

CFA Society of the UK

REPORT AND ACCOUNTS

For the year ended 30th June 2009



A company limited by guarantee
and not having a Share Capital
Company Number: 4035569

www.cfauk.org

ABOUT US

The CFA Society of the UK (CFA UK) represents the interests of more than 8,500 members of the investment profession.

The society, which was founded in 1955, is a member society of CFA Institute.

We are committed to leading the development of the investment industry through the promotion of the highest ethical standards and through the provision of education, professional development, advocacy, information and career support on behalf of our members.

CFA UK supports the CFA, ASIP and IMC designations.

Members of the Board of Directors 2008/2009:

Joe Biernat CFA (Chairman)
European Credit Management
George Spentzos CFA (Vice chairman)
Credaris
Richard Rothwell ASIP (Treasurer)
Stoneware Capital
Rasik Ahuja, CFA
EFG Private Bank
James Bevan (Joined 9.12.2008)
CCLA Investment Management
Mark Davis CFA (Joined 9.12.2008)
Watson Wyatt
Christopher Fawcett
Fauchier Partners
Tom Joski CFA
Broadmark Asset Management

Stephen Inkley FSIP (Retired 9.12.2008)
Daiwa SB Investments
Carol Kennedy (Joined 9.12.2008)
Pantheon
Ken Kinsey-Quick CFA ASIP (Joined 9.12.2008)
Thames River Capital
Geoff Lindey FSIP (Retired 9.12.2008)
Colin McLean FSIP
SVM Asset Management
Panagiotis Mitarachi CFA (Joined 9.12.2008)
Fidelity International
Joanna Munro ASIP (Joined 9.12.2008)
HSBC Multimanager
Yusuf Samad FSIP CFA (Retired 9.12.2008)
Hewitt
David Sellors FSIP CFA (Retired 9.12.2008)
Local Authority Pension Fund Forum
Richard Szwagrzak CFA (Retired 9.12.2008)
Trafalgar Capital Management
Mark Tapley FSIP CFA
BNP Paribas Hedge Fund Centre
Jane Vessey CFA (Retired 9.12.2008)
Wentworth Advisors

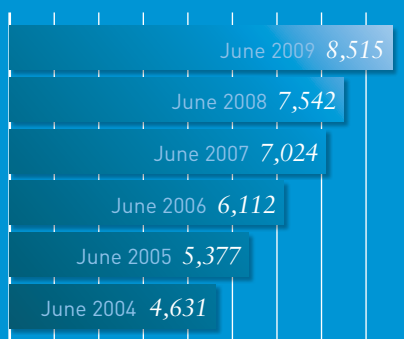
The Stats

Total membership up **13%**
in year to end June 2009

CFA charterholder membership up **9%**

CFA candidate membership up **111%**

Annual membership



Executive staff:

Will Goodhart
Chief Executive
Sean Lo
Director of Finance
Guy McCulloch
Director of Marketing & Communication
Peter Watkins
Director of Education

Registered Office:

135 Cannon Street
London EC4N 5BP
Telephone: 020 7280 9620
Fax: 020 7280 9636
E-mail: cfaukstaff@cfauk.org
Website: www.cfauk.org

Top five employer categories:

- Institutional investment management
- Investment banking
- Hedge fund and fund of hedge funds
- Institutional and private client investment management
- Private client investment management/ Private banking

Top five practice categories:

- Portfolio management
- Equity analysis, valuation & strategy
- Asset allocation
- Fixed income/credit analysis & valuation
- Risk management

The year ending June 30th 2009 has been another successful one for the society. Membership numbers have grown well, the number and quality of the events held have both increased, the society's careers services have been significantly extended and the society's financial performance has been good despite the difficulties that continued to beset firms in the industry. I am pleased to report that the results of the membership survey held in March show that members appear to recognise these improvements.

Nevertheless, we have a great deal more work to do to raise member services to the level that we seek. Much of that work is underway. The society will start to webcast its events in the next financial year so that we can make events available to members throughout the UK. Similarly, the society is investing in a major redesign of its website so that members can more easily find the excellent material that it contains.

We are also keen to communicate our values and activities beyond the membership more actively. Financial markets, standards and practices are being reformed. It is important that CFA UK – with CFA Institute's support – makes members' opinions known to policy-makers, standard-setters and the media. Greater time and attention will be paid to the society's communications strategy.

One of the society's most welcome achievements this year has been the continued improvement in the Continuing Education programme. More events have been held and more members have attended those events. The society's flagship June annual conference – featuring

speakers such as Professor Andrew Lo, James Montier and Professor Elroy Dimson together with a host of leading managers – was a great success, but the extension of the authors' programme and the introduction of the 'managing money' series were

also extremely welcome developments that were much appreciated by members. In the coming year, we look forward to our inaugural Masterclass programme (held jointly with Cass Business School) and to launching more events on behalf of special interest groups within the society's membership.

During the last financial year, the Board decided to provide all members with a pass to one free event in 2009-10. We look forward to seeing how many members make use of the opportunity to attend an event at no charge. Members will recall that the charge for most events was sharply reduced during the last year from £25 to £15.

Careers services, too, have been extended over the past year. An extensive series of careers events has been held to provide members with specific guidance and advice on employment conditions in different parts of the profession. The society's annual careers event was well-attended and received high praise from attendees and a careers guide for younger members was published late in 2008. However, the most important development came late in the financial year with the appointment of an outreach manager, Anita McBain, whose responsibility it is to develop closer



Joe Biernat CFA Chairman CFA UK

“Financial markets, standards and practices are being reformed. It is important that CFA UK – with CFA Institute’s support – makes members’ opinions known to policy-makers, standard-setters and the media.”

CFA UK's CHAIRMAN'S STATEMENT 2009

relationships with employers and recruiters on members' behalf. The early feedback from Anita has already proved extremely useful to the society and we anticipate providing her with further resources to support her activities.

While this has been another successful year for the Investment Management Certificate (IMC) and for the CFA candidate support programme, it has been a somewhat frustrating time as a number of events caused attention to be drawn away from the development of new projects. In particular, the education director, Peter Watkins, has spent a great deal of time working on the development of professional qualifications to suit the requirements of the Retail Distribution Review (RDR). I thank him and the educational committees for their tireless work in that area. While some of the work on the RDR remains to be completed, we are hopeful that we will be able to make more progress over the next 12 months in delivering more educational opportunities for members. Foremost among these will be the provision of post-CFA workshops on areas of the CFA Program that have been amended or extended over the last decade.

