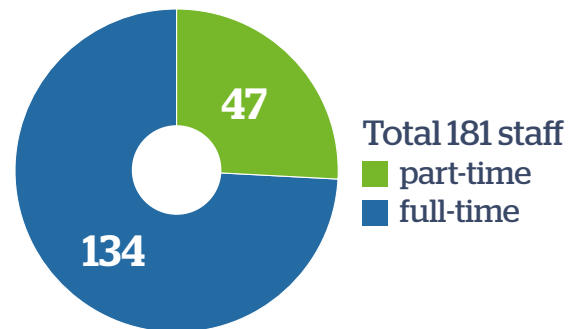
Retaining our people: the voluntary turnover rate in 2020/21 reduced further to 10% from 12% in 2019/20.

Maintaining our employer brand: our rating on Glassdoor over the last 12 months to July 2021 has been maintained at 3.8.

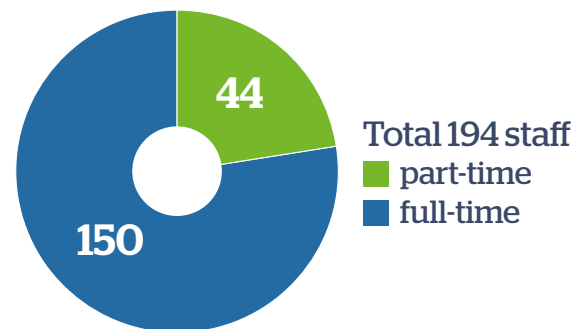
Maintaining our sickness absence rate below the national average: in 2020 the UK sickness absence rate fell to 1.8% (Personnel Today). Our sickness absence reduced significantly to 1.25% so was under the national average.

Update increasing flexible working: the proportion of part-time workers has increased by 3.5% from the same time last year as shown opposite. This is a result of our continuing drive to increase flexibility in our workforce and could be influenced by individuals' life choices during the pandemic.

31 July 2021



31 July 2020



Learning and Development

During the year we:

- transferred our learning activities to being online and virtual;
- developed and launched our Leadership Principles across the organisation;
- reviewed and simplified our competency framework;
- have continued to use our performance management system and made adjustments to allow for working from home;
- have supported more of our staff to study further qualifications.

Reward

We have made some progress in the area of reward in the last year by updating one of our recognition schemes to the virtual environment. We are continuing to recognise our employees' length of service and to market rate all of our roles to ensure that we are rewarding our staff at the appropriate level. In the last 12 months our Pension Governance Committee has reviewed the performance of our pension provider, committed to increasing our employees' knowledge of pensions and surveyed our employees to identify what information they would appreciate.



Recruitment and Retention

We continue to strive to be an employer of choice and have focused on how we recruit and retain particularly working in a virtual environment. We have also developed our onboarding process, from interview to job offer and induction. Engaging our workforce is key to our success. We have developed an onboarding promise for our new starters with the aim of making our process as smooth as possible so that their move to LIBF is a success.

We continue to make vacancies available to all internal applicants and to provide feedback after interviewing along with suitable development where appropriate. This work has resulted in our voluntary turnover rate remaining low.

Engagement

Employee engagement activity has increased during the year with more frequent Town Hall meetings, sessions to involve our employees in evolving our Values and revising our People Strategy.

We have continued to undertake some 'temperature check' surveys and have been pleased by how well our employees have managed to transition to home working.

Our staff representation group, Your Voice, and other collaborative project groups have helped to move the organisation towards hybrid working.

Well-being

Our success as an organisation is very much dependent on the well-being of our staff. We have created a well-being commitment with the overall aim being that we take a people-centred approach and create a company culture which recognises that well-being is high on the agenda and part of our people strategy going forward. Our vision is to promote and embed positive physical, mental and social health and well-being behaviours, which are underpinned by our values.

During this period, our Wellbeing Group have continued to provide various activities remotely, for example mindfulness sessions and remote buddy groups, where staff have been able to share their feelings and experiences through a Teams discussion. We have also supported events such as Diabetes Week, Stress Awareness Month, World Sleep Day and Mental Health Awareness Week. We have increased our qualified mental health first-aiders to a total of eight. Further activities have included a nature photo competition and a virtual pets corner. We have also continued to promote our employee assistance scheme, where staff can obtain a 24-hour counselling service.

We have a regular programme of learning and development around health and well-being, eg mental health, and we have repeated our resilience training courses for staff throughout the organisation.

Looking Ahead

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

Our focus will be on developing our leadership talent, implementing our evolved values and the competency framework, and revising associated processes and developing our staff for the future. We will review the strong engagement practices that we already have with our employees to support engagement within a hybrid way of working.

We will also continue our journey to become an employer of choice to be able to recruit and retain staff to meet our business objectives. Fair and transparent reward systems will also support this, recognising people for their efforts and achievements.

Key Risks

- **We will continue to face risks in the recruitment market, with many more applicants available for a single post. This has widened our pool of talent but causes potential difficulties in shortlisting.**
- **We will continue to face the situation where employees may want to develop themselves and progress by being promoted to a role with more responsibility within the organisation; however, due to the small size of the organisation, sometimes this is not always possible. We will continue to monitor any possible development opportunities and our turnover rate.**

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 therefore work 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;
- it affords its students, members, subscribers and employees the opportunity to fulfil their potential;
- it promotes a supportive environment for staff, students and visitors.

