The London Institute of Banking & Finance

Annual Report & Accounts
2021 – 2022

libf.ac.uk

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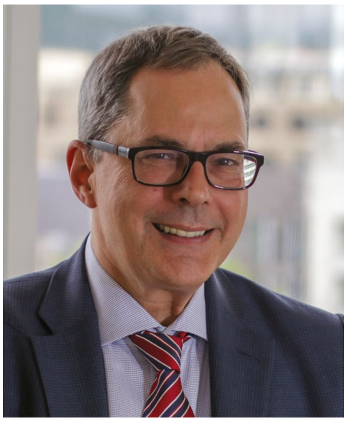


Alex Fraser
Chief Executive

This year we have achieved a satisfactory outturn which, although some way below last year's, still represents a creditable result taking into account the economic backdrop and the continuing impact of Covid on some of our key international markets for Professional Education, particularly China.

Again we recruited well to our full-time Undergraduate Degree Programme and, to enhance the service we provide to our growing student community, we have created a new Student Centre in Peninsular House which houses all of the support teams including Careers and Employability, the Library and Counselling. There is also provision for more study space. Despite continued challenges facing fresh graduates, our students have been successful in obtaining internships and placements in leading financial institutions. We have continued to work with major UK and international banks on corporate Degree Apprenticeships. In early 2023 will launch our first Open Apprenticeship Programme which will provide a further option for employers.

Our Financial Education activity had a stronger year thanks mainly to increased registrations for our Level 3 offering and for our online programme, Lessons in Financial Education (LiFE). This against a backdrop of continued Covid-driven disruption when high levels of customer service and flexibility have underpinned our delivery.

Our Abu Dhabi operation has again enjoyed an extremely successful year. Much of the income continues to flow from Government-backed projects to support Emiratisation and this year we were awarded a large project which involves working with employers as well as job seekers. We have also continued to support the Government and social enterprises with our Financial Inclusion programme.

Elsewhere in the region we have continued to work with national Banking Institutes and other partners to deliver programmes in Digital Finance, Sustainability as well as more traditional areas such as credit risk.

Professional Education finished the year well below 2020/21 levels due to ongoing Covid-related challenges in Asia which have restricted business development and also a reduction in demand for our Regulated Advice qualifications.

Although the Institute has recorded modest surpluses over the past two years, and has built a platform for further expansion, particularly internationally, it does not have sufficient funds to scale up. Trustees have considered a number of options and this has culminated in an agreement to sell the business to a large university group. This sale is subject to approval by a number of regulatory bodies and will, if such approvals are granted, be completed in the first quarter of 2023.

In taking this decision Trustees have been mindful of the need to find a counterparty with sufficient resources to make a significant investment in the Institute, with experience in delivering online Higher Education and sharing Trustees' commitment to widen access to vocational education at all levels. In addition to the investment in the educational programmes of the Institute, the Charity will, subject to relevant approvals, receive a significant sum to enable it to provide funds for projects to support financial education and inclusion and to provide support for young people from underrepresented groups who are looking to develop careers in banking.

Organisation Overview

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 Abu Dhabi Global Market (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 programmes.
- 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 goals.

Progress During the Year

Financial Services

Mortgage Advice: Following an extraordinary financial performance in 2020/21, this year started with much uncertainty regarding the housing market and a spotlight on the Government's decision to withdraw incentive schemes. 2022 has seen a rise in inflation to record levels with the public feeling the strain on household budgets, impacted yet further by the fuel crisis and escalating interest rates.

Contrary to initial concerns, following the Government's stamp duty intervention in 2021, the housing market has stayed buoyant in 2022, with demand for housing being fuelled by home movers and a lack of suitable new property coming onto the market. The demand for re-mortgages has also increased, encouraging new brokers to continue to enter the industry. This market activity has in turn supported our revenue of £4.32m, which represents 43% of overall Professional Education income.

Development and delivery of white labelled training solutions for clients has also seen a considerable upturn, with multiple cohorts running throughout this year. Further advancements to our support material packages and online tuition videos have enhanced user experience, future-proofing customer demand and associated income.

Financial Advice:

This year, the industry has faced difficulties in the recruitment of new advisers into the field, amid financial challenges not faced since the financial crisis.

We continue to update our suite of products in this area, including modern, and importantly, practical ways of assessment with student feedback being extremely positive on this approach in all of the qualifications.

Revenue for financial advice qualifications has returned to pre-pandemic levels, with an influx of interest for our newly launched Financial Planning in Retirement Level 6 module. Other areas of growth stem from later life planning, with the introduction of a new health and social care levy together with other upcoming sector changes igniting interest in our long-term care offering.

Banking

Over this 12-month period, demand for bespoke training programmes has grown significantly, as an example the Advanced Credit Assessment Techniques programme created for both mid and senior level corporate bankers has proven very successful with further cohorts scheduled for delivery throughout 2022/23.

Appetite for training in this sector has exceeded expectations which has helped soothe the decline in demand for banking qualifications. Work is underway to look at alternative ways to deliver banking knowledge in a format that is sought by industry, with a focus upon smaller modules that can be completed swiftly and applied directly to the workplace. This focus has been supported by overwhelming feedback from industry advising that short, stackable modules with practical application are the favoured choice.

With the obvious synergies between Banking and the Centre for Digital Finance, collaborative efforts have taken place to promote the Certified Fintech Practitioner programme among corporate partners. Work is also underway on an entry-level offering in the form of asynchronous online self-paced modules, which has already gained interest from key external stakeholders.

Additional collaboration with the Centres for Governance, Risk and Regulation and Sustainable Finance aims to address the development needs of the banking industry and will become an intrinsic part of the future learning journey.

LIBF
Best Trade Finance Education Provider
– International Trade Awards 2022

For the 2021/22 financial year we received
28,976
registrations

Trade and Transaction Banking

A successful year for brand awareness and partnership opportunities, and the team were delighted to be awarded 'Best Trade Finance Education Provider' at May's International Trade Awards. Expansion is also evident within the Accredited Learning Support Provider space, previously the preserve of the UK market, and 2022 saw the addition of providers in a number of countries specialising in training to support students in their studies for the Certificate for Documentary Credit Specialists.

China remains a key market for Trade and Transaction Banking qualifications, representing a significant portion of the global revenue for this sector. With border controls curtailing plans to visit key stakeholders in country, efforts to restore revenue to pre-pandemic levels have focused upon our direct relationship with our partner, the International Chamber of Commerce.

Covid-19 restrictions have remained present throughout China and other parts of Asia, affecting examination centre availability and creating pressure of extended home working for candidates. The move to on-demand exams in the year prior has increased accessibility, however, candidates are choosing to delay exam bookings until environmental factors settle. These factors have resulted in a reduced revenue figure of £1.73m against previous income of £2.90m in 2020/21.

Asia Pacific continues to be a focus for strategic growth and, as such, investment was made in the recruitment of a Director of Sales based out of our Singapore office targeting the acquisition of new business, development of existing relationships and exploring opportunities in new sectors such as commodity houses and government agencies.

Singapore Office

Over the last year, the Singapore office has formed strong business relationships with key clients in the region, successfully developing and delivering programmes across a number of areas, including operational risk management, risk awareness, and future skills. These programmes have received formal approval from Singapore's Institute of Banking & Finance (IBF) and are set to run for the next three to five years.

Key collaborative successes include a close partnership with Asian Banking School, which has led to the successful delivery of our Agile Bank Leader programme, with future plans to include programmes from our Centres for Excellence. Partnerships have also expanded in Indonesia, with the development and delivery of a suite of high-profile webinars in conjunction with the Indonesian Banking Development Institute, Lembaga Pengembangan Perbankan Indonesia, and the Indonesian Financial Services Authority (OJK).

Further afield in Brunei, a partnership has developed with the Brunei Institute of Leadership & Islamic Finance (BILIF) to promote LIBF qualifications and programmes.

Actions taken to drive up the number of subject matter experts based in the APAC region have been effective, however, work continues to broaden the skill base in line with the expertise required to deliver programmes designed by our centres.

There has been a notable increase in the number of LIBF qualifications and programmes approved by the Institute of Banking & Finance in Singapore, which enables clients and Singaporean professionals to take advantage of available subsidies.

Regulatory Bodies and Stakeholder Engagement

Proactive dialogue continues with our standard setting bodies, policy makers and regulators. Participation at industry forums, such as the Accredited Bodies Forum attended by the Financial Conduct Authority (FCA), supports our work to ensure members fulfil regulatory obligations.

The Regulatory Education Advice Panel (REAP), a forum created and facilitated by LIBF, continues to bring together representatives from mortgage and financial advice firms across the UK. This panel provides an informed sounding board to broaden and deepen our understanding of the educational needs of the financial services sector.

Looking Ahead

As the leading provider of qualifications in the mortgage arena, the Financial Services team will launch the new LIBF Mortgage Conference to be held in early 2023 at the Congress Centre in London. There has been exceptional interest in sponsorship for the event, which has anticipated attendance of 250 to 300 paying delegates. As an educational showpiece for the industry, we are expecting this to become an annual event in the mortgage industry calendar.