The society's relationships with standard-setters and policy-makers have been

strengthened over the last year under the guidance of Colin McLean FSIP and Jane Fuller at the heads of the investment profession and accounting advocacy committees, respectively. Many of their committees' responses have been informed by member surveys and the Board is grateful for the commitment and support that members have shown to the society's advocacy efforts.

All of these activities, together with continued improvements to the society's marketing and communications efforts (including an advertising campaign in Financial News), have supported an increase in the society's membership from 7,500 to 8,500. The fastest growth has been achieved in the CFA candidate membership category where numbers doubled again in the year. The March membership survey – also the responsibility of the membership committee – showed an improvement in the overall satisfaction that members have with the services provided. The satisfaction scores for all areas increased, though the importance of those services (careers support in particular) also grew.

As last year, the improvement in the quality and range of services provided to members was accompanied by an improvement in

the society's financial performance. The society generated a pre-tax surplus of £594,956 in the year to June 30th 2009, leading to a further increase in the society's reserves. This performance will not be matched in the near future as it partly resulted from a one-off gain from changes to the treatment of lapsed IMC registrations.

The financial crisis caused the society to review its banking arrangements and its reserves management policies and I am grateful to the treasurer, Richard Rothwell ASIP and to Ken Kinsey-Quick CFA ASIP, the chairman of the new Investment Policy Committee, for the work that they have done in ensuring the appropriate management of the society's finances and reserves.

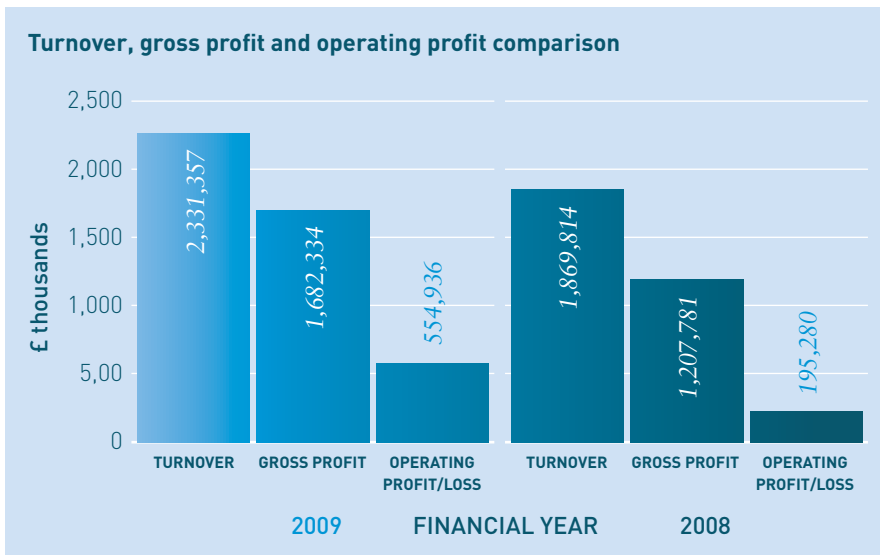
All of these developments have been driven by volunteer committees working closely with the staffed office. We are especially pleased by the hard work, care and enthusiasm of the staffed office under the capable leadership of Will Goodhart as they have supported our volunteers and allowed us to provide such a high level of service to members. An example of the staff's efficiency was the near flawless move to new premises at 135 Cannon Street during the year. Finally, we should acknowledge the considerable support of CFA Institute's EMEA office in London for many of our activities.

This is my last chairman's report as my term closes in November. I have greatly enjoyed and valued my time as chairman of the society. I am delighted with the progress that we have made over the last year or two and look forward to continued improvements in the coming years. I thank my fellow Board members for their support and advice throughout my term – my fellow office holders George Spentzos CFA and Richard Rothwell ASIP in particular. I have been fortunate to be able to draw on a strong and committed Board and I look forward to serving under the next chairman of CFA UK. ■

Joe Biernat CFA
Chairman CFA UK

“The society's flagship June annual conference – featuring speakers such as Professor Andrew Lo, James Montier and Professor Elroy Dimson together with a host of leading managers – was a great success.”





In the year to June 30th 2009, the society generated a pre-tax profit of £594,956 compared to a pre-tax profit of £275,098 in the previous year. The society experienced approximately £212,000 of exceptional revenue this year on account of a large number of IMC registrations which lapsed after candidates failed to take the exam within a year after registering.

Establishment costs rose as the society did not enjoy a rate rebate in 2008-09 (as it had in 2007-08) and as a consequence of the costs of the office move in December 2008.

The increase in revenues from examinations and education can be explained largely by the expiry of dated IMC registrations, but the society also benefited from a licensing agreement with Becker Professional Education and from a reduction in direct costs following the society's decision not to offer its own CFA revision course.

Membership revenues rose as CFA candidate membership and IMC membership numbers grew strongly during the year. The society also benefited during the year from the establishment of a number of continuing education sponsorship arrangements.

Employee costs increased 5% following the addition of two part-time roles.

The society's total turnover for the year was £2,331,357 (2008: £1,869,814). The society has a healthy level of reserves which show a balance of £1,983,732 (2008: £1,442,964) at June 30th 2009. During the year, the society amended its banking practices and established an Investment Policy Committee to ensure the appropriate management of the society's reserves.

I am grateful to my fellow Finance committee members for their continued support and commitment and to my fellow members of the Investment Policy Committee for the significant time and care that they have taken to initiate the programme of reserve management. ■

Richard Rothwell ASIP
Treasurer



Richard Rothwell ASIP Treasurer

“During the year, the society amended its banking practices and established an Investment Policy Committee to ensure the appropriate management of the society's reserves.”