We will aim to create a working environment that considers the needs of all stakeholders and ensures equality, diversity and inclusion for all.

Some of the big issues affecting society have a direct impact on how the finance sector operates. Fintech, sustainable finance and managing risk are top of the agenda for many working in finance today.

To help share knowledge and expertise in these areas, we've developed three specialist centres. The centres seek to bring together expertise, highlight best practice and disseminate thought-provoking and impactful insights.

They also offer bespoke training and qualifications in key areas.



CENTRE FOR **DIGITAL BANKING AND FINANCE**

The Centre for Digital Banking and Finance offers executive education, advisory services and thought leadership to the UK and international banking and finance sector.

Our network of subject matter experts, practitioners and associates have years of experience growing digital businesses, deploying digital solutions and leading fintech organisations.

Our work looks beyond the hype of digital technology and examines the current and future implications for banks and their employees. That helps us ensure we provide banking professionals and organisations with the skills, knowledge and insights they need to thrive in a rapidly changing environment.

digital.libf.ac.uk



CENTRE FOR **GOVERNANCE, RISK AND REGULATION**

The Centre for Governance, Risk and Regulation brings together an international network of subject matter experts, practitioners and associates with years of experience in risk, regulation, governance and compliance.

We have a long history of working globally, so we understand that each region has its own distinct risks and opportunities.

Through our unique approach, we can help you prepare for the risks and uncertainties of a constantly changing environment - no matter where you are in the world.

risk.libf.ac.uk



CENTRE FOR **SUSTAINABLE FINANCE**

The Centre for Sustainable Finance was founded in response to the growing need for the financial sector to adapt to sustainable development and environmental change. We champion thought leadership, research and education to address the emerging trends and practices that have an impact on the sector.

The Centre seeks to address the interests and concerns of market participants around the world - including commercial and development banks, investors, governments, corporations or regulators.

libf.ac.uk/csf



DIGITAL BANKING AND FINANCE

In the summer and autumn of 2020, we developed and launched the Certified Fintech Practitioner programme (CFP) in partnership with media and events company Lendlit Fintech. CFP is an open enrolment fully online course combining live virtual lectures with self-paced study and reflection over a period of 6 - 8 weeks. The pilot was a great success and we have subsequently delivered two further sessions (March and June).

Overall the programme has generated circa £40,000 of revenue and attracted over 80 students from across Europe, Asia, Africa and North and South America who have now gained Certified Fintech Practitioner status. We have also partnered with the Findexable Fintech Diversity Radar to provide a number of Women in Fintech Scholarships in the form of a waiver of the CFP course fee.

We have also successfully bid for a series of bespoke corporate training programmes, including the delivery of a virtual course on digital transformation for a US based development bank, large scale courses on cloud computing and digital transformation/fintech for banks in the MENA region and fintech awareness programmes for a national financial services regulator in South East Asia.

We have held seven webinars over the period attracting over 2,000 delegates, including a session on Central Bank Digital Currencies, delivered in partnership with the Whitechapel Think Tank, and very well received panel sessions on future careers and digital identity.

We have continued to publish articles, blogs and insight pieces on the digital centre microsite (digital.libf.ac.uk) authored by our content team, members of our faculty and by participants in some of our programmes. Members of the faculty have also regularly featured in content produced by others. Most notably, Helene Panzarino, The Director of the Centre has contributed to various national and international online events and podcasts and once again been recognised as a key influencer in the sector - for example being shortlisted by ComputerWeekly for their 'Most Influential Woman in UK Tech' award.

GOVERNANCE, RISK AND REGULATION

The Centre for Governance, Risk and Regulation (CGRR) was launched in early 2021 to support the organisation's need to enhance its visibility, develop its capabilities in the Executive training area and support its existing programmes in the traditional but evolving fields of Governance, Risk and Regulation.

We focus on corporate rather than open programmes, except when these are run by partner organisations. We have developed a range of short course outlines and content to support sales and relationship building efforts. In the past year, members of the Centre's faculty of experts were deployed on programmes in Malaysia and Bahrain. Being largely focused on delivery of executive courses to international clients, training opportunities and revenue opportunities are impacted by the pandemic, but all our expected deliveries going forward can be online as well as face to face.

The Centre's content output takes place through events in live but virtual delivery; our launch event in collaboration with the CSFI attracted over 200 participants. We also produce content in the form of videos, podcasts, and articles/blogs on relevant themes which dove-tail with our strategic intents.

In May, the Centre launched its own microsite risk.libf.ac.uk to help raise its profile, create a more visible home for LIBF content and programmes related to governance, risk and regulation, and project a brand in keeping with the expectations of the target audience. The Centre is also establishing its own social media channels, predominantly LinkedIn and Twitter, and have 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 have been hosted with ORX, the Operational Risk Association in May, the Risk Coalition in July and have been planned in the Middle East for the summer of 2021.

