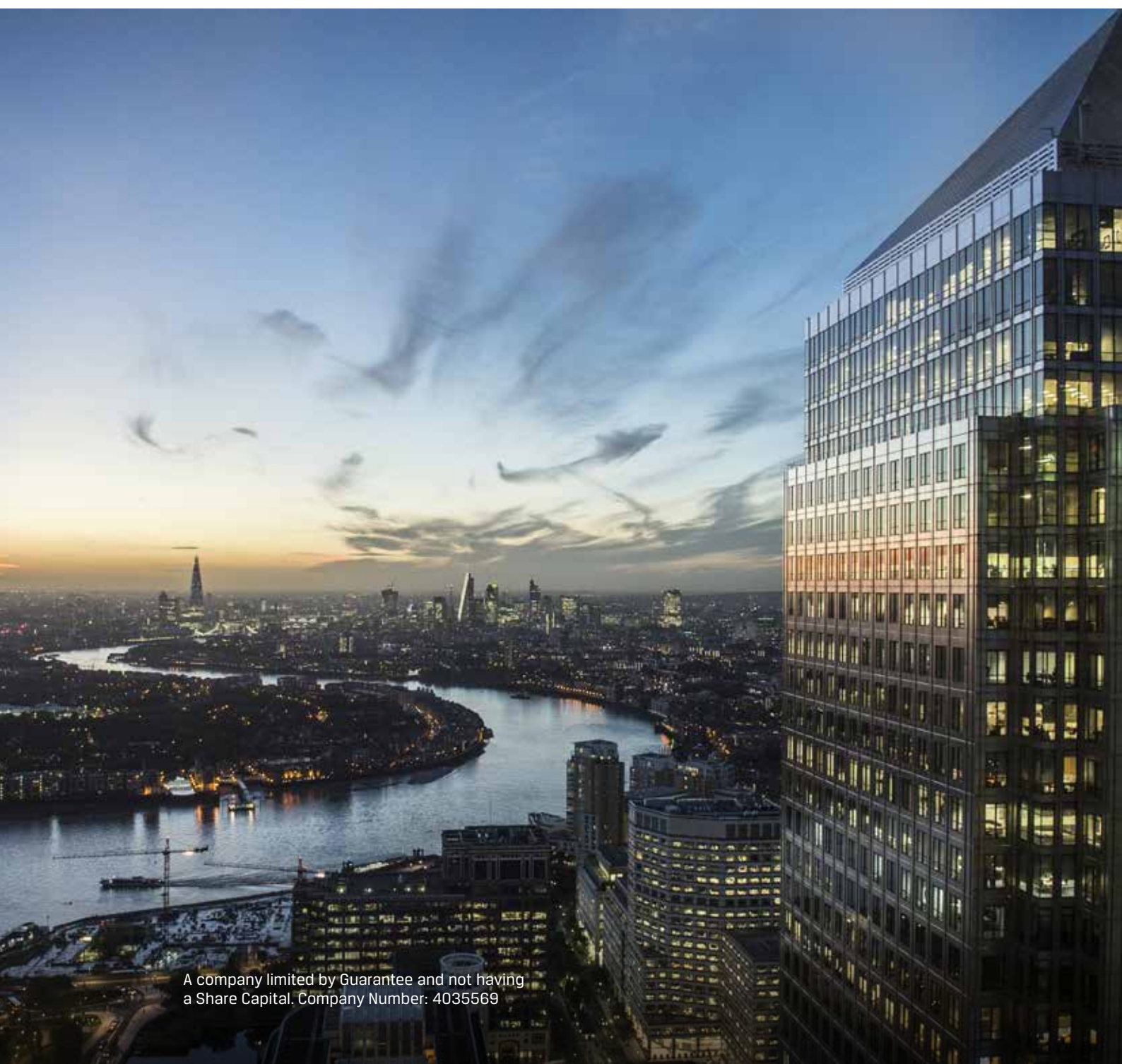


ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014



ABOUT US

The CFA Society of the UK (CFA UK) represents the interests of approximately 11,000 members of the investment profession.