Highlights



Professor Elroy Dimson FSIP speaks on momentum



Delegates at the CFA UK summer reception



Above: CFA UK Chairman, Joe Biernatt opens the Annual Conference

Right: Edward Bonham Carter



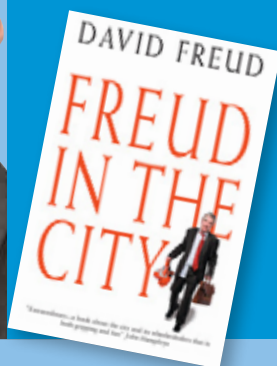
2008

July to September

- Annual dinner attended by members and CEO of CFA Institute Jeff Diermeier CFA
- Wincott Prize awarded to Colin McLean FSIP
- Speakers at 'UK – buy, sell or hold?' event express confidence in the medium-term outlook
- Edward Bonham Carter addresses members on investment strategies in an uncertain environment

October to December

- Advertising campaign opens in Financial News
- 200+ members attend the Autumn members' reception
- Dominic Slade, Sandy Chen, Helen Morrissey and Paul Woolley speak on the 'future of finance'
- Charterholder ceremony at Bloomberg
- Six new Board members – James Bevan, Mark Davis CFA, Carol Kennedy, Ken Kinsey-Quick CFA ASIP, Notis Mitarachi CFA and Joanna Munro ASIP appointed to CFA UK Board
- David Freud CEO Portland Trust speaks on the topic 'Investment Banking – doomed to fail?'
- Membership numbers rise above 8,000





Warwick Business School's winning UK Investment Research Challenge Team



FT's Gillian Tett at the annual conference



Nitin Mehta at the annual charterholders ceremony

2009

January to March

- CFA UK moves to new offices at 135 Cannon Street
- John Kay addresses Scottish members
- Michael Saunders, Kevin Gardiner and Neil MacKinnon present at the society's annual forecasting event
- George Cooper speaks on the 'origin of financial crises'
- 150 members attend 'working in the investment profession' event
- Russell Read CFA speaks on the 'new era for pension fund investing'

April to June



- Warwick Business School team wins UK Investment Research Challenge
- Colin McLean FSIP presents on 'experts and overconfidence'
- Scottish members' dinner held at Balmoral Hotel
- IMA chairman Robert Jenkins speaks on 'investor engagement'
- FT columnist Martin Wolf presents on 'fixing global finance'
- Bob Litterman lecture on 'Black Litterman and beyond'
- CFA UK releases member survey on market rationality
- 400 members attend CFA UK Annual Conference and summer reception featuring Andrew Lo, James Montier, Elroy Dimson and Sushil Wadhvani
- Membership numbers break 8,500



Top: Jeff Diermeier CFA, presenting Colin McLean FSIP with The Wincott Prize

Bottom: Fidelity's Sanjeev Shah and First State's Habib Subjatlly ASIP

New Board Members

Top row: James Bevan, Mark Davis, and Carol Kennedy

Bottom row: Ken Kinsey-Quick, Notis Mitarachi and Joanna Munro



Examinations and Education

The Investment Management Certificate (IMC) remains the benchmark entry level qualification for the investment profession and continues to meet requirements in institutional investment management, wealth management, hedge funds and other areas of the profession.

“The introduction of an IMC exemptions policy in July 2008 has proved popular, with applications totalling almost 300 in a year.”

Following an extensive syllabus review in summer 2008, an updated syllabus was published on 1 December 2008 containing a new topic, *Client Objectives and Financial Planning*, allowing the IMC to maintain its position on the Appropriate Examinations list for retail users, as hosted by the Financial Services Skills Council. The IMC has become increasingly versatile in its suitability for individuals carrying out both wholesale and retail business, which has placed the society in a strong

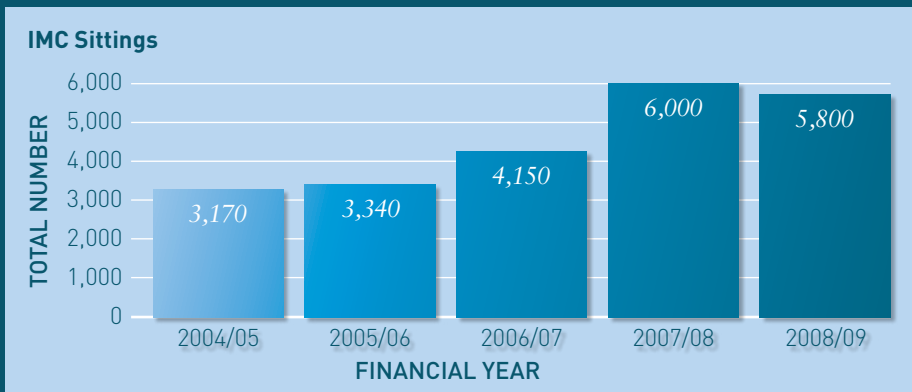
position to weather the storm of volatile market conditions.

The society is grateful for the continuing commitment and leadership of Peter Mennie ASIP in chairing the IMC Panel, and the expertise of the subject matter experts in ensuring that the exam remains relevant and fulfils its purpose.

Despite conservative forecasts, a strong performance in the first six months of the year made 2008/09 overall a successful year for the IMC.



Investment Research Challenge students take questions



“CFA candidate membership grew significantly in 2008/09.”

The introduction of an IMC exemptions policy in July 2008 has proved popular, with applications totalling almost 300 in a year. The development was well received by the IMC user-firms, and has allowed the society to promote IMC membership to a new market.

A fledgling project of employer outreach towards the end of the year has garnered feedback from IMC user-firms and training providers. Employer outreach will remain a focus in 2009/10, particularly as understanding external influences, such as the Retail Distribution Review (RDR) and the introduction of the Qualifications and Credit Framework (QCF), becomes more crucial. Market conditions have seen company cohorts shrink in size, but the increasing number of independent candidates has gone some way towards countering this.

An upcoming syllabus review in light of the RDR and QCF submission will see a new syllabus published in September 2010, which will conform to the changing exam standards for retail advisers and maintain the position of the IMC as an exam appropriate for private wealth managers.

Sourcing new markets for the IMC has been a priority for 2008/09, with both

overseas markets and the university sector considered.

Working more closely with universities has proved valuable in 2008/09, with both students and faculty demonstrating interest in the IMC. The project has focused initially on the 12 CFA Program Partner universities in the UK, who have facilitated student information briefings promoting the IMC, CFA candidate membership and society events to undergraduate and postgraduate students. This programme of briefings will be extended in 2009/10.

CFA candidate membership grew significantly in 2008/09, with numbers doubling from 500 in 2007/08 to over 1,000 in 2008/09. Priority has been given to shifting the focus of the membership programme from London-based events to benefits that can be used by members across the UK and overseas.