SUSTAINABLE FINANCE

The strategic priorities were supported during the year by various online events and activities to facilitate the growth and progress of the Centre:

- Engaging with other institutions (such as financial institutions, companies, governments, international development institutions, NGOs and other universities) to raise the profile of LIBF and create new connectivity.
- Generating research content for consumption by clients, including publication of white papers and an aspiration to produce quality academic research. It also includes other media content such as podcasts, interviews, publication in the media.
- 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 which could be in the form of course design or delivery.

We achieved our objective to produce relevant content by working with external institutions and also to publish quality academic research. We have also collaborated on the P4G-funded project, FLAWLESS, which aims to halve food loss and waste (FLW) in alignment with Sustainable Development Goal (SDG) 12.3. We are providing technical input to develop financial products that will align the interests and incentives of banks and investors with companies working to reduce FLW.

In July 2020, LIBF signed the Green Finance Education Charter and we participated in a series of meetings and webinars during the year promoting the importance of education in achieving the transition to a greener economy.

The Centre contributed to the re-design of the Certificate in Sustainable Finance that was delivered to a second cohort during the year in partnership with the ADGMA.



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 the SDGs where we believe we can make the most impact through our operations.



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 have set up an Equality, Diversity and Inclusivity (EDI) Committee to oversee and advise our EDI activities, which address the UN Goal 'Gender Equality' (Goal 5) alongside 'Reduced Inequalities' (Goal 10).
- We awarded five Women into Finance scholarships to HE students in 2020/21 (alongside five for Mature Learners).
- We have established a partnership with findex in supporting them with their development of a global platform gathering progressive data on women in fintech. They have co-sponsored several women in finance scholarships for our PG Fintech Practitioner programme.
- Our REACH programme encourages people from underrepresented groups to sign up to our degree programmes and begin their careers in banking and finance. Our Women in Finance event had 60 attendees. We also hosted BAME and Mature Learners events.
- We have initiated Lean In Circles where staff and students can connect and support each other.
- We celebrated both International Women's Day and International Men's Day with our staff and students.
- We support and encourage our Women in Finance student society.
- We have published and promoted five blogs on diversity.
- We hosted a webinar with Nationwide on Gender Equality in Banking and Finance, which specifically addressed the pay gap. We had 271 attendees.
- Our leadership 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;
- ensure people have the relevant information and awareness for sustainable development.

LIBF actions

- Our staff Environment group meet regularly to discuss key environmental issues.
- We produce and share environment-focused newsletters with staff to promote responsible consumption and production (Goal 12) and climate action (Goal 13) awareness.
- Carbon Literacy Standard achieved by two group members.
- 13 blogs on sustainable finance have been published and promoted.
- Education for employees and students to reduce waste and energy use.
- Recycling carried out on all sites and encouraged for home workers.
- Premises fitted with energy-reducing sensor lights and water-saving dual-flush toilets.
- Redundant electronic equipment recycled using WEEE 2 (Directive 2012/19/EU) compliant disposal companies.
- Waste removal contractors hold correct waste transfer notes.
- Printer toners and used light tubes are disposed of correctly.
- National Living Wage is a requirement for contractors.
- Due diligence carried out on all suppliers.
- COSHH risk assessments are in place.

Financial Review – Results for the Year Ended 31 July 2021



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.

The Institute is supported in its activities by its wholly owned subsidiary, LIBF Learning Ltd, whose main activities encompass sponsorship and events, The London Institute of Banking & Finance (MENA) Ltd, which covers all activities within Abu Dhabi and The London Institute of Banking & Finance (APAC) PTE Ltd which supports all activities within the APAC region.

The surplus of £875,000, shown in the consolidated statement of comprehensive income and expenditure on page 34, is broken down as follows:

	Income £000	Expenditure £000	Surplus £000
General fund	18,302	-17,066	1,236
Restricted funds	13	-45	-32
Pension fund		-35	-35
Strategic investment		-117	-117
Depreciation		-177	-177
	18,315	-17,440	875

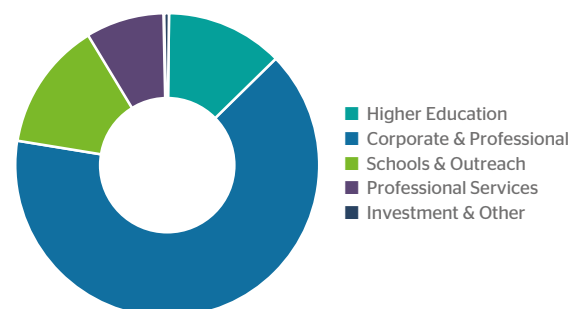
The general fund is the primary fund against which underlying financial performance is measured. We look to generate a surplus to produce sufficient cash to support strategic objectives and long-term sustainability, targeting an annual surplus as a

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 Fund, which gives past students the opportunity to participate in this vision and support diverse future generations of financial services professionals through funding and scholarships; the Bursary fund, which provides means-tested assistance to both full and part-time students, and The Grunfeld Foundation, which supports the education of people working in banking and financial services in London.

Strategic funds are those that have been designated by the Board separately from the general fund for major projects.

Income

Total income from continuing operations for 2020/21 was £18.315m, an increase of 14.3% over the previous year's total of £16.025m, with the key revenue analysis as follows:



Within Higher Education, revenue from full-time degree programmes increased by 33% to £1.63m, following much larger intakes for the previous three years, which has significantly increased the overall number of students. Demand for part-time courses has increased with the introduction of degree apprenticeships.