Development activities for our modular asynchronous learning programmes will start to take shape, with the launch of the new Risk Mindset programme in the autumn, followed by the Foundations in Digital Finance and Innovation in early 2023.

A collaborative partnership between ourselves, the Financial Intermediary and Broker Association (FIBA) and the Association of Short Term Lenders (ASTL) is driving a project to create a programme of learning supporting the development of professionals working in these markets. This programme is due to launch in Q1 of 2023.

A relationship fostered by the Singapore office with the Institute of Financial Technologists of Asia (IFTA) in Greater China and Hong Kong, will see a localised version of the Certified Fintech Practitioner programme being delivered in autumn 2022. There are also plans to launch a Risk and Governance programme in conjunction with AFTECH, the Fintech Association of Indonesia in late 2022.

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.
- Rebalancing of the current housing market 'bubble' with lenders potentially tightening borrowing criteria.
- Potential economic downturn and interest rate increases.

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 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 apprenticeship programmes now comprise both early career and senior professionals.

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 2021/22 we built upon our achievements from the previous year. A key focus for the team was to develop our digital sources. A key achievement has been the implementation of a new online career centre that was implemented in the summer of 2022. We had over 230 new student registrations on our systems, and over 200 new job opportunities posted. We hosted over 15 careers events with alumni participants from companies such as HSBC, Barclays, Goldman Sachs and others. Results from the Graduate Outcomes survey showed us ranking within the top 5% of all UK universities. We were pleased to welcome two new part-time careers advisers to the team, helping us reach optimal staffing levels. Our focus for 2022 is to deliver a more holistic experience on campus while strengthening our digital offering.

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: Our physical learning environments have adapted to accommodate the need for a Covid-safe space. This has led to an investment in technical infrastructure to support synchronous learning experiences – so that we can offer, as far as is possible, equitable and collaborative experiences for students, both at home and on campus.

We have enhanced students' digital experiences by investing in a new virtual learning platform, Brightspace, which has been rolled out across programmes. It offers more sophisticated navigation and enhanced collaboration facilities as well as tools to help manage progression.

Our physical library is small: more a place for students to quietly study and to gain support from the librarians. 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.

Health and well-being: Our professional counsellor continued to support students over the year, particularly those seeking help with anxiety exacerbated by the pandemic. Counselling sessions were able to return on a face-to-face basis and students engaged with these sessions to benefit from the support on offer. We will continue to invest in this area in 2022 to increase the support and accessibility for our students.

Student recruitment: Face-to-face recruitment returned from September, with a full range of activities including external visits to schools, schools attending campus, UCAS fairs, open days and offer holder days. This academic year we delivered the highest number of both off and on campus school events which we hope to see translated into increased student applications. We have also introduced weekly campus drop-in sessions for prospective students. This has allowed us to engage with students on a more personal level. Our work with organisations marketing our courses has continued but we are also developing new opportunities with the aim of increasing awareness of and applications to our programmes.

Regulatory oversight: In line with all other apprenticeship providers, in 2022 we were asked to re-apply to the 'refreshed' Register of Apprenticeship Training Providers. We were pleased that our re-application was successful.

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 apprenticeship 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 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.

Through our strong networks and connections in the sector, we will continue to work with employers in developing content, as guest lecturers and as members on our deliberative committees so that our students have the knowledge, skills and competencies to be successful in their careers.

Key Risks

- **The 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.**
- **We must keep pace with technological advancements in learning, teaching and assessment as the sector moves to further enhance remote provision in the light of student expectations developed during the recent Covid-19 pandemic.**

Financial Education & Community Outreach

Catherine Winter
Managing Director,
Financial Capability &
Community Outreach

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 both a route through to further education along with the essential skills employers say young people are lacking as they enter the workplace.

Strategic Objective

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

Strategic Priorities

- **Maintain our position as the market leader of highly regarded financial education programmes and qualifications both in the UK and international markets.**
- **Continue to provide an outstanding customer experience.**
- **Improve the progression of students to higher education and the world of work.**
- **Work with both internal and external stakeholders on expanding our provision beyond the traditional classroom environment, targeting the most vulnerable children and young people in society.**
- **Retain and develop staff while creating a culture of empowerment and collaboration within the team.**

Measuring Success

Despite a challenging year, it is pleasing to know that we have continued to see an increase in revenue growth. Our year end figure showed a 17% increase of £350,000 over budget, and 4% ahead of last year. This increase was supported by growth in all qualifications but more significantly we have seen a positive trend in the popularity of our Level 3 qualification.

We continued to work on enhancing our portfolio of qualifications and have been focused on getting a new Level 2 qualification through the Department for Education (DfE) and Ofqual approval process and ready to market.

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

Additionally, to date we have seen a growth from 34% last year, to 43% this year in the number of undergraduate students gaining scholarships, applying to our programmes. Our current undergraduate applications show an increase to 60% of students coming from our school qualifications.

Progress During the Year

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

Customer Service

Covid-19 continues to present challenges in schools. Most schools have been facing both major teacher shortages and substantial loss of learning for students due to absences. We are aware of these challenging circumstances and continue to work as collaboratively and flexibly as possible with our centres. The team continues to adapt to meet our customer needs to ensure that we maintain both our very high standards of customer service and meet our regulatory compliance requirements. We are operating a centre visit hybrid approach, and where possible, physically visiting centres. Where this is not possible, we are supporting our centres remotely via Zoom. We have delivered to over 35,000 children and young people in over 650 mainstream schools, colleges, pupil referral units (PRUs) and special educational needs and disability (SEND) institutions.

We continued to offer teacher CPD, curriculum planning, open evenings and scholarship presentations both physically and via Zoom were required. In total, the team of five relationship managers conducted well over 1,000 school visits.

We had a specific focus on retaining as many existing centres as possible. We achieved a 90% retention rate, set against a 2019/20 rate of 67%.

Business Development

In line with our Strategic Development plan, we continued to focus on business generation activities. The loss of learning in schools has created an additional squeeze on an already tight curriculum. Despite this, we continued to identify new business opportunities and expansion within existing schools. We exceeded both of our targets for expansion of existing centres and acquisition of new centres.

In addition to our UK success, we have also expanded our international network of delivery centres. Our delivery to schools in China continues. We have seen a growth in student registrations and are close to expanding 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, especially in the MENA region. The highly successful Ghaya programme continues to be well regarded and consequently there are discussions ongoing regarding an extension of this programme to a younger age group.

Regulatory and Quality Compliance

Our qualifications continue to feature in DfE performance tables, to be fully funded and offer maximum UCAS points for those students progressing to university.

Following the cancellation of summer exams in 2020, as required by Ofqual, we held autumn resit exams; this was an opportunity for students who wished to try and improve their exam results following the awarding of centre assessed grades (CAG). Throughout the year, we continued to work with Ofqual and other awarding bodies to create the required adaptations to our assessments. Our suggested adaptations were approved in full and accordingly communicated through to our centres.

We are also being asked to consider plans for any further disruption to summer 2023 assessments.

Our results were within the Ofqual guidance framework, and all centre results were communicated to centres on time. An analysis and comparison of our Level 3 results with A levels demonstrated that the adaption methods we implemented this year were correct. They included the release of the pre-release material two weeks earlier than normal, allowing a compensatory pass between elements in units (to enable those who narrowly failed to still continue and achieve a pass) and advance notice of topics in written exams. We also had the option to adjust the grade boundaries where necessary but didn't need to implement this more than within our normal parameters.

Qualification Review

We also continued 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, universities and employers can trust and respect. We have identified key development areas for our qualifications.

This year has seen a significant amount of work completed on reviewing our LiFE programme. Qualification Wales, our Welsh regulator, made changes to qualification requirements in Wales. This resulted in update work required on our LiFE qualification. These changes have been made, submitted for approval and consequently we have just received notification, they have been approved for delivery in September 2022. These changes have made the LiFE programme, created seven years ago, more relevant and commercial.

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.

The Government had stated that they wished to reform post-16 education. Initially, they stated that there would be two distinct routes:

Academic route – Level 3 qualifications that lead to Higher Education.
Technical route – Level 3 qualifications that lead to employment/specific careers.

Originally, any qualifications that fell outside of the above routes, and had similarities (shared content) with T levels (referred to as overlapping subjects) were earmarked for defunding over the next two to three years. This included Applied General qualifications (equivalent to A levels) such as our CeFS/DipFS, BTECs and OCR Nationals.

Following petitioning and public discussion, including representations from AOs via consultation documents – LIBF contributed to this via the Federation of Awarding Bodies and also our own submission – the Government has revised the routes and has stated that it will allow small qualifications that may overlap with T levels to be considered as part of the approval process from 2024. There is a full process for this and it relies on key tests to be met for defunding to occur or not.

This process is being done in waves; the waves being led by the staggered introduction of different T levels across different subjects (the T level in finance is in wave 3). On the basis of what we know to date, we should be in a position by autumn 2023 of knowing whether our current Level 3 qualification continues to be funded or not.

Qualification Development

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 process for approval placed a significant demand on our resources but we are delighted to be able to report that we received notification from the DfE in December 2021, of approval for our new Level 2 Technical Certificate in Finance (TCF). This qualification will be in the Progress 8 performance tables for delivery in September 2022. Although interest in this new qualification remains high with our centres, the notification was unfortunately six months behind schedule, resulting potentially in lower registration numbers for its first year of delivery.