Two series of CFA surgeries (for December and June candidates) have attracted large numbers of new members, and the introduction of webcasting technology has allowed members to access the sessions from home. Study groups have remained popular, with web forums being used to facilitate groups outside of London. Members not based in London have also

been able to make use of a negotiated member discount with the four leading training companies: 7City Learning, BPP Professional Education, Kaplan Financial and Quartic Training. The Stalla relationship has allowed the society to hold three very popular candidate workshops; two in London and one in Edinburgh. These sessions have been promoted to registered CFA candidates, but also IMC graduates who may be considering developing their career by undertaking the CFA Program.

Lastly, the Exam and Education Committee has supported the efforts of the CFA Institute to encourage post-CFA learning, in particular by arranging a series of ‘Masterclass’ sessions led by senior academics at Cass Business School. The curriculum of these sessions has been specifically designed to address areas of CFA Institute’s Global Body of Investment Knowledge.

I shall be stepping down as Chairman of the committee this autumn, and handing over to a new team. There are considerable challenges ahead, principally involving the changing regulatory framework governing training and competency in our industry, but with an excellent executive team on board, I am confident the new chair and the committee will navigate the terrain to the benefit of our society. I wish all involved every success in their endeavours. ■

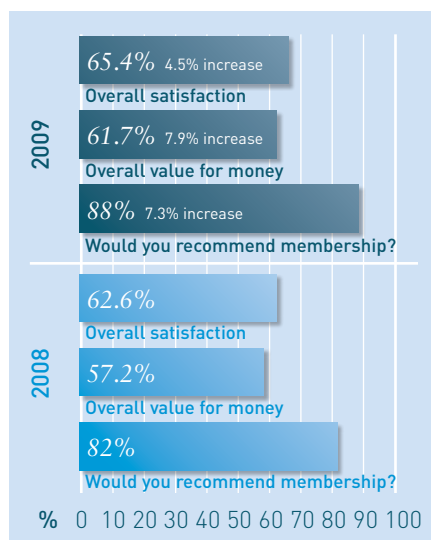
Mark Tapley CFA FSIP
Chairman

Membership

Membership numbers grew solidly in the year to June 30th 2009, reaching 8,515 – a net change of 12.9%. CFA candidate membership and IMC membership showed the largest net increase on the back of continued strong growth rates and improvements in the renewal rates for members in those categories. The overall retention rate remains close to 90%. An exit survey was conducted for the first time in 2008-09 and another will be run in 2009-10.

The committee recommended to the Board that the society leave member dues for the 2009-10 year at the same rate (in £ terms) as in 2008-09. The Board took our views into consideration in choosing not to raise dues for the coming year.

The number of members responding to the society’s annual survey grew to more than 1,300 and the society’s performance in the survey improved in almost all areas. The survey provides the society with invaluable information about members’ needs and the quality of society services and we are grateful to all of those that responded. The key results are shown below:



Alongside responsibility for providing oversight of the annual survey, the committee is also responsible for setting targets for member participation rates. I am pleased to report that

the society achieved its targets for participation in events, the website and e-newsletters and only narrowly missed its target for member questionnaire responses. The committee has set the staffed office challenging targets for 2009-10.

During the last year, the committee has extended its terms of reference to take in responsibility for assisting the society in the selection of an official charity every two years and to review the performance of the relationship with the selected charity annually. The committee supported the continued selection of SHINE as the society’s official charity, but plans to provide a shortlist of candidates for official charity to the membership to vote on in spring 2010. Elsewhere, the committee has received reports from the staffed office on the society’s compliance with the Data Protection Act and has reviewed membership marketing material. The committee looks forward to working with the staffed office (as part of the forthcoming web redesign project) to improve the quality of the information available online about society membership.

I thank my fellow committee members for their ideas, attention and enthusiasm over the year and look forward to another successful year in 2009-10. ■

Tony English ASIP
Chairman, Membership Committee



Fellowship

Fellowship is conferred for exceptional service to the society and/or to the investment profession and is open to society members and non-members. There were 68 Fellows at June 30th 2009. Fellows attend all society events at no charge and are invited to annual events.

The Fellowship committee met four times during the year to June 30th 2009 in order to identify and consider candidates to recommend to the Board for Fellowship. The committee will nominate candidates for Fellowship to the Board and looks forward to welcoming them, and current members, to the Fellows Reception on Tuesday 10th November. The next Fellowship elections will take place in 2011.

During the year, the Fellowship committee noted the death of Chris Davis FSIP with sadness. Chris was a former Chairman of the Institute of Investment Management and Research (one of the forerunners to CFA UK). His obituary was published in the December 2008 issue of the society’s quarterly magazine, Professional Investor. ■

Nicola Ralston FSIP
Chair, Fellowship Committee

Scottish Committee

It has been another successful year for the society in Scotland. Scottish members have enjoyed a number of events across a range of topic areas.

We started the year with renowned academic and author John Kay addressing members on the efficient markets hypothesis and the standard theory of risk analysis. In February, Isaac Tabner CFA ASIP discussed the parallels that can be drawn between the current housing market in the UK and that in Japan in the 1990s. James Clunie CFA ASIP covered the topical issue of short-selling in April and past society chairman Colin McLean FSIP shared his views on behavioural finance theory in June. This year, as part of a new initiative with

Edinburgh University, the society brought together academics and practitioners for a lively debate on the “Future of Hedge Funds”. Further events with the university are planned for next year.

Social events have also been a great success. CFA UK’s Scottish Analysts’ Dinner returned to the Balmoral Hotel in Edinburgh and – in challenging market conditions – attracted almost 200 members of the investment community. David Nish of Standard Life and Richard Sloss of Shore Capital both gave excellent speeches and I would once again like to thank our sponsors McCall, Aitken, McKenzie and Co. for their support of this event, as well as those firms who generously sponsored individual tables.

The autumn drinks reception for new charterholders, held at the Royal College of Physicians in Edinburgh, gave all members the opportunity to meet the committee and the society’s chief executive.

I would like to take this opportunity to thank my fellow committee members for their support, ideas and enthusiasm. In the year ahead we will start the practical planning for CFA Institute’s Annual Conference in Edinburgh in 2011. I look forward to the continued support of committee members, members in Scotland and our office in London in preparing a strong platform for this exciting event.

**Richard Dunbar CFA ASIP
Chairman, Scottish Committee**

CFA UK – Shine

Dear members,

Last year, you were generous enough to name SHINE as CFA UK’s first ever charity of the year and successfully raised almost £18,000. This is a considerable sum, for which we’re extremely grateful. What’s more, SHINE’s operating costs are already covered, so every pound will reach our projects helping disadvantaged children raise their academic achievement levels.