The society's mission is to serve the public interest by educating investment professionals, by promoting and enforcing ethical and professional standards and by explaining what is happening in the profession to regulators, policy-makers and the media. As a member society, we are also well placed to promote the development of careers in the investment profession and to stimulate networking within and across member groups. In the last year, CFA UK has made strong progress in each of these areas.

The society, which was founded in 1955, is a leading member society of CFA Institute (the world's largest association of investment professionals) and serves society's best interests through the education of investment professionals, by informing policy-makers and the public about the profession and through the promotion of high professional and ethical standards.

CFA UK is the awarding body for the Investment Management Certificate (IMC), an entry level qualification for investment professionals. The IMC is a Level 4 qualification that meets the FCA's requirements (either solely or in combination with other qualifications) for managing investments and advising on and dealing in securities and derivatives.

CFA UK also promotes the CFA Program and the Claritas Investment Certificate, for both of which CFA Institute is the awarding body. The CFA Program is a graduate level, self-study programme designed to equip investment professionals with technical skills, practical knowledge and a clear understanding of ethics and professional standards. It is recognised as the gold standard for professional credentials within the global investment community.

BOARD OF DIRECTORS (AS AT 30 JUNE 2014)

Richard Dunbar, CFA, ASIP (Chair),
Scottish Widows Investment Partnership
Natalie WinterFrost, CFA (Vice-Chair),
Aberdeen Asset Management
Peter Mennie, ASIP (Treasurer),
Manulife Asset Management
Tarik Ben-Saud, CFA, Insight Investment
David Bertocchi, CFA, Baring Asset Management
Gerry Fowler, CFA, BNP Paribas
Annabel Gillard, CFA, M&G Investments
James Irving, CFA, London School of Economics
Omar Kodmani, CFA, Permal Group
Steven Major, CFA, HSBC
Anne Marden, CFA, JP Morgan Asset Management
John Marsland, CFA, Schroder Investment
Management
Ian Paczek, CFA, UBS Asset Management
Andreas Utermann, ASIP, Allianz Global Investors

EXECUTIVE STAFF

Will Goodhart, Chief Executive
Victoria French, Director of Finance and Operations
Nick Bartlett, CFA, ASIP, Director of Education
Ashley Ramsay, Director of Communications and
Marketing
Bernadette Barber, Company Secretary

REGISTERED OFFICE

4th floor,
Minster House,
42 Mincing Lane,
London
EC3R 7AE

Telephone: 020 7648 6200

Fax: 020 7648 6222

Email: info@cfauk.org

Website: www.cfauk.org

THIS YEAR AT A GLANCE

CFA UK MEMBER OCCUPATIONS*



YEAR TO 30 JUNE 2014

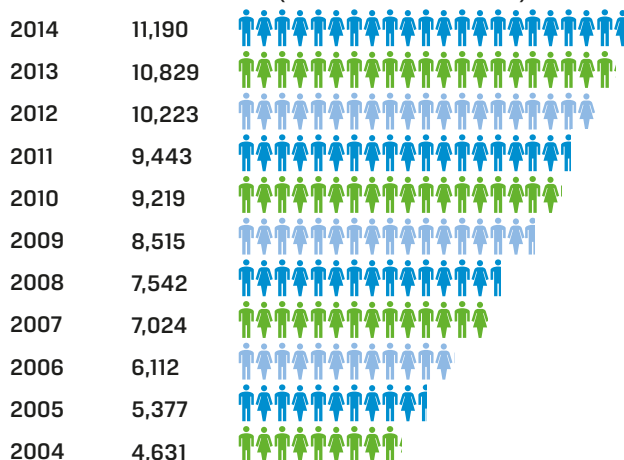
CFA UK charterholder member numbers increased by **8.7%**