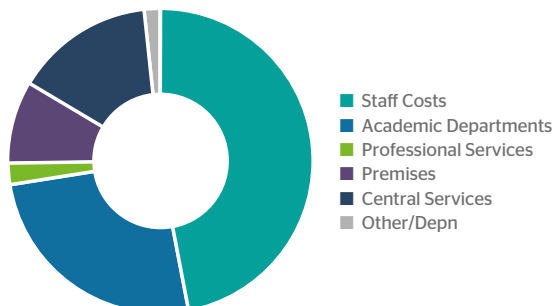
Corporate and Professional qualifications revenue grew by 23% to £11.93m, with demand for mortgage advice, financial advice and trade finance qualifications all recovering from the previous Covid-19 impacted year.

Registrations for Level 3 Financial Education qualifications grew by 16.3%, but the withdrawal of Level 2 from league tables continued to affect overall revenue and the number of schools delivering our qualifications in this area.

Professional services revenue fell 8%, with a reduction in revenue from events combined with a drop in membership revenue.

Expenditure

Total expenditure for 2020/21 was £17.44m, a decrease of 5% over the previous year's total from continuing operations of £18.267m, with the key analysis as follows:



As a result of various changes due to the Covid-19 pandemic, staff costs fell by 10% to £8.179m. This represents 45% of income (2019/20 50%). Costs for academic departments increased by 6% to £4.453m, reflecting the increased volumes delivered during the year. Premises costs remained broadly in line with the previous year while the costs of professional services reduced, and central services increased following an increase in the running costs of the pension scheme during Covid-19.

Working Capital

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 with a loan term of six years and no interest or repayment in the first year. Thereafter it is at a margin of 2.44% above base rate, with a covenant requirement to maintain general fund EBITDA above 1.5 times debt service. In July 2021, due to an increase in the market value of investments, £650k was withdrawn from the investment fund and used to pay off part of the balance of the loan, leaving £850k outstanding at the year end.

Investments

At 31 July 2021, following a withdrawal of £650k, we held fixed-asset investments with a market value of £3.543m (compared with £3.455m in 2020).

The Trustees, through the Senior Executive Team, delegate the discretionary powers of management of our fixed-asset investments to investment manager Rathbones.

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 BlackRock, which aims to reflect London Interbank Bid (LIBID) seven-day rates, and in a range of fixed-term deposits with Barclays.

Pensions

The London Institute of Banking & Finance operates two schemes: a defined-contribution scheme, which 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. As at 31 December 2020, the surplus had fallen to £1.723m.

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 (KPIs) on the level of operating surplus (excluding strategic investments) that 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 KPI, 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 increased by £1.659m to £2.554m as follows:

	2020/21 £000	2019/20 £000
General reserves brought forward	895	2,933
Surplus/(deficit) in general funds	1,236	-1,208
Strategic investments and capital	-230	-261
Restructuring costs	-	-350
Investment gains	653	-219
General reserves carried forward	2,554	895
Represented by: unrestricted income and expenditure reserve	4,402	2,807
Less: tangible fixed assets	-1,848	-1,912
	2,554	895

Covid-19 began to impact international revenue early in 2020 as examinations were cancelled or deferred and in the UK during the initial period of lockdown from March to June 2020. During the second lockdown in autumn of 2020, revenues were largely unaffected as many of the examinations were able to be studied online. In addition, a restructuring programme was completed early in the financial year reducing staff and other operational costs.

The forecasts and budget for 2021/22 indicate a surplus with enough margin to meet covenant requirements and which will grow in the next four years within the targets set by the financial strategy. Early trading for 2021/22 indicates we have exceeded our intakes for full-time students and other qualification revenue is in line with projections.

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 have a single overarching responsibility, which is to ensure that we fulfil our object as stated below. In addition, the members of the Board are the Trustees of the charity.

Corporate Governance

We have adopted the Charity Governance Code published by the Charity Governance Code Steering Group (a cross-sector collaboration with an independent chair). 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 and the HE Senior Staff Remuneration Code, both 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 FRS 102 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, disclose with reasonable accuracy at any time our financial position and 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 UK 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 the 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 well-being 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 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 2021 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 3 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, and has been a member of the Council of the Institute and Faculty of Actuaries (for two terms). He has also been a member of TheCityUK Advisory Council, 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 Re, the Financial Services Authority and the National Audit Office among others.

He is currently a member of Legal & General's Longevity Science Panel.

He has co-authored 5 books and has written over 190 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) and Society of Actuaries (US). He has also successfully supervised 33 doctoral students.