This is very important to SHINE because we always want your support to have maximum impact. For example, just £250 will give a seriously struggling child a year of DigiSmart’s online teaching materials. These consistently succeed in helping children improve their literacy and ICT skills, boost their confidence and prepare them for secondary school.

Our ‘Serious Fun on Saturday’ programme also delivers excellent value by leveraging the superb facilities, resources and expertise of some of the UK’s

top independent schools. Institutions such as Eton, Westminster and St Paul’s open their doors to give disadvantaged local children serious but fun extra lessons that expand and enrich their weekday learning.

Other SHINE projects target numeracy and science, provide extra classes after school and help teenagers of all abilities. They differ in scale and approach, but all share the same goal: helping disadvantaged children improve their grades, expand their horizons and fulfil their potential.

Naturally, we are delighted that you have chosen to help us mark SHINE’s 10th Anniversary year by continuing your generous support into 2009/10. We hope very much that you’ll be able to match (or even beat) last year’s total, so please support your colleagues running in the Royal Parks half marathon this October.

Through your support, many more children will leave school with better grades, more GCSEs, greater confidence and higher aspirations. It’s fair to say that, by supporting SHINE, you are making an investment that will, quite literally, last a lifetime. Thank you.

SHINE’s Trustees and Staff.



Continuing Education

The purpose of the society's Continuing Education (CE) programme is to provide members with access to events across a broad range of topics within CFA Institute's Global Body of Investment Knowledge. The committee strives to deliver those events across many different venues and at different times to help members make best use of the programme.

Over the past year, the society has held more than 45 events featuring highly regarded speakers such as John Kay, Russell Napier ASIP, Bob Litterman, Martin Wolf, Russell Read CFA, Helena Morrissey and Bob Jenkins. Attendance at events has remained high despite the difficult market conditions and members have provided positive feedback.

In light of the difficult market conditions and as a response to the greater number of members that were paying their own attendance fees, event registration charges were cut by 40% from May. In addition, all members will be able to apply for free attendance at one event in the year to June 30th 2010.

This year's annual conference proved a great success, with just fewer than 300 delegates attending. The event was held at the historic Merchant Taylors' Hall and boasted an impressive speaker line-up

including Andrew Lo, James Montier, Sushil Wadhvani, Sanjeev Shah and Elroy Dimson FSIP.

The committee has also been pleased with the increase in the number of special

interest groups established by members. We now have seven groups which provide excellent opportunities for members working in specific sectors to exchange ideas. Established groups include: private equity, fixed income, FX, energy, insurance, performance and risk measurement and emerging markets.

The continuing education programme now has four sponsors. We would like to express our gratitude to FTSE, Thomson Reuters, Wilshire Associates and MSCI Barra for their support of the CE programme. In addition, we thank all of those that have kindly hosted member events over the past year.

A broader range of events has been held this year and we recently launched the academic research and managing money series. Both have been popular with members. Additional developments for the coming year include a Masterclass programme that will be jointly run with



Cass Business School from September to November, an extension of the managing money series and a change in the timing of evening events to allow more members to attend.

This year saw the departure of Jane Vessey CFA as co-chair of the committee and her replacement by Notis Mitarachi CFA. We thank Jane for her tremendous work on the committee over many years and we also thank all of those who have served over the last year for their ideas and enthusiasm. ■

Iain Simpson CFA
Co-chairman

Notis Mitarachi CFA
Co-chairman



“A broader range of events has been held this year and we recently launched the academic research and managing money series. Both have been popular with members.”

Advocacy

The society's accounting and investment profession advocacy committees have both seen a further increase in activity in the past year as reform proposals related to the financial crisis have begun to emerge. The society's relationships with standard-setters and regulators have been strengthened as a result of the more frequent contact and CFA UK is increasingly seen by both groups as a useful source of representative practitioner opinion. As last year, that opinion has often been provided by means of member surveys and we are grateful to members for their willingness to provide us with useful feedback to support our responses.

The Accounting Advocacy committee has seen an increase in the pace of exposure drafts and discussion papers from the International Accounting Standards Board (IASB) as the deadline for convergence with the Financial Accounting Standards Board (FASB) draws closer and as a consequence of demands from policy-makers for action on accounting standards. The year saw the committee submit responses on proposals on pensions accounting, fair value, consolidation and financial statement presentation. Jane Fuller and Vincent Papa CFA of CFA Institute Centre for Financial Market Integrity also serve on the Analysts Representative Group, which meets the IASB three times a year.

Regulatory initiatives emerging from the Financial Services Authority (FSA) and HM Treasury required the Investment Profession Advocacy committee's attention in the year to June 30th 2009. The year began busily with responses to FSA papers on short-selling during rights issues and contracts for difference and remained active with comments on disclosure of liquidity support. After a short pause for breath – during which time Geoff Lindey FSIP stood down as chairman of the committee following his resignation

from the Board – the pace resumed with responses to FSA papers on the short-selling and approved persons' regimes and to the Financial Reporting Council's call for evidence on the effectiveness of the Combined Code.

Many of these responses were based on member surveys and were informed by feedback from

representatives of CFA Institute Centre for Financial Market Integrity. Results of all of the surveys are available on the society's site.

The year has seen a number of changes in committee membership and we are grateful to all of those that serve or have served for their support. Most notably, we would like to thank Geoff Lindey FSIP for his chairmanship of the Investment Profession Advocacy committee and for his guidance of the society's advocacy efforts as a whole. ■

Colin McLean FSIP
**Chairman, Investment Profession
Advocacy Committee**

Jane Fuller
Chair, Accounting Advocacy Committee



“The year began busily with responses to FSA papers on short-selling during rights issues and contracts for difference and remained active with comments on disclosure of liquidity support.”

CAREERS

“Throughout the 2008-09 membership year, the careers committee worked hard to support members by providing information about job trends and opportunities across the profession.”



Credit Suisse's Bob Parker



HSBC's Mark McCombe

Careers

Market conditions remained difficult for members in the last year. The reduction in industry profitability and the uncertainty about the outlook made employers cautious in hiring new staff and meant that the emphasis was still on staff cost reduction. CFA UK has responded to this difficult environment by investing more in careers resources and we intend to increase our investment in this area in the year ahead.