Total membership increased **3.3%** to **11,190 members**



MEMBERSHIP NUMBERS (YEAR ENDED 30 JUNE)



*Figures taken from CFA Institute Society Demographic Profile Report 2014

KEY EVENTS THIS YEAR

[Continuing education events](#) are offered free to members

CFA UK addresses the [Government's response to the LIBOR scandal](#) in *The Times*

[Extension of the 'Integrity First' campaign](#) features on black cabs in London

A [new Ethics Committee](#), chaired by James Irving, CFA and Annabelle Gillard, CFA is established

Member survey on the [future of equity research](#) features in *FTfm*

CFA UK bestows [Fellowship on seven leading UK investment professionals](#)

[IMC Advantage agreements](#) are signed with University of East London, Birkbeck University, Essex Business School, Queen's University Belfast, Exeter Business School, De Montfort University and Newcastle University

The [quarterly valuation survey](#) continues to receive positive media coverage, including the *FT*, *The Telegraph*, *CNBC* and *Wallstreet Journal*

CFA UK Chairman addresses [CFA Institute European Investment Conference](#)

FT Money, *The Investors Chronicle* and Jonathan Eley are recognised in the [CFA UK Journalism Awards](#)

[CFA UK survey on prudence and faithful representation](#) is covered in *The Times*

CFA UK responds to the FCA on the use of dealing [commissions to pay for research](#)

The [annual professionalism survey](#) is discussed in *FTfm* and *Citywire*

More than [150 members](#) attend the new CFA charterholder ceremony

The [Scottish Analysts' Dinner](#) in Edinburgh hosts leading investment professionals

The [CPD Platform is tested and launched](#) to a number of major firms ahead of release to the CFA UK membership

[Investment Management Certificate \(IMC\)](#) provisional results move to immediate test centre provision

[CFA UK Ambassador scheme](#) is launched and quickly gains support

Women's Network is established and builds to more than [300 members](#) during the year

CHAIRMAN'S REPORT

It has been my honour and pleasure to serve as Chairman for a second year. The society has continued to grow over the period to a membership of more than 11,000. Due to both its size and talent, allied with the financial resource it brings, this membership has allowed us to continue to deliver on our mission to serve society's best interest through the provision of education and training, the promotion of high professional and ethical standards and by informing policymakers and the public about the investment profession.

With financial services remaining under close public and regulatory scrutiny, the society has continued to play its part in rebuilding trust in the investment profession. Ethics and education play a vital role in this. The new Ethics Committee has already begun the process of providing practical support to individuals and firms that seek to behave in the right way and will continue to build their network in the coming year. The impressive attendance at this year's Professionalism Conference – discussing culture and conflicts – is further evidence of our members' desires to cultivate cultures that put the interests of clients above those of the firm.

Over the past year we have worked alongside expert practitioners and academics to review rigorously the society's education provision. To retain its status as the benchmark entry-level qualification, the IMC syllabus has undergone an extensive restructure, and we were delighted to offer candidates the option of same-day provisional results from 1 June 2014. Another significant project this year has been the successful development of our CPD Platform, which launched in August 2014. This provides members and firms with over 80 hours of CPD content, including packages of structured content that cover topics such as asset allocation, wealth management and equities. During the next year, building our library of CPD resources and driving member engagement with the platform will be a key priority.

The society has continued to successfully build its profile in championing ethics and professionalism. Over the membership year, the advocacy team has submitted responses to calls for evidence and consultation papers from the Financial Conduct Authority, HM Treasury, the International Accounting Standards Board and the Banking Standards Review. Our views are being increasingly sought by regulators and policy-makers and we will continue to speak out on areas that affect our profession.

CFA UK is fortunate to have a vast network of volunteers dedicated to building a stronger future for the profession. I would like to thank them for their commitment to developing the society and to communicating our message. The Ambassador programme, which was launched early in the 2013/2014 membership year, has been a particular success, with 16 ambassadors actively promoting the benefits of CFA UK membership within their firms. The society offers a wide range of member volunteer opportunities and I would encourage members reading this to consider how they might be able to contribute to CFA UK. Please visit our website to find out more about volunteering.