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 and corporates to support individuals at risk of financial exclusion to help them gain invaluable financial awareness and increase their digital, literacy and numeracy skills. For the first time, our work for this period has expanded to also include parents and students.

Seven 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.

Our strong relationship with Principality Building Society continued to grow and they have committed £100,000 for 2022 funding to support young people in Wales to be able to study one of our qualifications. At least £25,000 of this will be allocated to outreach education providers such as special schools, pupil referral units (PRUs) and children in care so that we are helping the most vulnerable children in the community. We have also successfully launched a community-based financial education project in Llanelli, Wales to deliver our LiFE programme to parents and carers. This is the first time we have worked with this age group.

Last academic 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 was our first project with them and due to the successful outcomes, we have been working with another charity, Financial Futures, on expanding this programme in 2022/23.

Our Young Financial Journalist competition was again sponsored by the Financial Times. This collaboration allows us to draw in large numbers of young people to this competition, which goes from strength to strength each year. We are currently looking at how we can engage more young people, via a video or TikTok competition, in learning about becoming more financially capable.

Policy Engagement

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 also attended a session at Westminster hosted by several MPs and sponsored by Yorkshire Building Society on the future of financial education.

We continue to work closely with policymakers – the DfE, Institute for Apprenticeships and Technical Education, and the 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 three academic years 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 agendas 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. However, the current political uncertainty has put many of these issues on the back burner for now.

Key Risks

- **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.**
- **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.**
- **Challenges around internal resources affect the ability to be agile and respond to entrepreneurial projects, allowing us to diversify our income stream.**
- **Risk of losing business crucial staff due to higher wages being offered from competitors.**

Kareem Refaay
Managing Director,
Gulf & MENA

The LIBF MENA office was established in Abu Dhabi in 2018. The office works with local and regional regulators, government bodies, banking clients and partners to provide banking education and training for banking professionals and in support of national development programmes, with the skills agenda forming a key pillar of economic strategies across the region.

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

A key measure of our success is ensuring a sustainable growth in revenue. Revenue in the year grew to £3.6m, representing a 100% increase year on year and with a strong pipeline of projects taking us into next year.

Our flagship programme, The Bankers Programme, continues to gain ground with 220 students joining the programme over the period of this report. The number of participants on the programme increased by 124% from the previous year. Corporate commitment to this government-supported national upskilling programme remains strong as banks look to appoint UAE nationals into critical roles in banking.

Community impact remains a key strategic priority with our Ghaya financial capability programme showing strong continued participation. The programme is now in its fifth cohort with 465 beneficiaries recruited to the programme during the year. We were proud to receive the distinction of excellence awarded by the Authority of Social Contribution – Ma'an, in recognition of our social contribution in Abu Dhabi via this programme.

Our support for employability in Abu Dhabi was underlined with the award of a major new strategic initiative led by the Abu Dhabi Government to provide employability skills training and career guidance for Emirati nationals as part of a newly launched 'The Job Centre programme', which LIBF MENA will run in partnership with the ADGM Academy and other key stakeholders.

Gender diversity remains a key success for us with 83% of participants on our Bankers Programme being women and providing career pathways for Emirati women into critical roles in banking.

Progress During the Year

Banking programmes: Our flagship UAE National Development programme, The Bankers Programme, commissioned by the Human Resources Authority of Abu Dhabi (HRA), continues to receive excellent feedback from participants and employers. We had over 200 participants on the programme for cohort two and preparations are underway to start cohort three. Participants study two LIBF banking certificates, including the newly redeveloped International Banking and Finance foundation certificate, in addition to attending sessions on employability skills. A further 165 students completed a new Retail Sales Specialist Programme for a leading bank in Abu Dhabi. Our Certificate in Retail and Digital Banking (CertRDB) forms a central element of that programme.

In Higher Education we successfully concluded the inaugural cohort of the Executive Postgraduate Certificate in FinTech and started the third cohort of the Executive Postgraduate Certificate in Sustainable Finance. The two programmes are gaining considerable interest across the MENA/GCC region.

LIBF MENA continues to raise its profile through strong local alliances and May saw the launch of the inaugural Sustainable FinTech Leadership Programme – a joint educational programme with the MENA FinTech Association's Sustainable FinTech Alliance and their FinTech members, including American Express, Mastercard, Codebase Technologies, Checkout.com and Yap, alongside regulators including DIFC, ADGM.

Bespoke education and training: Client interest in bespoke education and training across the MENA/GCC region remains strong. Topics of interest for board-level sessions are in areas under regulatory interest including strategies for managing climate-related risks and corporate governance. For wider bank populations, topics of interest remain banking fundamentals, digital transformation and innovation and awareness around the sustainable finance and ESG (Environmental, Social and Governance) emerging themes.

Serving the wider MENA region: In Egypt, we have strengthened our relationship with the Egyptian Banking Institute (EBI) and offered our first in-person training since the pandemic. We aim to work with EBI to deliver our international banking qualifications with considerable interest expressed by several large Egyptian banks. This builds on the successful delivery of the

LIBF MENA in numbers

Revenue
£3m
increase in Financial up 100% year on year

National Development Programme
124%
increase in registrations versus previous year

Gender Diversity
83%
female participation on banking certificate programmes

Community
465
beneficiaries supported by Ghaya financial literacy programme

international banking foundations qualification to nearly 140 employees of one of the largest Egyptian banks, with 85% of the cohort passing the qualification, of which 57% passed with Distinction.

LIBF MENA has cemented key relationships with banking institutes in the region, most notably the Bahrain Institute of Banking & Finance (BIBF) with our Chair of the Board signing three co-operation agreements in the presence of His Excellency the Crown Prince of Bahrain during a hybrid ceremony in January 2022 to open BIBF's new premises.

In Oman, LIBF has signed a strategically important MoU with the College of Banking and Financial Studies (CBFS) – a college of the Central Bank of Oman. This collaboration will see initiatives across professional, higher education and training propositions with digital banking and sustainable finance being key areas of focus.

Community

Financial capability: Our financial inclusion programme Ghaya, which is offered in partnership with Ma'an – the Government of Abu Dhabi's Authority of Social Contribution – goes from strength to strength. The fourth cohort of 144 beneficiaries graduated in a ceremony held in June and recruitment for a fifth cohort is underway. Surveys of earlier graduates show an improvement in the management of their personal finances, with 95% of the cohort stating they now feel able to plan and budget, nine months after completion of the programme.

The Job Centre programme: LIBF is proud to be a partner in the Abu Dhabi Human Resources Authority (HRA) and ADGM Academy Job Centre programme initiative. This ambitious initiative will mitigate the gaps between labour market supply and demand, and support UAE National talent acquisition by providing skilled and job-ready candidates.

Growing Profile

Thought leadership: LIBF MENA has been raising its profile across MENA and engaging with the banking and finance community through participation in events and thought leadership initiatives. This included working closely with the MENA FinTech Association (MFTA) on the publication of white papers, including an Open Banking report published in November and the SHIFT series of reports on the future of cross-border payments in MENA. These reports are published via our website.

Alumni: In October, we held the first Higher Education Alumni event for students and graduates of our Executive Postgraduate Certificate programmes attended by our Chief Executive, Alex Fraser, and Managing Director for Higher Education, Hema Tank.

In the news: LIBF MENA Managing Director, Kareem Refaay, was in the news in recent months discussing topical banking issues and reaching audiences across the UAE and GCC region.

Recruitment: The LIBF MENA office seeks to build capacity in support of delivering its core objectives. In the year, we recruited a Director of Business Operations. Furthermore, the work of the office has been ably supported by young Emirati interns who provide support to our Marketing and Programme Management teams.

Looking Ahead

We will look to expand the take up of the International Banking & Finance certificate programmes with new clients in Abu Dhabi and across the MENA and GCC region to help establish the International Banking & Finance certificate pathway as the 'go to' certification for early career bankers.

We aim to leverage the programme portfolios from the three LIBF Research Centres to provide executive education and bespoke programmes in digital banking and fintech, sustainable finance, and governance, risk and regulation. These disruptive trends remain in sharp focus among banks and regulators in the region and present training opportunities.

Working with banking institutes and select universities across the region, we will develop pathways and opportunities to study the LIBF Higher Education Executive Postgraduate Certificates in Sustainable Finance and in FinTech and provide progression to the LIBF Masters in Banking & Finance.

Working with key stakeholders and clients, we will expand initiatives to create community impact through financial inclusion, employability and gender diversity.

We will support thought leadership and knowledge sharing by working with the banking community, networks and alliances to produce reports and host events and programmes that address the specific challenges and opportunities in the MENA and GCC region.

Key Risks

- It is vital that we can keep pace with changing learning preferences and are able to respond quickly to opportunities from banks for digitally enhanced and delivered learning content.
- We are aware of the need to reach a broad range of clients and learners across the region to enable us to avoid concentration risk.
- The education and training arena in MENA/GCC is highly competitive and we need to remain alert to diversify and update our programme offer and other learning solutions to meet the needs of clients and stakeholders.