The most important development of the last year was the recruitment of our new outreach manager, Anita McBain. The society needs to understand better the needs of employers and recruiters in relation to the qualifications and designations that the society supports. Anita has been given responsibility for developing relationships with employers and recruiters and has made a great start in providing us with the feedback that we need in order to identify how best we can support them on our members' behalf.

Throughout the 2008-09 membership year, the careers committee worked hard to support members by providing information

about job trends and opportunities across the profession. Alongside the now annual 'Working in the Investment Profession' event – which was held in February 2009 and featured presentations from

Mark McCombe, Divyesh Hindocha and Philip Middleton – CFA UK hosted six 'working in' events (which provide members with specific information about opportunities in a particular part of the profession) and a range of general events designed to support members' career development. This mix of specific and general events will be carried into the new financial year.

Late in 2008, the society published a 'Guide to Working in the Investment Profession'. This report provided members with information on employment trends and career paths across many different sectors of the profession. The guide was designed to be particularly helpful for those that have recently entered the profession and has been welcomed by

business schools and CFA candidates. Later this year, the society will publish a guide to roles and career development trends within the profession. The guide will be designed to be useful for those with more work experience.

The committee was pleased to see that member satisfaction with the careers services provided has increased significantly. However, we also note that the importance of those services has increased even faster. We will work hard over the next year to close the gap between the demand for services and our supply of those services. Among the initiatives that were introduced late this year were the offer of a desk and meeting room for members to use for job search and interviews and improvements in the volume of positions posted on the society's free job service for employers.

I am grateful for the committee's support, ideas and enthusiasm over the last year. We look forward to delivering relevant, useful and timely events and publications for members as they seek to develop their careers. ■

Rasik S. Ahuja CFA
Chairman, Careers Committee

Marketing and Communication

This year the committee has made substantial progress in a number of important areas. After an extensive search, we appointed Wilson Fletcher Ltd to develop a new website for the society, and we appointed Flint London Ltd to develop a webcasting platform for our continuing education events.

The society continues to communicate well with members. More than three-quarters of members clicked through to the society's site from an e-newsletter last year and open rates remained above industry average. The member survey results suggest that more members are using the website than before and *Professional Investor*, the society's highly regarded quarterly magazine (now available digitally to members), raised its already high performance score.

The society ran an advertising campaign in Financial News in autumn 2008 featuring leading members of the society, which was designed to promote the CFA and

ASIP designations. Media awareness of the society was much increased by the release of the results of the member survey on efficient markets. The survey received wide coverage from

the front page of the *Financial Times* to the *Methodist Recorder*. Nevertheless, more needs to be done to inform the media and other stakeholders about the society's purpose, work and membership and more resources will be applied in this area over the coming year.

I will stand down as chairman of the committee at the annual general meeting as my term on the Board expires. Annabel Gillard CFA has been chosen as the new chair, and I thank her and all of those that have served on the committee over the last year for their efforts. ■

Tom Joski CFA
Chairman, Marketing and Communication Committee

IN THE FINANCIAL WORLD, YOU ARE KNOWN BY THE COMPANY YOU KEEP.

"After I left university and found myself working in the profession, I studied for the UK society's Associate exams. I think that they have stood me in very good stead and I always encourage others to study for the leading qualifications. I've always felt that people have encouraged me to learn and develop myself. I'm pleased to give others the same opportunity."

CFA Society of the U.K. is a member society of CFA Institute - the global association of investment professionals. For more information, call 020 7796 3000 or email info@cfauk.org



Katherine Garrett-Cox, ASIP
 Chief Executive Officer
 Alliance Trust PLC
 EDUCATION:
 BA, Modern History
 Durham University

IN THE FINANCIAL WORLD, YOU ARE KNOWN BY THE COMPANY YOU KEEP.

"Earning the CFA charter opens the door in a competitive world. When we look at the people today who have obtained the charter, we know that they've cleared a very high bar. I always encourage those in the CFA Program™ to also join the local society. It's a fantastic place to go for the education that you need to keep pace with financial innovation."

CFA Society of the U.K. is a member society of CFA Institute - the global association of investment professionals. For more information, call 020 7796 3000 or email info@cfauk.org



Neil James Clark, CFA, ASIP
 Head of Asset Manager
 Charles King
 INVESTMENTS
 CFA Assoc
 MSc, University of Cape Town



ETHICS
 TENACITY
 RIGOUR
 ANALYTICS

“The society ran an advertising campaign in Financial News in autumn 2008 featuring leading members of the society, which was designed to promote the CFA and ASIP designations.”

DIRECTORS' REPORT

The directors submit their report and the financial statements of CFA Society of the UK for the year ended 30th June 2009.

Principal activities

The company's principal activity during the year was providing services, as a professional body, for investment professionals, principally to those holding the ASIP, CFA or IMC designations.

Directors

The following directors have held office since 1st July 2008:

Members of the Board of Directors 2008/2009:

J Biernat CFA (Chairman)	C Kennedy (Joined 9.12.2008)
G Spentzos CFA (Vice Chairman)	G M Lindey FSIP (Retired 9.12.2008)
R Rothwell ASIP (Honorary Treasurer)	C W McLean FSIP
R Ahuja CFA	Panagiotis Mitarachi CFA (Joined 9.12.2008)
J Bevan (Joined 9.12.2008)	J Munro ASIP (Joined 9.12.2008)
M Davis CFA (Joined 9.12.2008)	Y Samad CFA FSIP (Retired 9.12.2008)
C Fawcett	D Sellors CFA FSIP (Retired 9.12.2008)
T Joski CFA	R Szwagrzak CFA (Retired 9.12.2008)
S A Inkley FSIP (Retired 9.12.2008)	D M Tapley CFA FSIP
K Kinsey-Quick CFA ASIP (Joined 9.12.2008)	J Vessey CFA (Retired 9.12.2008)

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors were unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the special provisions of Part II of the Companies Act 2006 relating to small companies. ■

By order of
the board

Secretary
Will Goodhart

8th October 2009

Directors' responsibilities in the preparation of financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and

fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and

disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Independent auditors' report to the members of CFA Society of the UK.