John Annette

Binta Darboe *Student Representative* (appointed November 2020)

Sabrina Del Prete

Shelley Doorey-Williams

Alex Fraser

Paul Gordon

David Kennedy

Ali Miraj

Sakhila Mirza

Philip O'Shea

Annabel Todd

Arjan van den Berkmortel

Damian Ward

Eddie Webb *Student Representative* (appointed November 2020)

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

Harry Crossley Student Representative (resigned August 2020)

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 our 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 12 academics with relevant qualifications and experience, 1 academic delivering teaching for our academic awards, 2 representatives of the student body, and 1 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 students 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
Tony Gandy
Alexander Gleave
Cathy Higgs
Claire McCafferty
Heather McLaughlin
Gulnur Muradoglu
Osy Plummer
Mark Shackleton
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 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
Paul Gordon
Philip O'Shea (appointed March 2021)
Maria Vetrone



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)
- 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:

- Harry Crossley** (resigned August 2020)

Executive Committees

The Senior Executive Team comprises 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
- Anna Boyce**, HR Director
- Mark Heaton**, Managing Director, Professional Education
- Richard Martindale**, Company Secretary
- Linden Muirhead**, Deputy Chief Operating Officer
- Ian Parrett**, Chief Operating Officer
- Chris Ray**, Director of Innovation and Transformation
- Kareem Refaay**, Managing Director, Gulf & MENA
- Angela Sutton**, HR Director
- 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 and 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
25 Walbrook
London
EC4N 8AF

External auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Internal auditor

RSM UK
25 Farringdon Street
London
EC4A 4AB

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 25 November 2021 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 25, 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 re-appointed in the year.

Approved by the Board of Governors on 25 November 2021 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 on the financial statements

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 2021 and of the Group's and the Institute's income and expenditure, gains and losses, changes in reserves and of the Group's and Institute'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.

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 2021 which comprise the consolidated and institute statement of comprehensive income and expenditure, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Institute's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information. Other information comprises the information included in the annual report and accounts, 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 including the Report to the Board of Governors 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 Governors' 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 Statement of Responsibilities of the Board of Governors set out on page 24, 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS") and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation.

We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction, Charities and Higher Education SORP and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer.
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and OfS to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters.
- Challenging assumptions made by management in their significant accounting estimates.
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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: 14 December 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 FRS 102. We are a public benefit entity and have therefore applied the relevant public benefit requirements of FRS 102. The functional currency is pound sterling.

The Institute meets the definition of a qualifying entity under FRS 102 as the results of the Institute are consolidated into the group financial statements, which are publicly available. In accordance with FRS 102 section 1.12, 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 on the business for the next 12 months. The situation is more stable than the previous year, but we do consider how we may respond to the variety of challenges.

Within higher education, our 2021/22 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. We see no reason why there would be a decline in our intake for the next academic year starting in 2022.

There is no current plan to close schools again, but we have shown our ability to adapt our assessments to the changes in guidelines, and registrations are in line with our forecasts.

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. A number of our international qualifications in trade finance have been adapted to enable them to be examined by electronic testing. 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.

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 Ltd, has remained dormant throughout the period. Both LIBF Learning Ltd, The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking (APAC) PTE Ltd 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 or 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 2021

	Notes	Year ended 31 July 2021		Year ended 31 July 2020	
		Consolidated £000s	Institution £000s	Consolidated £000s	Institution £000s
Income					
Tuition fees and education contracts	1	16,607	14,977	13,663	13,101
Funding Body Grants	2	127	127	94	94
Other income	3	1,496	1,494	2,063	2,060
Investment income	4	82	85	95	98
Donations	5	3	3	110	110
Total income		18,315	16,686	16,025	15,463
Expenditure					
Staff costs	6	8,179	7,664	9,103	8,777
Other operating expenditure	7a	9,080	8,200	8,972	8,188
Depreciation	9	177	177	192	192
Interest and other finance costs	8	4	4	-	-
Total expenditure		17,440	16,045	18,267	17,157
Surplus/(deficit) before other gains and losses		875	641	(2,242)	(1,694)
Gains/(losses) on investment assets	10	743	743	(237)	(237)
Actuarial gain/(loss) in respect of pension schemes	21	82	82	(192)	(192)
Surplus/(deficit) for the financial year		1,700	1,466	(2,671)	(2,123)
Total comprehensive income for the year		1,700	1,466	(2,671)	(2,123)
Represented by:					
Restricted comprehensive income for the year		58	58	(225)	(225)
Unrestricted comprehensive income for the year		1,642	1,408	(2,446)	(1,898)
		1,700	1,466	(2,671)	(2,123)

All items of income and expenditure relate to continuing activities.
The accompanying notes on pages 38 to 47 form part of these financial statements.



Consolidated and institute statement of changes in reserves for the year ended 31 July 2021

Consolidated	Unrestricted £000s	Restricted £000s	Total £000s
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 1 August 2020	2,515	426	2,941
Surplus from the income and expenditure account	1,642	58	1,700
Total comprehensive income for the year	1,642	58	1,700
Balance at 31 July 2021	4,157	484	4,641

Institution	Unrestricted	Restricted	Total
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 1 August 2020	2,761	426	3,187
Surplus from the income and expenditure account	1,408	58	1,466
Total comprehensive income for the year	1,408	58	1,466
Balance at 31 July 2021	4,169	484	4,653