Key Strategic Priorities

During the year, we have continued to work on our People Strategy with the aim of keeping people engaged in the ever-changing world of work. Our 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 employees' health and well-being are integral to the success of the business.

Measuring Success

Developing our people: in 2021, the average number of development hours per employee was 8 hours; this has increased slightly from our 2020 figure due to the easing of the Covid-19 pandemic.
During the year we:

- continued to offer our learning activities online and virtually;
- delivered a Leadership Programme to support our Leadership Principles across the organisation;
- delivered development to support our competency framework;
- have continued to use and improve our performance management system;
- have supported our staff to study further qualifications.

Recruitment and retention: We continue to strive to be an employer of choice and have focused on how we recruit and retain skilled workers, particularly working at home and in a hybrid way. The recruitment market in 2021 was particularly challenging, with low unemployment and a high number of vacancies, with fewer skilled candidates. A review of our recruitment procedure with new recommendations assisted us to stay competitive and work effectively with our recruitment methods. These recommendations have been reinforced to our managers at our annual briefing sessions. We have also maintained a clear focus on our onboarding promise, the process from interview to job offer and induction, and by market analysis and benchmarking against methods within the industry. Engaging our workforce is key to our success.

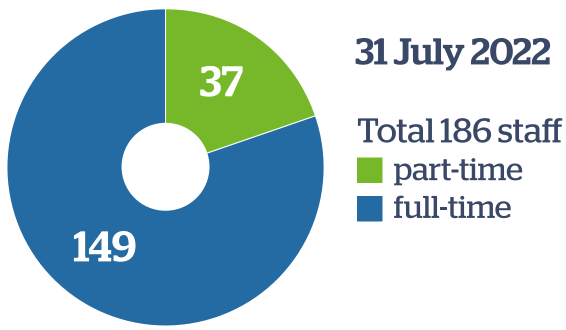
We continue to make vacancies available to all internal applicants and to provide feedback to unsuccessful employees after the interview, outlining suitable development where appropriate. This work has resulted in our voluntary turnover rate remaining low and within the national average.

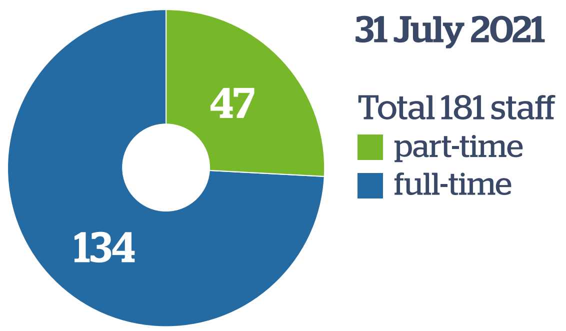
Retaining our people: Although still low, our voluntary turnover rate in 2021/22 increased slightly to 11.2% from 10% in 2020/21. Like many organisations, we have had more leavers in the last 12 months as workers change industry or reconsider their career priorities after the pandemic. After an in-depth analysis from our leavers, and by implementing our updated recruitment procedure, we aim to attract staff of the highest calibre.

Maintaining our employer brand: Our rating on Glassdoor over the last 12 months to July 2022 has increased slightly from 3.8 to 3.9.

Maintaining our sickness absence rate below the national average: In 2020 the UK sickness absence rate was at 2.2% (Personnel Today). In 2021 this increased to 3.1%. It is suggested that lifting the measures to stem the spread of Covid-19 in the second half of 2021 contributed to an increase in sick days. Our sickness rate in 2021 was 1.24% so our absence days as an organisation were under the national average. Out of our total absence figure, 13% was related to Covid-19.

Increasing flexible working practices: We have continued to encourage managers to offer flexibility to our employees with hybrid working opportunities and flexibility with hours to suit individual circumstances. Our part-time workers have decreased slightly in the last 12 months, however recent feedback from our manager briefings suggests that individuals feel that our culture is now more flexible with its approach.





Reward: During the year we introduced a global discount platform to make our benefits more inclusive across the organisation as well as communicating with employees about the market rate process and benefits available. We are continuing to recognise our employees' length of service and to market rate all 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 and implemented a pensions communication plan to increase our employees' knowledge of pensions.

Engagement: Employee engagement activity has been maintained during the year with regular Town and Village Hall meetings organised by our staff representation group Your Voice. Other engagement activities have included social events, well-being activities both online and in the offices and some face-to-face learning and development activities. We continue to encourage a feedback culture within the organisation.

Well-being: Our success as an organisation is very much dependent on the well-being of our staff. We follow our well-being commitment with the overall aim being that we take a people-centred approach and have a company culture which recognises that well-being is high on the agenda and part of our people strategy going forward.

Our well-being activities have been affected by the pandemic and our move to working from home during 2020. This has meant we have had to change the type of things we offer to employees. Activities have included virtual 'bring your pets to work' sessions and information sessions on salt awareness, back care, diabetes, World Cancer Day and the menopause. We have also continued our informal remote buddy groups to which all new joiners are invited, along with promoting our employee assistance scheme, where staff can access a 24-hour counselling service. We also continue to have Mental Health First Aiders.

We have a regular programme of learning and development around health and well-being, e.g. mental health and to recognise the importance of this we have repeated our resilience training courses for staff throughout the organisation on an annual basis.

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 implementing the proposals which have been identified as part of the Leadership Programme via the Action Learning sets, identifying equality, diversity and inclusion priorities, reviewing succession and talent management practices, implementing our revised recruitment and retention practices and focusing on reward and recognition.

Key Risks

- **We face increased risks in the recruitment market, with the best candidates only on the market for a short period of time. This causes potential difficulties in completing shortlisting and interviewing quickly enough.**

- **We will continue to develop our employees to encourage retention but face the situation where promotional opportunities can be limited due to the size of the organisation. We will continue to encourage development and monitor 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, apprentices, 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.

CENTRE DIGITAL BANKING AND FINANCE

Over the last 12 months our virtual Certified Fintech Practitioner (CFP) programme has built on its previous success and been delivered to over 100 students in four cohorts producing income of circa £60,000. As in the previous year, the programme has attracted students from organisations and countries not normally served by LIBF programmes and we also delivered the first private session of the programme to executives in one of the world's leading development banks. Our efforts to support increased diversity in the sector through CFP have also continued with the award of 15 Women in Fintech Scholarships across the year.

Elsewhere in the training and executive education space, we have now developed an extensive course library that we are able to offer to clients and have worked closely with our relationship management teams and international partners to successfully deliver a number of corporate and regional training programmes. Activity of note in the year includes working with the MENA Fintech Association to develop and deliver a course on Sustainability Leadership for FinTechs, partnering with a LatAm-based banking institute to deliver fintech leadership courses to their members and continuing to deliver insight webinars on global fintech developments for a South-East Asia financial services regulator.

Our programme of popular webinars and podcasts continued throughout the year, though at a slightly reduced frequency, reflecting the changing needs of our stakeholders. Highlights included a very well attended session on the potential impacts of Web 3.0 on the financial sector and one exploring the Buy-Now-Pay-Later phenomenon and its possible impacts for the industry and consumers.

To complement our webinar series, we also published a series of insight articles and blogs via the centre's dedicated microsite. Topics explored in the year included digital trade finance, NFTs and EFTs, cybersecurity and innovation. We also featured the career stories of a number of the alumni from our CFP programme, highlighting the benefits of learning for personal and career development.

Another priority for the year was to expand and diversify our faculty of subject matter experts and guest speakers. Over the past 12 months we have added expertise to our network in areas such as Web 3.0 and the metaverse, alternative finance and artificial intelligence.

Members of this network have also represented and helped raise awareness of LIBF in a variety of public forums such as speaking at conferences and contributing articles to publications and industry websites. Most notably, Helene Panzarino, Co-Founder of the Centre, has maintained her high profile in the sector and for the third year running has been shortlisted by Computer Weekly for their 'Most Influential Woman in UK Tech' award.

We will be relaunching the CFP course in September in a new format that reduces the reliance on live virtual teaching. The new format will enable us to expand the maximum number of students in any given cohort and also work with international partners to offer sessions targeted at students from their regions – using shorter live webinars to provide local case studies and context.

We will also be developing a new entry-level fintech programme, following positive feedback on the concept from a number of key corporate partners. The new programme will be delivered fully online and on demand and will be designed to provide new entrants to both the banking and financial technology sectors with the fundamental knowledge of fintech and innovation they will need to progress their careers.

CENTRE FOR GOVERNANCE, RISK AND REGULATION

The Centre for Governance, Risk and Regulation supports the organisation's need by enhancing its visibility, developing its capabilities in the executive training area and developing new, and supporting existing, programmes in the rapidly evolving fields of governance, risk and regulation. LIBF draws on its historical roots and network of senior alumni to support these aims.

We focus on corporate rather than open programmes, except when these are run by partner organisations. We run existing, and develop new, training programmes, propose outlines and ideas 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, Bahrain, Tunisia, Morocco, Egypt and Algeria as well as the UK. Our offering is delivered either online – for the majority during the pandemic period – and increasingly face to face again.