We have audited the financial statements which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the

financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2009 and of its profit 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 Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Adrian Hollands
(Senior Statutory Auditor)

For and on behalf of
Baker Tilly Uk Audit LLP,
Statutory Auditor
Chartered Accountants
Bromley

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 2009

	Notes	2009 £	2008 £
Turnover	3	2,331,357	1,869,814
Cost of Sales		<u>(649,023)</u>	<u>(662,033)</u>
Gross Profit		1,682,334	1,207,781
Administrative Expenses		(903,101)	(856,091)
Establishment Costs	4	(225,395)	(160,009)
Other Operating Income	5	<u>1,098</u>	<u>3,599</u>
Operating Profit/Loss		554,936	195,280
Interest receivable and similar income	6	<u>40,020</u>	<u>79,818</u>
Profit/Loss on ordinary activities before taxation	7	594,956	275,098
Taxation on loss/profit on ordinary activities	8	<u>(54,188)</u>	<u>(23,946)</u>
Profit/Loss on ordinary activities after taxation	13	<u><u>540,768</u></u>	<u><u>251,152</u></u>

The operating profit for the period arises from the Society's continuing operations. No separate Statement of Total Recognised Gains and Losses is included as all such gains and losses have been dealt with in the profit and loss account.

BALANCE SHEET

AS AT 30th JUNE 2009

	Notes	2009 £	2008 £
Fixed Assets			
Tangible Assets	9	226,459	191,692
Current Assets			
Stock	10	8,768	12,740
Debtors	11	254,019	193,610
Cash at bank and in hand		<u>2,204,614</u>	<u>1,810,611</u>
		2,467,401	2,016,961
Creditors			
Amounts falling due within one year	12	(709,736)	(755,927)
Net Current Assets		<u>1,757,665</u>	<u>1,261,034</u>
Total Assets less Current Liabilities		1,984,124	1,452,726
Provisions for liabilities and charges	13	<u>(392)</u>	<u>(9,762)</u>
Net Assets		<u>1,983,732</u>	<u>1,442,964</u>
Reserves			
Profit and Loss Account	14	<u>1,983,732</u>	<u>1,442,964</u>

The Financial Statements on pages 18 to 26 were approved and authorised for issue by Members of the Board on 8th October 2009 and signed on their behalf by:

J Biernat CFA **Chairman**

R Rothwell ASIP **Treasurer**

CASH FLOW STATEMENT

	Notes	2009 £	2008 £
Net Cash Inflow from Operating Activities	16	500,813	535,444
Returns on investments and servicing of finance			
Interest received		40,020	79,818
Interest paid		0	0
		<hr/>	<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		40,020	79,818
Taxation			
Corporation tax paid		(34,532)	(29,665)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(112,298)	(614)
Proceeds from sale of tangible fixed assets		<hr/>	<hr/>
		(112,298)	(614)
		<hr/>	<hr/>
Increase in cash in the period		<u>394,003</u>	<u>584,984</u>

ACCOUNTING PRINCIPLES

A GENERAL

The Society is an unquoted company limited by guarantee. The principles of full disclosure and the format of financial statements in the Companies Act 1985 have been followed. These financial statements have been prepared under historical convention.

B INVESTMENT INCOME

This comprises interest receivable.

C TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost and depreciation is provided on these assets at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life.

Depreciation rates used are as follows:

Leasehold improvements: over the term of the lease	
Membership & Examination Systems Software	20%
Office equipment – computer equipment	33.33%
– other equipment	20%
Furniture and fittings	10% & 20%

D STOCKS

Stock is valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

E CORPORATION AND DEFERRED TAXATION

Liability for corporation tax is restricted to surpluses arising from trading with non-members and to income from investments.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

F LEASED ASSETS AND OBLIGATIONS

For operating leases, the annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

G RESEARCH AND DEVELOPMENT

The Society does not directly incur any research or development expenditure.

H FOREIGN CURRENCY TRANSLATION

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account on arriving at the operating profit.

I PENSION CONTRIBUTIONS

The company makes contributions to the personal pension plans of employees. The cost of providing pensions for employees are charged in the profit and loss account when they arise.

J TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to members and customers.

Subscription Income is recognised for the year in which Membership is entered into.

Examination Fees are recognised upon students participating in Examination.

NOTES TO THE ACCOUNTS

- (1) The income and property of the Society must be applied solely towards the objects of the Society and no distribution of any surpluses may be made to its Members. As a company limited by guarantee, each member has no equity interest and has undertaken to contribute an amount up to £1 to the assets in the event of a deficiency on winding-up. In the event of a surplus on winding-up the distribution must be to a similar organisation or charity. At 30th June 2009, the number of Regular members were 5,647. (2008: 5,389)

(2) EMPLOYEES	2009	2008
The average monthly number of persons (including directors) employed by the Society was		
– Management	14	14
– Administration	12	11
	<u>26</u>	<u>25</u>
Staff costs for the above persons:	£	£
Wages and salaries	573,297	546,763
Social security costs	65,281	63,491
Other pension costs	39,919	33,266
	<u>678,497</u>	<u>643,520</u>

No remuneration was paid to the directors during the year (2008: nil). Transactions with directors are disclosed in note 3, Related Party Transactions. No director (2008: nil) is accruing benefits under money purchase or defined benefit pension schemes.

(3) TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2009	2008
	£	£
Subscriptions	675,373	488,506
Publications	126,311	143,480
Journal	67,539	61,630
Examinations	1,093,640	852,760
Professional Development	114,119	90,697
CFA Support	50,908	85,745
Social	54,500	102,371
Other Activities	48,977	44,625
CFA Institute Funding	99,990	
	<u>2,331,357</u>	<u>1,869,814</u>

The Society's turnover and profit before taxation were all derived from its principal activity. Sales were made entirely in the United Kingdom.