Consolidated and institute balance sheets as at 31 July 2021

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £000s	Institute £000s	Consolidated £000s	Institute £000s
Non-current assets					
Fixed assets	9	1,848	1,848	1,912	1,912
Investments	10	3,543	3,543	3,455	3,455
		5,391	5,391	5,367	5,367
Current assets					
Stock and work in progress	11	30	30	47	47
Trade and other receivables	12	3,007	3,030	1,838	2,195
Cash at bank and in hand		1,400	1,343	873	750
		4,437	4,403	2,758	2,992
Creditors: amounts falling due within one year	13	(4,163)	(4,117)	(4,804)	(4,792)
Net current assets/(liabilities)		274	286	(2,046)	(1,800)
Total assets less current liabilities		5,665	5,677	3,321	3,567
Creditors: amounts falling due after more than one year	14	(680)	(680)	-	-
Provisions					
Other provisions	15	(99)	(99)	(88)	(88)
Pension provisions	22	(245)	(245)	(292)	(292)
Total net assets		4,641	4,653	2,941	3,187
Restricted funds					
Income and expenditure reserve - restricted	16	484	484	426	426
Unrestricted reserves					
Income and expenditure reserve - unrestricted		4,402	4,414	2,807	3,053
Pension reserve	21	(245)	(245)	(292)	(292)
		4,157	4,169	2,515	2,761
Total Reserves		4,641	4,653	2,941	3,187

The financial statements were approved by the Board of Governors on 25 November 2021 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 38 to 47 form part of these financial statements.



Consolidated statement of cash flows for the year ended 31 July 2021

	Notes	2021 £000s	2020 £000s
Cash flow from operating activities			
Surplus/(deficit) for the year		1,700	(2,671)
Adjustment for non-cash items			
(Gains)/losses on investments and property	10	(743)	237
Investment income	4	(82)	(95)
Depreciation, profit on sale and amortisation	9	177	192
Decrease in stocks	11	17	8
Net (increase)/decrease in debtors	12	(1,169)	1,027
Net (decrease)/increase in creditors	13	(811)	(135)
(Decrease)/increase in pension provision	21	(47)	192
Increase in other provisions	15	11	8
Net (outflow) from operating activities		(947)	(1,237)
Cash flows from investing activities			
Investment income	4	82	95
Payments to acquire tangible fixed assets	9	(113)	(76)
Payments to acquire investments	10	(1,117)	(990)
Receipts from sales of investments	10	1,704	966
		556	(5)
Cash flows from financing activities			
New secured loans	14	1,500	-
Repayments of amounts borrowed	14	(650)	-
		850	-
Increase/(decrease) in cash and cash equivalents in the year	17	459	(1,242)
Cash and cash equivalents at the beginning of the year	17	988	2,230
Cash and cash equivalents at the end of the year	17	1,447	988

The accompanying notes on pages 38 to 47 form part of these financial statements.

Notes to the financial statements

for the year ended 31 July 2021

	2021 Consolidated £000s	2021 Institute £000s	2020 Consolidated £000s	2020 Institute £000s
1. Tuition fees and education contracts				
Higher Education students				
Full-time Home and EU students	1,627	1,627	1,222	1,222
Part-time students	525	525	522	522
Financial Education qualifications	2,525	2,351	2,217	2,217
Professional Education qualifications	11,930	10,474	9,702	9,140
	16,607	14,977	13,663	13,101
2. Funding body grants				
Office for Students recurrent grant	98	98	94	94
Office for Students capital grant	14	14	-	-
Office for Students hardship grant	15	15	-	-
	127	127	94	94
3. Other income				
Professional and alumni services	1,432	1,432	1,550	1,484
Government grants	60	60	416	416
Rent receivable	4	-	97	-
Management charges	-	2	-	160
	1,496	1,494	2,063	2,060
<i>The government grant represents money received under the UK Government Coronavirus Job Retention Scheme</i>				
4. Investment income				
Investment income on restricted reserves	10	10	8	8
Other investment income	72	72	87	87
Gift aid	-	3	-	3
	82	85	95	98
5. Donations				
Restricted fund donations	3	3	110	110
General donations	-	-	-	-
	3	3	110	110

Note: The source of grant and fee income, included in notes 1 to 3 is as follows:

Grant income from the OfS	127	127	94	94
Grant income from other bodies	60	60	416	416
Fee income from non-qualifying courses (exclusive of VAT)	14,455	12,825	11,919	11,357
Fee income for taught awards (exclusive of VAT)	2,152	2,152	1,744	1,744
	16,794	15,164	14,173	13,611



Notes to the financial statements

for the year ended 31 July 2021

6. Staff costs	2021		2020	
	Consolidated	Institute	Consolidated	Institute
Group and Institute	£000s	£000s	£000s	£000s
Salaries	7,015	6,516	7,541	7,215
Social security costs	706	697	723	723
Pension costs	458	451	489	489
	8,179	7,664	8,753	8,427
Restructuring costs	-	-	350	350
	8,179	7,664	9,103	8,777

Remuneration of the Chief Executive				
Emoluments			203	193
Pension costs			5	15
Benefits - medical insurance			3	2

The Chief Executive's basic salary is 6.2 times (2020 6.3 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 6.2 times the median total remuneration of colleagues (2020 6.3), 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:	2021 Number	2020 Number
Academic departments and support services	99	100
Professional services	22	26
Premises	3	8
Central services	36	37
	160	171

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

£100,000 - £104,999	1	-
£105,000 - £109,999	-	2
£120,000 - £124,999	-	1
£140,000 - £144,999	1	-
£155,000 - £159,999	-	-
£190,000 - £194,999	-	1
£200,000 - £204,999	1	-

Key management personnel listed on page 27 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.