We set up a Next Gen Faculty, led by Katie Shanahan, to help encourage the next generation of professionals to share their insights and perspectives on the evolving finance sector. They focus on three critical areas – sustainable finance, digital banking and fintech, and risk and governance – working with our three research centres. Some examples of output include an article on how different age groups assess climate risk, or a podcast on the theme 'experience versus expertise' with Olivia Jennings and Katie Shanahan.

The Centre's content output takes place through events in live but virtual delivery. We also produce content in the form of videos, podcasts and articles/blogs on relevant themes that dovetail with our strategic intents. We expect our virtual faculty to participate actively in the production and dissemination of content. For example, Andrew Cunningham authored a blog on 'inflation, banks and financial institutions' and hosted a webinar on the return of inflation with Paul Fisher, Mark Cliffe and Bryan Foss on the panel, all of whom are members of the Editorial Board. Several podcasts and articles were produced on topics such as geopolitical risk, risks from the top, and soft skills from the military, which can be accessed via the Centre's web page.

The Centre has its own microsite, risk.libf.ac.uk/. Members of the faculty have also been active participants in a range of both physical and virtual events run by third parties. Most recent events include an OJK webinar titled 'Agile Banking and Geopolitical Risk', delivered by Olivier Beroud and Derek Leatherdale on 14 July 2022 to a large audience in Indonesia.

In the next financial year, the Centre's focus will be on further programme development and delivery through partnerships, with the expectation that much of this course delivery will be to international cohorts. We continue to run our successful leadership course with our Malaysian partner, the Asian Banking School. We continue to produce content that is closely related to environmental and digital topics in collaboration with our sister centres, and are working on programmes for partner organisations in the Middle East and Asia with appropriate international institutions and education providers.

The Centre also continues to explore opportunities to deliver virtual executive training to corporate clients directly and is developing a portfolio of virtual workshops to form the basis of this offer.

Climate change and environmental, social and governance (ESG) risks have become top priorities for financial institutions, companies and governments. Over the past year, regulators have increased their pressure for a robust climate-related risk management framework. The LIBF Centre for Sustainable Finance (Centre SF) is well positioned to support students and organisations in their progress towards a greener economy.

Progress against the strategic objectives will be measured through a series of activities::

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

The context of the pandemic and the absence of overseas travel have impacted the capabilities to engage into academic or commercial exchanges. Many institutions have been operating in a crisis or post-crisis mode, with reduced appetite to engage with discussions around courses and training. Despite the internal and external context, the year showed some good contributions to the strategic objectives. The Centre has still been active through various online events and activities to maintain its visibility. More importantly, we have been mobilising a virtual faculty of more than 15 subject matter experts who are now contributing to the reputation of the Centre.

We have continued to engage actively with trusted partners to develop quality academic propositions and training programmes on sustainable finance. This engagement was still limited to online meetings and webinars due to the pandemic, however, we had our first post-Covid-19 face-to-face training in July. LIBF partners in the field of sustainable finance include the Abu Dhabi Global Market Academy and the Bahrain Institute of Banking and Finance. We have also delivered specialised training on sustainable trade finance with Coastline Solutions, and continued our partnership with WRAP, the UK-based NGO, in the P4G-funded 'FLAWLESS' project, which aims to halve food loss and waste (FLW) in alignment with Sustainable Development Goal (SDG) 12.3.

We have achieved our objective to produce relevant content by working with institutions and also to publish quality academic research. We published further white papers, blogs and interviews during the year. Our communication is now highlighted by the relaunch of our microsite.

The most positive achievement has been the significant demand from financial institutions for specialised training in the fields of climate-related risk and ESG risks. As the final stage of the North Africa Technical Assistance Facility programme, we have delivered a comprehensive programme about climate-related risks to banking and insurance institutions in Algeria, Egypt, Morocco and Tunisia. We have also delivered a number of training sessions about sustainable finance or climate-related risks with partners like EFMA (now Qorus), the Bahrain Institute of Banking and Finance and the Asian Business School.

In the next financial year, the Centre will present a revised library of courses 'The A to Z of Sustainable Finance' to cover financial institutions' needs. The courses can be delivered standalone or in combination to make larger 'programmes' and adapted to meet client needs. This will support the development of our commercial activities, especially in the MENA and APAC regions.

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.

Our Equality, Diversity and Inclusivity Committee oversee and advise our EDI activities which address the UN Goal 'Gender Equality' (Goal 5) alongside 'Reduced Inequalities' (Goal 10).

DocuSign has helped replace over 16,690 sheets of paper, saving trees, water, CO2, & waste

16,690 sheets of paper

2 trees

6,697 litres of water

640kg of CO2

44kg of solid waste

Goal 5: Gender equality

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 are committed to encouraging and supporting a diverse student community. Our REACH programme encourages people from underrepresented groups to sign up to our degree programmes and begin their careers in banking and finance. We support and encourage student societies that have a focus on inclusivity (e.g. Women in Finance), and have students on our committee.
- We are committed to having an inclusive workplace. Our senior leadership team is gender equal and supportive of our initiatives in this area. Lean In Circles are in place where female staff and students can connect and support each other.
- Below are some examples of initiatives that have taken place during the year:
  - focused on the diversity of our faculty to ensure they are representative of our students and provide meaningful insights from a range of perspectives;
  - celebrated a range of national events with staff and students, e.g. Pride, Black History Month, and International Men's Day;
  - raised awareness of alternative pronouns and the importance of allyship in this area. Also adapted our systems to make it easier for our stakeholders to declare a range of titles or pronouns.

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;
- share relevant information and awareness for sustainable development..

LIBF actions

- Began gathering data to measure our carbon footprint.
- Our staff Environment group meet regularly to discuss key environmental issues.
- Produced and shared environment-focused newsletters with staff to promote responsible consumption and production (Goal 12) and climate action (Goal 13) awareness.
- Published and promoted seven blogs on sustainable finance.
- Provided 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.
- In 2021 we transferred from plastic membership cards to fully compostable cards. We are taking one step further this year with compostable cards only being issued to Chartered, Fellow and Chartered Fellow membership types.
- Membership stationery was moved to a fully compostable solution and the paper used within the annual renewal pack is part of the carbon capture programme supporting the Woodland Trust.
- Digital badges and email renewals will replace postal membership packs for all standard membership types from the November 2022.
- Usage of cheques and postal orders as a method of payment for membership will no longer be available from this year, with us promoting digital payment solutions to further reduce our carbon footprint.

Financial Review – Results for the Year Ended 31 July 2022

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 subsidiaries, 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 deficit of £154,000, shown in the consolidated statement of comprehensive income and expenditure on page 34, is broken down as follows:

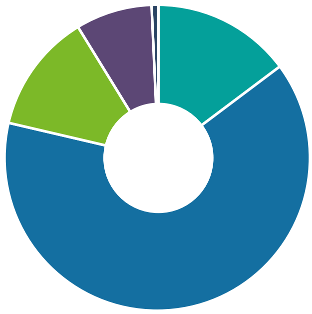
	Income £000	Expenditure £000	Surplus £000
General fund	19,172	-18,858	314
Restricted funds	11	-31	-20
Strategic investment	-	-205	-205
EBITDA	19,183	-19,094	89
Interest	-	-24	-24
Depreciation	-	-219	-219
	19,183	**-19,337**	**-154**

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 (EBITDA) 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 2021/22 was £19.183m, an increase of 4.7% over the previous year's total of £18.315m, with the key revenue analysis as follows:



Within Higher Education, revenue from full-time degree programmes increased by 35% to £2.2m. This reflects several years of increases in student intakes. Revenue from part-time courses was also up 16.4% to £611k as demand continued to grow for degree apprenticeships.

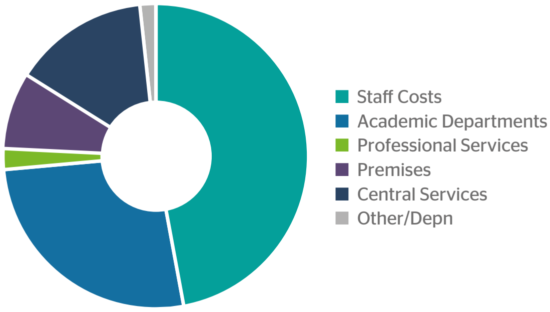
Professional education qualifications revenue grew by 2.6% to £12.24m. Demand for mortgage advice, financial advice and trade finance qualifications fell during the year following the previous year's bounce-back from Covid-19. However, there was a significant increase in activity in the middle-east with revenue from the MENA over double the previous year at £3.6m.

Overall registrations for Financial Education qualifications fell by 3% to £2.45m as there was a one-off programme in the MENA region in the previous year. UK revenue was ahead by 4.2% with increases seen across most of the qualification levels.

Professional services revenue grew by 8.7% with membership revenue staying in line with the previous year combined with a growth in training programmes.

Expenditure

Total expenditure for 2021/22 was £19.34m, an increase of 11% over the previous year's total from continuing operations of £17.44m, with the key analysis as follows:



As the organisation recovered from the impacts of the Covid-19 pandemic and the resulting increase in activity, staff costs have risen by 11.6% to £9.129m and represent a 48% of income (2021/22 45%).

Costs for academic departments increased by 14% to £5.078m, reflecting the increased volumes delivered during the year with costs for Professional Services rising 15.1% to £420k as a result of the increase in training programmes.