		2009	2008
	£	£	£
(4) ESTABLISHMENT COSTS			
Rent	64,080	42,969	
Rates	22,361	13,489	
Lighting and Heating	<u>2,520</u>	<u>2,520</u>	
		88,961	58,978
Insurance		5,026	4,395
Office building maintenance		23,542	13,542
Office repairs and renewals and Health & Safety		265	368
Office security		1,595	1,732
Office cleaning		4,979	5,540
Weaver Suite Hire Expenses		86	700
End of Lease Dilapidations		23,410	0
Depreciation		77,531	74,754
		<u>225,395</u>	<u>160,009</u>
(5) OTHER OPERATING INCOME		2009	2008
		£	£
Rental Income		<u>1,098</u>	<u>3,599</u>
		<u>1,098</u>	<u>3,599</u>
(6) INTEREST RECEIVABLE AND SIMILAR INCOME		2009	2008
		£	£
Bank Interest		<u>40,020</u>	<u>79,818</u>
		<u>40,020</u>	<u>79,818</u>
(7) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2009	2008
		£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):			
Depreciation and amounts written off from tangible fixed assets:			
Charged for the year:			
Owned assets		77,531	74,754
Exchange (gains)/losses		(14,950)	(66,682)
Operating lease rentals:			
Plant and machinery		9,549	6,312
Land and buildings		64,080	42,969
Auditors' remuneration		9,000	8,500

ACCOUNTS

(8) CORPORATION TAX

	2009	2008
	£	£
Current Tax: UK corporation tax	58,691	29,665
(Overprovision)/Underprovision in previous period	<u>4,867</u>	<u>0</u>
Total current tax	63,558	29,665
Deferred Taxation:		
Origination of timing differences	(9,370)	(5,719)
Tax on profits on ordinary activities	<u>54,188</u>	<u>23,946</u>

Factors affecting tax charge for the year:

The tax assessed for the year is higher than the effective rate of corporation tax in the UK for small companies of 21%. The differences are explained below:

Profit/Loss on ordinary activities before tax	594,956	275,098
Profit/Loss on ordinary activities multiplied by effective rate of corporation tax of 21% (2008: 20%)	124,941	55,704
Adjustment to tax in respect of previous period		

Effects of:

Expenses not deductible for tax purposes – fixed assets	0	1,784
Income not taxable for tax purposes	(75,621)	(29,597)
Depreciation in excess of capital allowances	9,371	5,717
Other short term timing differences	0	42
Unrelieved tax losses carried forward	0	(3,985)
Adjustments to tax charge in respect of previous periods	4,867	0
Current Tax charge for the year	<u>63,558</u>	<u>29,665</u>

(9) TANGIBLE FIXED ASSETS

	Leasehold Improvements	Systems Software	Office Equipment	Furniture & Fittings	Total
Cost	£	£	£	£	£
At 30th June 2008	65,873	281,878	50,162	27,842	425,755
Additions	103,646		6,870	1,782	112,298
Less: Disposals	(61,240)		(11,192)	(3,688)	(76,120)
At 30th June 2009	<u>108,279</u>	<u>281,878</u>	<u>45,840</u>	<u>25,936</u>	<u>461,933</u>
Depreciation					
At 30th June 2008	58,548	110,169	48,215	17,131	234,063
Charged in the year	17,550	56,376	1,524	2,081	77,531
Less: Disposals	(61,240)		(11,192)	(3,688)	(76,120)
At 30th June 2009	<u>14,858</u>	<u>166,545</u>	<u>38,547</u>	<u>15,524</u>	<u>235,474</u>
Net book value					
At 30th June 2009	<u>93,421</u>	<u>115,333</u>	<u>7,293</u>	<u>10,412</u>	<u>226,459</u>
At 30th June 2008	<u>7,325</u>	<u>171,709</u>	<u>1,947</u>	<u>10,711</u>	<u>191,692</u>

	2009	2008
	£	£
(10) STOCKS		
	8,768	12,740
	<u>8,768</u>	<u>12,740</u>
(11) DEBTORS – DUE WITHIN ONE YEAR		
Trade debtors	106,412	135,973
Other debtors	103,732	22,211
Prepayments	43,875	35,426
	<u>254,019</u>	<u>193,610</u>
(12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amount received in advance	(381,918)	(559,961)
Creditors Control Account	(113,172)	(67,247)
Corporation Tax Liability	(58,691)	(29,665)
Sundry Creditors and Accruals	(155,955)	(99,054)
	<u>(709,736)</u>	<u>(755,927)</u>
(13) PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred Tax		
Balance at 1st July 2008	9,762	15,481
Transfer from profit and loss account	(9,370)	(5,719)
	<u>392</u>	<u>9,762</u>
Balance at 30th June 2009	<u>392</u>	<u>9,762</u>
Deferred taxation provided in the financial statements are as follows:		
Accelerated capital allowances	<u>392</u>	<u>9,762</u>
(14) RESERVES		
Profit and Loss Account		
At 1st July 2008	1,442,964	1,191,812
Profit/(Loss) for the financial year	540,768	251,152
At 30th June 2009	<u>1,983,732</u>	<u>1,442,964</u>
(15) COMMITMENTS UNDER OPERATING LEASES		
At 30th June 2009 the society has annual commitments under non-cancellable operating leases as follows:		
Plant and machinery:		
expiring within 1 year	0	6,312
expiring between 2 and 5 years	5,580	0
Land and buildings:		
expiring within 1 year	0	59,114
expiring between 2 and 5 years	71,782	0
	<u>77,362</u>	<u>65,426</u>

ACCOUNTS

(16) CASH FLOW	2009	2008
	£	£
a Reconciliation of Operating profit to net cash inflow from operating activities		
Operating profit / (Loss)	554,936	195,280
Depreciation charges	77,531	74,754
(Increase) / Decrease in stocks	3,972	(4,151)
Decrease / (Increase) in debtors	(60,409)	33,660
Increase / (decrease) in creditors	(75,217)	235,902
Net cash inflow/(outflow) from operating activities	<u>500,813</u>	<u>535,444</u>
b Reconciliation of net cash flow to movement in net funds		
Increase in cash in the period	<u>394,003</u>	<u>584,984</u>
Movement in net funds in the period	394,003	584,984
Net funds at 30th June 2008	<u>1,810,611</u>	<u>1,225,627</u>
Net funds at 30th June 2009	<u>2,204,614</u>	<u>1,810,611</u>
c Analysis of net funds	At 30th June 2009	At 30th June 2008
Cash in hand and at bank	<u>2,204,614</u>	<u>1,810,611</u>
	Cashflow	
	394,003	

(17) PENSION COMMITMENTS

The society makes contributions to the personal pension schemes of employees. The pension charge for the year was £39,919 (2008: £33,266). At 30th June 2009, pension contributions amounting to £2,316 were outstanding (2008: £4,274) and are included in creditors.

(18) CONTINGENT LIABILITIES

The society has entered into a five year contract until 28th February 2011 with Pearson Driving Assessments Ltd for the provision of computer based testing of the IMC examinations, subject to a minimum annual contract value of £100,000.

(This page intentionally left blank).



Committed to leading the development of the investment profession through the promotion of the highest ethical standards and through the provision of education, professional development, advocacy, information and career support on behalf of its members.