Our relationship with CFA Institute remains strong, and we continue to support them, and they us, in our shared mission. Similarly, we continue to foster relationships with our sister societies around the world.

I would like to thank Will Goodhart and his staffed office team for their work over the year. I am grateful to all the society's committee members and other volunteers for their efforts and progress this year and to the Advisory Council for their guidance. I chair a board of talented and committed individuals and I would like to thank my fellow office bearers and board members for their contributions.

Finally, I thank you, the society's members, for your support of our work and your continued commitment to the highest standards of ethical and professional behaviour.

**Richard Dunbar, CFA, ASIP
Chairman**



TREASURER'S REPORT

The society's pre-tax profit reduced to £72,774 in the year ended 30 June 2014 (2013: £124,817). The fall in profit was as expected as the Board took a strategic decision to increase investment in continuing professional development (CPD). The Board believes that in the context of substantial reserves, investing in CPD and professionalism, alongside improving the society's IT infrastructure, are the best ways to fulfil the society's mission and deliver benefits both to members and to serve the public interest.

Revenue decreased by 5% to £2,870,164 (2013: £3,011,997) due to a decrease in examinations revenue, a decrease in CFA Institute funding as the 'Integrity First' advertising campaign was sponsored in the prior year and due to a decrease in Claritas revenue recognised.

Cost of sales decreased by 10% to £850,466 (2013: £942,597) mainly due to costs of the 'Integrity First' advertising campaign incurred in the prior year.

Administrative expenses increased by 5% to £1,871,752 (2013: £1,777,516) due to an increase in staff numbers which increased to an average of 22 (2013: 20) during the year and recruitment costs.

The society's establishment costs increased by 52% to £276,936 (2013: £182,328) due to the society's move to a 30% larger office space at 42 Mincing Lane and an overlap in the lease terms at Mincing Lane and Cannon Street of approximately five months, while the fit-out at Mincing Lane was completed.

During the year, a gain of £166,824 was realised (2013: loss of £13,920) on the disposal of seven investments by the Investment Committee following a review of the society's investment portfolio.

The society's net assets of £3,726,189 as at 30 June 2014 were broadly in line with prior year (2013: £3,786,026). At the year-end, the society held £1,201,246 in cash (2013: £1,204,502) across two financial institutions and there was £250,000 of cash included in other debtors at year-end (2013: £nil) representing cash held by our brokers from the redemption of an investment which was transferred to operating reserves during July 2014. At the year-end, the society also held £3,148,590 (2013: £3,465,963) of investments in liquidity, fixed income, equity and absolute return funds which generated an unrealised profit to date of £151,229 (2013: £271,838).

I thank Victoria French and her team for their work on the society's finances and operations and I am grateful to my fellow Finance Committee members for their continued support. They play a vital role in overseeing the finances and in managing operational risk at the society.

Peter Mennie, ASIP
Treasurer



CAREERS COMMITTEE

The Careers Committee monitors CFA UK's engagement with employers and recruiters, and reviews all policy issues relating to career support.

ACTIVITIES DURING 2013/2014

- Supported the provision of live careers events, including the 'Working in...' series, the annual 'Succeeding in the changing investment profession' conference and CV surgeries. A new initiative was hosting 'Working in...' events at actively recruiting firms
- Enhanced the functionality of the jobs boards by working with and learning from best practices at other professional organisations
- Initialisation of the next careers guide
- Provided consultation to the Women's Network subcommittee

AREAS OF FOCUS FOR 2014/2015

- Offering additional skills support for members with events on resilience and negotiation
- Introducing careers events to improve members' prospects with employers
- Continuing to develop the jobs board functionality

“Enhancements to the jobs board and combining targeted events with active roles, offers our members direct access to employers. Soft skills are increasingly critical to employability, so we are pleased to be offering more training events to members.”