Premises costs increased by just 2.3% to £1.57m which is helped by fixed costs on rented properties in a time of higher inflation. Central costs rose by 6.8% to £2.81m with inflationary increases contributing together with higher costs of non-recoverable VAT.

Investments

During the year £2.385m was withdrawn from the fund as part of a planned process of closing the general investments funds to prepare the business sale (please see section on going concern below). £850k of this was used to repay the Coronavirus Business Loan (CBIL) with the balance retained in cash. Following that withdrawal, assets of £1.087m (2021 £3.543m) remain in the investment fund of which £460k is held for restricted funds. The remaining general fund investments will be divested prior to any business sale going ahead.

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.

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 2021, the surplus had increased to £3.757m although that doesn't factor in the decision to align the Retail Price Index (RPI) with the Consumer Price Index (CPIH) which was estimated to increase liabilities by around £2.8m.

Financial Outlook and 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 decreased by £151k to £2.403m as follows:

	2021/22 £000	2020/21 £000
General reserves brought forward	2,554	895
Surplus/(deficit) in general funds	314	1,236
Strategic investments and capital	-358	-230
Loan interest	-21	-
Investment gains	-86	653
General reserves carried forward	**2,403**	**2,554**
Represented by: unrestricted income and expenditure reserve	4,185	4,402
Less: tangible fixed assets	-1,782	-1,848
	2,403	**2,554**

The forecasts and budget for 2022/23 indicate a surplus in line with the reserves policy requirements which we estimate will grow in the next four years within the targets set by the financial strategy. Early trading for 2022/23 indicates we have met our target intakes for full-time students and other qualification revenue is in line with projections.

However, on 24 November 2022, the Board of Governors signed an agreement with a third-party University Group to sell the business. This includes the trade of the organisation and all assets and liabilities (including the defined benefit pension fund) but excluding the restricted funds. The completion of the sale is subject to numerous regulatory approvals including the OfS, FCA, Ofqual and the Privy Council. Whilst the Board are currently unable to confirm an exact date of the transaction, it is expected to be completed sometime in the first quarter of 2023.

In return, the Charity will receive a considerable sum of money to invest in new projects and it is anticipated, subject to Charity Commission consent, that the main Charitable purpose will change from education to grant making. The Board are currently working with a third-party consultancy on a new strategy and business plan to be implemented sometime after the transaction has been completed.

The Board had produced a budget for the 2022/23 financial year which showed growth in activity, a surplus position and sufficient cash to continue trading over this period, or if shorter, to the expected date of sale sometime in the first quarter of 2023.

However, as described above, the objects of the charity will have to be changed and the activities will be fundamentally different. There are currently no alternate plans in place from August 2023 to continue.

For the reasons above, the Board has prepared the financial statements on a basis other than a going concern.

Statement of Corporate Governance

Structure, Governance and Management

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

Corporate Governance

We have adopted the 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 of Governors for academic, business and financial affairs, and for advising the Board on strategic direction.

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

Governor Selection and Induction

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

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

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

Board of Governors (Trustees)

The Trustees as at 31 July 2022 are as follows:

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

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

Alex Fraser

John Annette

Binta Darboe ***Student Representative***

Sabrina Del Prete

Shelley Doorey-Williams

Paul Gordon

David Kennedy

Ali Miraj

Sakhila Mirza

Philip O'Shea

Arjan van den Berkmortel

Damian Ward

Eddie Webb ***Student Representative***

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

Annabel Todd (resigned November 2021)

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 twelve academics with relevant qualifications and experience, one academic delivering teaching for our academic awards, two representatives of the student body, and one elected member of staff responsible for the delivery of the academic programmes who does not manage other staff engaged in such delivery. The principal functions of the Academic Board include to:

- guide the Board of Governors on educational strategy, legislation relating to educational provision, regulatory requirements affecting the award of degrees and the implications of the development of further or revised academic provision;
- approve courses and programmes of study leading to academic awards and all significant amendments or discontinuance;
- regulate all instruction, teaching and research;
- prescribe the criteria, procedures and guidelines for the assurance and the quality and standards of all courses and programmes of study and research;
- prescribe the requirements concerning all matters of academic sufficiency under which 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
Cathy Higgs
Claire McCafferty
Gulnur Muradoglu
Osmond Plummer
Mark Shackleton
Hema Tank
Damian Ward
Suellen White

Audit Committee

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

David Kennedy (Chair)
Hanif Barma
Paul Gordon
Philip O'Shea

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

Maria Vetrone (resigned March 2022)

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.

Shelley Doorey-Williams (Chair)
Steven Haberman
Sakhila Mirza
Arjan van den Berkmortel
Damian Ward (Chair for discussion on remuneration)

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 Staff

Alex Fraser, Chief Executive
Anna Boyce, HR Director
Mark Heaton, Managing Director, Professional Education
Richard Martindale, Company Secretary
Claire McCafferty, Director of Studies
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

Organisation Risk Management

Strategic Risks

Those mainly in the external market and environment over which we have little or no control: we may be able to mitigate the impact, but we will not be able to control the probability of the risk occurring and the risk may have a fundamental impact on our future strategic direction.

Operational Risks

Relate primarily to our day-to-day running. These are more likely to be within our control, in terms of our ability to affect the probability of the risk occurring and to mitigate the impact.

Board of Governors

Ultimate responsibility for the system of risk management and control.

Audit Committee

Monitoring and reviewing the effectiveness of the risk management and control arrangements.

Senior Executive Team

Identification, assessment, management, monitoring and reporting of strategic risk.

Operating Committee

Identification, assessment, management, monitoring and reporting of operational risk.

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 24 November 2022 and signed for and on their behalf by

Steve Haberman

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.

Approved by the Board of Governors on 24 November 2022 and signed for and on their behalf by

Steve Haberman

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 2022 and of the Group's and the Institute's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 2022 which comprise 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1b of the financial statements which explains that the Board of Governors have signed an agreement to sell the business and intend to transfer the trade and assets of the Institute. The Board of Governors therefore do not consider the Group to be a going concern.

Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 1b. Our opinion is not modified in this respect of this matter.

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

Other information

The board is responsible for the other information. The 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 and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and Education and Skills Funding Agency

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 and Education and Skills Funding Agency 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 notes 1 and 2 to the accounts, has been materially misstated.
- The Institute's expenditure on access and participation activities for the financial year, as has been disclosed in note 7b to the accounts, 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information in the Governor's Annual Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate 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, the board members are 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 are 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 noncompliance 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 University 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 and Education and Skills Funding Agency.

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 University's 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 University 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 2022

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

On 24 November 2022, the Board of Governors signed an agreement with a third-party University Group to sell the business. This includes the trade of the organisation and all assets and liabilities (including the defined benefit pension fund) but excluding the restricted funds. The sale is subject to numerous regulatory approvals including the OfS, FCA and Ofqual and will require final approval of the Privy Council. Whilst the Board are currently unable to confirm an exact date of the transaction, it is expected to be completed sometime in the first quarter of 2023.

In return, the Charity will receive a considerable sum of money to invest in new projects and it is anticipated, subject to Charity Commission consent, that the main Charitable purpose will change from education to grant making. The Board are currently working with a third-party consultancy on a new strategy and business plan to be implemented sometime after the transaction has been completed.

The Board had produced a budget for the 2022/23 financial year which showed growth in activity, a surplus position and sufficient cash to continue trading over this period, or if shorter, to the expected date of sale sometime in the first quarter of 2023.

However, as described above, the objects of the charity will have to be changed and the activities will be fundamentally different. There are currently no alternate plans in place from August 2023 to continue.

For the reasons above, the Board has prepared the financial statements on a basis other than a going concern. No adjustments to the figures have been required as a result of this change in basis of preparation.

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
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 2022

	Notes	Year ended 31 July 2022 Consolidated £000s	Year ended 31 July 2022 Institution £000s	Year ended 31 July 2021 Consolidated £000s	Year ended 31 July 2021 Institution £000s
Income					
Tuition fees and education contracts	1	**17,501**	**13,635**	16,607	14,977
Funding Body Grants	2	**18**	**18**	127	127
Other income	3	**1,593**	**1,575**	1,496	1,494
Investment income	4	**70**	**89**	82	85
Donations	5	**1**	**1**	3	3
Total income		**19,183**	**15,318**	18,315	16,686
Expenditure					
Staff costs	6	**9,129**	**8,250**	8,179	7,664
Other operating expenditure	7a	**9,965**	**8,283**	9,080	8,200
Depreciation	9	**219**	**219**	177	177
Interest and other finance costs	8	**24**	**24**	4	4
Total expenditure		**19,337**	**16,776**	17,440	16,045
(Deficit)/surplus before other gains and losses		**(154)**	**(1,458)**	875	641
(Losses)/gains on investment assets	10	**(119)**	**(119)**	743	743
Actuarial gain/(loss) in respect of pension schemes	22	**248**	**248**	82	82
(Deficit)/surplus for the financial year		**(25)**	**(1,329)**	1,700	1,466
Total comprehensive income for the year		**(25)**	**(1,329)**	1,700	1,466
Represented by:					
Restricted comprehensive income for the year		**(53)**	**(53)**	58	58
Unrestricted comprehensive income for the year		**28**	**(1,276)**	1,642	1,408
		(25)	**(1,329)**	1,700	1,466