Key management personnel compensation	2021 £000s	2020 £000s
	1,490	1,639

Notes to the financial statements

for the year ended 31 July 2021

6. Staff costs (continued)

Severance payments - during the year the Institute did not undertake any restructuring resulting in compensation for loss of office being paid. (2019/20: £54k to 3 employees). Shortly before the start of the financial year the Institute undertook a significant restructure which resulted in £350k in compensation for loss of office being paid to 21 employees for which a provision was made in the previous year's 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	2021	2021	2020	2020
Other operating expenses included:	Consolidated	Institute	Consolidated	Institute
	£000s	£000s	£000s	£000s
Academic departments and support services	4,453	3,573	4,187	3,404
Professional services	365	365	544	544
Premises	1,538	1,538	1,578	1,578
Central services	2,629	2,629	2,387	2,386
Restricted funds	45	45	221	221
Auditor's remuneration				
External auditor's remuneration in respect of audit services	50	50	55	55
External auditor's remuneration in respect of non-audit services	-	-	-	-
	9,080	8,200	8,972	8,188

7b. Access and participation plan (APP) expenditure	2021	2020
	£000s	£000s
Access investment	35	10
Financial support provided to students	82	25
Support for disabled students	-	-
Research and evaluation expenditure	4	5
	121	40

The total of the approved expenditure in our APP for the year ended 31 July 2021 was **100** **40**

Actual expenditure was greater than the approved plan due to hardship payments of £20k, these were funded by the OfS £15k and LIBF donations of £5k.

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



Notes to the financial statements for the year ended 31 July 2021

8. Interest and other finance costs Consolidated and Institute	2021 Consolidated £000s	2021 Institute £000s	2020 Consolidated £000s	2020 Institute £000s
Net cost on pension scheme	4	4	-	-
	4	4	-	-

9. Fixed assets Consolidated and Institute	Freehold property £000s	Leasehold improvements £000s	Computer installation, furniture and equipment £000s	Total £000s
Cost				
At 1 August 2020	1,664	1,534	1,896	5,094
Additions	-	-	113	113
Disposals	-	-	(98)	(98)
At 31 July 2021	1,664	1,534	1,911	5,109
Depreciation				
At 1 August 2020	149	1,354	1,679	3,182
Charge for the period	26	56	95	177
Disposals	-	-	(98)	(98)
At 31 July 2021	175	1,410	1,676	3,261
Net book value				
At 31 July 2021	1,489	124	235	1,848
At 31 July 2020	1,515	180	217	1,912

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 2021

	General £000s	Restricted £000s	2021 Total £000s	2020 Total £000s
10. Non-current investments (Consolidated & Institute)				
As at 1 August 2020	2,897	443	3,340	3,553
Additions	1,106	11	1,117	990
Disposals	(1,643)	(61)	(1,704)	(966)
Investment gains	653	90	743	(237)
As at 31 July 2021	3,013	483	3,496	3,340
Investments at cost				
Managed funds				
UK equities	967	414	1,381	1,559
Overseas equities	820	-	820	879
UK fixed interest	267	-	267	261
Alternatives	401	-	401	451
Cash	46	1	47	115
	2,501	415	2,916	3,265
Investments at market value				
Managed funds				
UK equities	1,132	483	1,615	1,481
Overseas equities	1,198	-	1,198	1,129
UK fixed interest	260	-	260	255
Alternatives	423	-	423	475
	3,013	483	3,496	3,340
Cash	46	1	47	115
	3,059	484	3,543	3,455

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 (2020 £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	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Income	5	163	1,630	562
Expenditure	(2)	(160)	(1,365)	(784)
Surplus/(deficit) for the year	3	3	265	(222)
Current assets	7	6	1,424	389
Creditors	(7)	(6)	(1,436)	(635)
Total net assets	-	-	(12)	(246)



Notes to the financial statements for the year ended 31 July 2021

	2021 Consolidated £000s	2021 Institute £000s	2020 Consolidated £000s	2020 Institute £000s
11. Stock and work in progress				
Publications and sundry stock	30	30	47	47
	30	30	47	47

12. Trade and other receivables

Due within one year				
Members and trade receivables	2,229	860	1,275	1,022
Amounts owed from group undertakings	-	1,400	-	630
Other debtors	5	5	2	2
Prepayments	744	736	484	464
Due after more than one year				
Members and trade receivables	29	29	77	77
	3,007	3,030	1,838	2,195

13. Creditors: amounts falling due within one year

Secured loans	170	170	-	-
Trade payables	548	548	795	795
Other creditors and accruals	1,393	1,350	1,572	1,564
Social security and other taxation payable	159	156	150	150
Deferred income (see below)	1,893	1,893	2,287	2,283
	4,163	4,117	4,804	4,792

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

Subscriptions	360	360	377	377
Qualifications	1,469	1,469	1,834	1,830
Life subscriptions	64	64	74	74
Grants	-	-	2	2
	1,893	1,893	2,287	2,283

14. Creditors: amounts falling due after more than one year

Secured Loans				
Due within one year	170	170	-	-
Due between two and five years	680	680	-	-
Due in five years or more	-	-	-	-
Due after more than one year	680	680	-	-
Total secured loans	850	850	-	-