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 2022

Consolidated	Unrestricted £000s	Restricted £000s	Total £000s
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 1 August 2021	4,157	484	**4,641**
(Deficit) from the income and expenditure account	28	(53)	**(25)**
Total comprehensive income for the year	28	(53)	**(25)**
Balance at 31 July 2022	4,185	431	**4,616**

Institution	Unrestricted	Restricted	Total
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 1 August 2021	4,169	484	**4,653**
(Deficit) from the income and expenditure account	(1,276)	(53)	**(1,329)**
Total comprehensive income for the year	(1,276)	(53)	**(1,329)**
Balance at 31 July 2022	2,893	431	**3,324**

Consolidated and institute balance sheets

as at 31 July 2022

		As at 31 July 2022		As at 31 July 2021	
	Notes	**Consolidated £000s**	**Institute £000s**	Consolidated £000s	Institute £000s
Non-current assets					
Fixed assets	9	**1,782**	**1,782**	1,848	1,848
Investments	10	**1,087**	**1,087**	3,543	3,543
		2,869	**2,869**	5,391	5,391
Current assets					
Stock and work in progress	11	**60**	**60**	30	30
Trade and other receivables	12	**4,041**	**2,669**	3,007	3,030
Cash at bank and in hand		**3,075**	**2,721**	1,400	1,343
		7,176	**5,450**	4,437	4,403
Creditors: amounts falling due within one year	13	**(5,330)**	**(4,896)**	(4,163)	(4,117)
Net current assets		**1,846**	**554**	274	286
Total assets less current liabilities		**4,715**	**3,423**	5,665	5,677
Creditors: amounts falling due after more than one year	14	-	-	(680)	(680)
Provisions					
Other provisions	15	**(99)**	**(99)**	(99)	(99)
Pension provisions	22	-	-	(245)	(245)
Total net assets		**4,616**	**3,324**	4,641	4,653
Restricted funds					
Income and expenditure reserve - restricted	16	**431**	**431**	484	484
Unrestricted reserves					
Income and expenditure reserve - unrestricted		**4,185**	**2,893**	4,402	4,414
Pension reserve	22	-	-	(245)	(245)
		4,185	**2,893**	4,157	4,169
Total Reserves		**4,616**	**3,324**	4,641	4,653

The financial statements were approved by the Board of Governors on 24 November 2022 and signed on its behalf on that date by:

Steven Haberman
Chair

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 2022

	Notes	2022 £000s	2021 £000s
Cash flow from operating activities			
(Deficit) for the year		**(25)**	1,700
Adjustment for non-cash items			
Losses/(gains) on investments and property	10	**119**	(743)
Investment income	4	**(70)**	(82)
Depreciation, profit on sale and amortisation	9	**219**	177
(Increase)/decrease in stocks	11	**(30)**	17
Net (increase) in debtors	12	**(1,034)**	(1,169)
Net increase/(decrease) in creditors	13	**1,337**	(811)
(Decrease) in pension provision	22	**(245)**	(47)
Increase in other provisions	15	-	11
Net inflow/(outflow) from operating activities		**271**	(947)
Cash flows from investing activities			
Investment income	4	**70**	82
Payments to acquire tangible fixed assets	9	**(153)**	(113)
Payments to acquire investments	10	**(126)**	(1,117)
Receipts from sales of investments	10	**2,420**	1,704
		2,211	556
Cash flows from financing activities			
New secured loans	14	-	1,500
Repayments of amounts borrowed	14	**(850)**	(650)
		(850)	850
Increase/(decrease) in cash and cash equivalents in the year	17	**1,632**	459
Cash and cash equivalents at the beginning of the year	17	**1,447**	988
Cash and cash equivalents at the end of the year	17	**3,079**	1,447

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 2022

	2022 Consolidated £000s	2022 Institute £000s	2021 Consolidated £000s	2021 Institute £000s
1. Tuition fees and education contracts				
Higher Education students				
Full-time Home and EU students	**2,202**	**2,202**	1,627	1,627
Part-time students	**611**	**611**	525	525
Financial Education qualifications	**2,449**	**2,449**	2,525	2,351
Professional Education qualifications	**12,239**	**8,373**	11,930	10,474
	17,501	**13,635**	16,607	14,977
2. Funding body grants				
Office for Students recurrent grant	**44**	**44**	98	98
Office for Students capital grant	**13**	**13**	14	14
Office for Students hardship grant	**-**	**-**	15	15
Office for Students prior year overpayment	**(39)**	**(39)**	-	-
	18	**18**	127	127
3. Other income				
Professional and alumni services	**1,556**	**1,556**	1,432	1,432
Government grants	**-**	**-**	60	60
Rent receivable	**37**	**-**	4	-
Management charges	**-**	**19**	-	2
	1,593	**1,575**	1,496	1,494

The government grant represents money received under the UK Government Coronavirus Job Retention Scheme

	2022 Consolidated £000s	2022 Institute £000s	2021 Consolidated £000s	2021 Institute £000s
4. Investment income				
Investment income on restricted reserves	**10**	**10**	10	10
Other investment income	**60**	**60**	72	72
Gift aid	**-**	**19**	-	3
	70	**89**	82	85
5. Donations				
Restricted fund donations	**1**	**1**	3	3
General donations	**-**	**-**	-	-
	1	**1**	3	3
Note: The source of grant and fee income, included in notes 1 to 3 is as follows:				
Grant income from the Office for Students	**18**	**18**	127	127
Grant income from other bodies	**-**	**-**	60	60
Fee income from non-qualifying courses (exclusive of VAT)	**14,688**	**10,822**	14,455	12,825
Fee income for taught awards (exclusive of VAT)	**2,813**	**2,813**	2,152	2,152
	17,519	**13,653**	16,794	15,164

6. Staff costs	2022	2022	2021	2021
Group and Institute	**Consolidated**	**Institute**	Consolidated	Institute
	£000s	**£000s**	£000s	£000s
Salaries	**7,839**	**6,980**	7,015	6,516
Social security costs	**718**	**711**	706	697
Pension costs	**572**	**558**	458	451
	9,129	**8,249**	8,179	7,664
Restructuring costs	-	-	-	-
	9,129	**8,249**	8,179	7,664

Remuneration of the Chief Executive	2022	2021
Emoluments	**215**	203
Pension costs	-	5
Benefits - medical insurance	**4**	3

The Chief Executive's basic salary is 5.9 times (2021 6.2 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 5.9 times the median total remuneration of colleagues (2021 6.2), 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.

	2022	2021
Average monthly number of employees calculated on the basis of full time equivalents was:	**Number**	Number
Academic departments and support services	**104**	99
Professional services	**23**	22
Premises	**4**	3
Central services	**36**	36
	167	160

The basic remuneration of higher paid staff, excluding pension contributions in excess of £100,000 was:		
£100,000 - £104,999	**3**	1
£105,000 - £109,999	-	-
£120,000 - £124,999	**1**	-
£140,000 - £144,999	-	1
£155,000 - £159,999	**1**	-
£190,000 - £194,999	-	-
£200,000 - £204,999	-	1
£215,000 - £219,999	**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.

	2022	2021
	£000s	£000s
Key management personnel compensation	**1,541**	1,490

Severance payments - during the year the Institute did not undertake any restructuring resulting in compensation for loss of office being paid.

7a. Other operating expenditure	**2022**	**2022**	2021	2021
	Consolidated	**Institute**	Consolidated	Institute
Other operating expenses included:	**£000s**	**£000s**	£000s	£000s
Academic departments and support services	**5,078**	**3,396**	4,453	3,573
Professional services	**420**	**420**	365	365
Premises	**1,573**	**1,573**	1,538	1,538
Central services	**2,809**	**2,809**	2,629	2,629
Restricted funds	**31**	**31**	45	45
Auditor's remuneration				
External auditor's remuneration in respect of audit services	**54**	**54**	50	50
External auditor's remuneration in respect of non-audit services	-	-	-	-
	9,965	**8,283**	9,080	8,200

7b. Access and participation plan (APP) expenditure	**2022**	2021
	£000s	£000s
Access investment	**55**	35
Financial support provided to students	**136**	82
Support for disabled students	**-**	-
Research and evaluation expenditure	**8**	4
	199	121
The total of the approved expenditure in our APP for the year ended 31 July 2022 was	**186**	100

Actual expenditure was greater than the APP due to additional expenditure from LIBF restricted funds

All of the expenditure is included in the financial statements and other notes and details of the approved plan can be found at:
https://www.libf.ac.uk/docs/default-source/HE/HE-Policies/access-participation-plan-2020-21-to-2024-25.pdf?sfvrsn=4ddb2a8d_4

8. Interest and other finance costs

Consolidated and Institute	**2022 Consolidated £000s**	**2022 Institute £000s**	2021 Consolidated £000s	2021 Institute £000s
Loan Interest	**21**	**21**	-	-
Net cost on pension scheme	**3**	**3**	4	4
	24	**24**	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 2021	1,664	1,534	1,911	5,109
Additions	-	26	127	153
Disposals	-	-	(263)	(263)
At 31 July 2022	1,664	1,560	1,775	4,999
Depreciation				
At 1 August 2021	175	1,410	1,676	3,261
Charge for the period	27	59	133	219
Disposals	-	-	(263)	(263)
At 31 July 2022	202	1,469	1,546	3,217
Net book value				
At 31 July 2022	1,462	91	229	1,782
At 31 July 2021	1,489	124	235	1,848

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.