Included in loans are the following

- Barclays Bank PLC under the UK Government Coronavirus Business Interruption Loan Scheme
- Amount £1.5m
- Interest rate 2.44% above base
- Repayment Date: 6 years after the date of first drawdown 25/8/2026
- A one-off repayment of £650k was made in July 2021

Notes to the financial statements

for the year ended 31 July 2021

15. Provision for liabilities

Consolidated and Institution

Post-
Retirement
Healthcare
£000s

Balance at 1 August 2020	88
Amounts released during the year	(8)
Discount charges for the year	4
Charged to income and expenditure account	15
Balance at 31 July 2021	99

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% (2020 5.0%) and a rate of increase in medical costs of 7% (2020 7%).

16. 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	2021 Total £000s	2020 Total £000s
New donations	3	-	-	-	3	110
Investment income	6	3	1	-	10	8
Expenditure	(11)	(23)	(11)	-	(45)	(325)
	(2)	(20)	(10)	-	(32)	(207)
Increase in market value of investments	50	30	10	-	90	(18)
	48	10	-	-	58	(225)
Fund balances brought forward at 1 August 2020	248	147	27	4	426	651
Fund balances carried forward at 31 July 2021	296	157	27	4	484	426
Represented by:						
Investments	296	161	27	-	484	445
Net current assets	-	(4)	-	4	-	(19)
	296	157	27	4	484	426

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 2021

17. Reconciliation of cash flow to balance sheet

	Balance at 1 Aug 20 £000s	Cash flows £000s	Balance at 31 Jul 21 £000s
Cash at bank and in hand	873	527	1,400
Cash held with investments	115	(68)	47
	988	459	1,447

18. Lease obligations

Total rentals payable under operating leases

	2021		2020	
	Land & Buildings £000s	Other £000s	Land & Buildings £000s	Other £000s
Future minimum lease payments due				
Not later than 1 year	1,075	29	1,075	29
Later than 1 year and not later than 5 years	2,896	21	3,169	33
Later than 5 years	1,671	-	2,556	-
Total lease payments due	5,642	50	6,800	62

19. 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.

The Institute's Board of Governors are the trustees for charitable law purposes.

One trustee was paid £1,740 for Chief Examiner, assessment setting and marking activities (2020 £1,860).

20. Contingent liabilities

There are no contingent liabilities as at 31 July 2021 (2020 nil).

Notes to the financial statements

for the year ended 31 July 2021

21. 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 2020 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 2021 by a qualified independent actuary as follows:

	2021	2020
Discount rate	1.6%	1.3%
Price inflation (CPI)	2.8%	2.1%
Pension increases pre 2006 excess over GMP	2.8%	2.1%
Pension increases post 2006 pension	2.0%	1.7%
Assumed life expectancies on retirement at age 60 are:		
Retiring today		
Males	27.1	27.1
Females	29.6	29.5
Retiring in 20 years' time		
Males	28.6	28.5
Females	31.1	31

The assets in the scheme were:	Value at 31 Jul 21 £000s	Value at 31 Jul 20 £000s	Value at 31 Jul 19 £000s	Value at 31 Jul 18 £000s
Investment fund	17,402	15,828	20,217	21,399
Matching fund	30,842	31,386	26,232	21,455
Fair value of scheme assets	48,244	47,214	46,449	42,854

The actual return on assets over the period was:	2,378	5,146	705	2,267
			2021	2020
			£000s	£000s
Present value of funded obligations			(48,489)	(47,506)
Fair value of scheme assets			48,244	47,214
Surplus in funded scheme			(245)	(292)
Irrecoverable surplus			-	-
Net liability in balance sheet			(245)	(292)



Notes to the financial statements for the year ended 31 July 2021

	2021 £000s	2020 £000s
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Benefit obligation at the beginning of the year	47,506	45,983
Interest cost	609	907
Actuarial gain/(loss)	1,691	1,893
Past service cost	-	-
Benefits paid	(1,317)	(1,277)
Liabilities at the end of year	48,489	47,506
Analysis of movement in the present value of scheme assets		
Fair value of scheme assets at beginning of year	47,214	46,449
Expected return on scheme assets	605	915
Actuarial gain/(loss)	1,773	1,227
Benefits paid	(1,317)	(1,277)
Fund administrative costs	(31)	(100)
Fair value of scheme assets at end of year	48,244	47,214
Analysis of amount recognised in the comprehensive income and expenditure account		
Service cost - including current service cost, past service cost and settlements	-	-
Service cost - administrative cost	31	100
Net interest cost on net defined benefit liability	4	-
Total expense	35	100
Remeasurement of the net defined benefit liability/(asset) to be shown in other comprehensive income		
Actuarial gains/(losses) on the liabilities	1,691	1,893
Return on assets, excluding interest income	(1,773)	(1,227)
Change in the amount of surplus that is not recoverable, excluding interest income	-	(474)
The measurement of the net defined benefit liability/(asset) to be shown in other comprehensive income	(82)	192

22. 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 2021 by approximately £0.9m (from £48.5m to £47.6m) 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 £99,000.

Annual Report & Accounts 2020 – 2021



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