10. Non-current investments (Consolidated & Institute)	General £000s	Restricted £000s	2022 Total £000s	2021 Total £000s
As at 1 August 2021	3,013	483	**3,496**	3,340
Additions	116	10	**126**	1,117
Disposals	(2,420)	-	**(2,420)**	(1,704)
Investment gains	(86)	(33)	**(119)**	743
As at 31 July 2022	623	460	**1,083**	3,496
Investments at cost				
Managed funds				
UK equities	191	424	**615**	1,381
Overseas equities	181	-	**181**	820
UK fixed interest	64	-	**64**	267
Alternatives	91	-	**91**	401
Cash	4	-	**4**	47
	531	424	**955**	2,916
Investments at market value				
Managed funds				
UK equities	226	460	**686**	1,615
Overseas equities	243	-	**243**	1,198
UK fixed interest	56	-	**56**	260
Alternatives	98	-	**98**	423
	623	460	**1,083**	3,496
Cash	4	-	**4**	47
	627	460	**1,087**	3,543

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 (2021 £6).

	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
ifs 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 (APAC) Limited		LIBF Learning Limited		LIBF (MENA) Ltd	
	2022 £000s	2021 £000s	**2022 £000s**	2021 £000s	**2022 £000s**	2021 £000s
Income	**170**	118	**37**	5	**3,866**	1,630
Expenditure	**(280)**	(125)	**(37)**	(2)	**(2,562)**	(1,365)
Surplus/(deficit) for the year	**(110)**	(7)	-	3	**1,304**	265
Current assets	**45**	60	**23**	7	**2,329**	1,424
Creditors	**(185)**	(90)	**(23)**	(7)	**(1,031)**	(1,436)
Total net assets	**(140)**	**(30)**	-	-	**1,298**	(12)

	2022 Consolidated £000s	2022 Institute £000s	2021 Consolidated £000s	2021 Institute £000s
11. Stock and work in progress				
Publications and sundry stock	**60**	**60**	30	30
	60	**60**	30	30
12. Trade and other receivables				
Due within one year				
Members and trade receivables	**3,215**	**1,214**	2,229	860
Amounts owed from group undertakings	**-**	**637**	-	1,400
Other debtors	**11**	**11**	5	5
Prepayments	**773**	**765**	744	736
Due after more than one year				
Members and trade receivables	**42**	**42**	29	29
	4,041	**2,669**	3,007	3,030
13. Creditors: amounts falling due within one year				
Secured loans	-	-	170	170
Trade payables	**614**	**603**	548	548
Other creditors and accruals	**1,352**	**948**	1,393	1,350
Social security and other taxation payable	**239**	**221**	159	156
Deferred income (see below)	**3,125**	**3,124**	1,893	1,893
	5,330	**4,896**	4,163	4,117

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

Subscriptions	**350**	**350**	360	360
Qualifications	**1,470**	**1,470**	1,469	1,469
Life subscriptions	**54**	**54**	64	64
Other fees	**1,251**	**1,250**	-	-
	3,125	**3,124**	1,893	1,893

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

A one-off repayment of £650k was made in July 2021 with the loan being fully repaid in July 2022

15. Provision for liabilities

Consolidated and Institution

	Post-Retirement Healthcare £000s
Balance at 1 August 2021	**99**
Amounts released during the year	**(8)**
Discount charges for the year	**5**
Charged to income and expenditure account	**3**
Balance at 31 July 2022	**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% (2021 5.0%) and a rate of increase in medical costs of 9% (2021 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	**2022 Total £000s**	2021 Total £000s
New donations	**1**	-	-	-	**1**	3
Investment income	**6**	**3**	**1**		**10**	10
Expenditure	**(19)**	**(12)**	-	-	**(31)**	(45)
	(12)	**(9)**	**1**	-	**(20)**	(32)
Increase in market value of investments	**(20)**	**(11)**	**(2)**	-	**(33)**	90
	(32)	**(20)**	**(1)**	-	**(53)**	58
Fund balances brought forward at 1 August 2021	**296**	**157**	**27**	**4**	**484**	426
Fund balances carried forward at 31 July 2022	**264**	**137**	**26**	**4**	**431**	484
Represented by:						
Investments	**282**	**153**	**25**	-	**460**	484
Net current assets	**(18)**	**(16)**	**1**	**4**	**(29)**	-
	264	**137**	**26**	**4**	**431**	484

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.

17. Reconciliation of cash flow to balance sheet

	Balance at 1 Aug 21 £000s	Cash flows £000s	**Balance at 31 Jul 22 £000s**
Cash at bank and in hand	1,400	1,675	**3,075**
Cash held with investments	47	(43)	**4**
	1,447	1,632	**3,079**

18. Consolidated reconciliation of net debt

	2022 Total £000s
Net debt as at 1 August 2021	850
Movement in cash and cash equivalents	1,675
Other non cash changes	(3,375)
Change in net debt	**(850)**

	2022 Total £000s	2021 Total £000s
Borrowings:amounts falling due within one year		
Secured Loans	-	170
Borrowings:amounts falling due after more than one year		
Secured Loans	-	680
Net Debt	-	850

19. Lease obligations

Total rentals payable under operating leases

	2022		2021	
	Land & Buildings £000s	**Other £000s**	Land & Buildings £000s	Other £000s
Future minimum lease payments due				
Not later than 1 year	**925**	**18**	1,075	29
Later than 1 year and not later than 5 years	**2,788**	**2**	2,896	21
Later than 5 years	**854**	**-**	1,671	-
Total lease payments due	**4,567**	**20**	5,642	50

20. Related party transactions

The London Institute of Banking & Finance has taken advantage of the exemption available under FRS 102 Related Party Transactions not to disclose transactions included within the group.

The Institute's Board of Governors are the trustees for charitable law purposes.
No trustees were paid (2021 one trustee was paid £1,740).

21. Contingent liabilities

There are no contingent liabilities as at 31 July 2022 (2021 nil).

22. 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 2022 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 2022 by a qualified independent actuary as follows:

		2022	2021
Discount rate		**3.5%**	1.6%
Price inflation (CPI)		**2.8%**	2.8%
Pension increases pre 2006 excess over GMP		**2.8%**	2.8%
Pension increases post 2006 pension		**2.0%**	2.0%
Assumed life expectancies on retirement at age 60 are:			
Retiring today	Males	**27.1**	27.1
	Females	**29.7**	29.6
Retiring in 20 years' time	Males	**28.6**	28.6
	Females	**31.1**	31.1

The assets in the scheme were:	**Value at 31 Jul 22 £000s**	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	**14,062**	17,402	15,828	20,217	21,399
Matching fund	**25,267**	30,842	31,386	26,232	21,455
Fair value of scheme assets	**39,329**	48,244	47,214	46,449	42,854
The actual return on assets over the period was:	**(7,779)**	2,378	5,146	705	2,267

	2022 £000s	2021 £000s
Present value of funded obligations	**(36,904)**	(48,489)
Fair value of scheme assets	**39,329**	48,244
Surplus in funded scheme	**2,425**	(245)
Irrecoverable surplus	**(2,425)**	-
Net liability in balance sheet	-	(245)

	2022 £000s	2021 £000s
Reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Benefit obligation at the beginning of the year	**48,489**	47,506
Interest cost	**766**	609
Actuarial gain/(loss)	**(11,115)**	1,691
Past service cost	**-**	-
Benefits paid	**(1,236)**	(1,317)
Liabilities at the end of year	**36,904**	48,489
Analysis of movement in the present value of scheme assets		
Fair value of scheme assets at beginning of year	**48,244**	47,214
Expected return on scheme assets	**763**	605
Actuarial gain/(loss)	**(8,542)**	1,773
Benefits paid	**(1,236)**	(1,317)
Contribution by employer	**100**	-
Fund administrative costs	**-**	(31)
Fair value of scheme assets at end of year	**39,329**	48,244
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
Net interest cost on net defined benefit liability	**3**	4
Total expense	**3**	31
Remeasurement of the net defined benefit liability/(asset) to be shown in other comprehensive income		
Actuarial gains/(losses) on the liabilities	**(11,115)**	1,691
Return on assets, excluding interest income	**8,542**	(1,773)
Change in the amount of surplus that is not recoverable, excluding interest income	**2,425**	-
The measurement of the net defined benefit liability/(asset) to be shown in other comprehensive income	**(148)**	(82)

23. 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 a surplus of £2.4m. If the discount rate assumption is increased by 0.1%, then it is estimated this will reduce the liabilities (present value of funded obligations) as at 31 July 2022 by approximately £0.5m (from £36.9m to £36.4m) which would result in a surplus of around £2.9m.

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.

The London Institute of Banking & Finance

Annual Report & Accounts
2021 – 2022

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.

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