Caroline Connell, CFA
Chair, Careers Committee



61%

OF MEMBERS SURVEYED
HAVE VISITED THE CAREERS
SECTION OF THE CFA UK
WEBSITE IN THE LAST YEAR.

(CFA UK Annual Survey 2014)

WOMEN'S NETWORK

The CFA UK Women's Network actively promotes careers in investment to women, advises firms and individuals on practical steps they can take to improve gender balance and provides networking opportunities for women in the investment profession.

ACTIVITIES DURING 2013/2014

- Establishing the committee and the main objectives of the network, and setting up operational parameters
- Raising awareness via the CFA UK website and building an initial membership base
- Organising the flagship 20% annual event addressing gender diversity, as well as smaller, more targeted events
- Raising awareness among employers and building the relationship with other women's networks in the industry

AREAS OF FOCUS FOR 2014/2015

- Continuing to build awareness with CFA UK members using the society's marketing tools, such as the website and *Professional Investor* magazine
- Growing the membership base in all levels of professional seniority
- Increasing the offering of events from four to six annually, focusing on four types of events: coaching, networking, presentations from relevant industry participants and panel discussions with engagement from employers
- Building the relationship with other networks and collaborating with the CFA Institute
- Exploring the option of commissioning a research piece on the tangible benefits of diversity in investment teams

70%

OF WOMEN SURVEYED BY PWC 'OPPORTUNITY NOW' PROJECT WANT TO LEAD, BUT LESS THAN 20% OF FTSE350 LEADERS ARE WOMEN.

“We are strongly encouraged by the magnitude of interest that the initiative has gained among members of the society across all seniority levels, but also from employers. The objective and message remains one of trying to find tangible, practical ways to help women in the industry reach their full potential and make their contribution in the investment profession.”

Katerina Kosmopoulou, CFA
Chair, Women's Network



CONTINUING EDUCATION COMMITTEE

The Continuing Education (CE) Committee sets the strategic framework for CFA UK's Continuing Education programme, enabling the society to deliver more than 60 continuing education events a year.

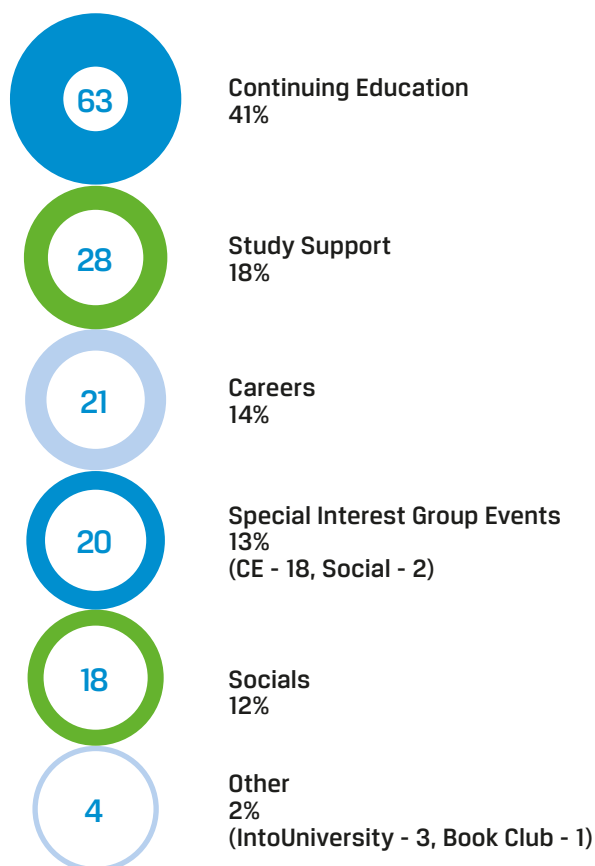
ACTIVITIES DURING 2013/2014

- Flagship events continued to go from strength to strength
- Responded to our membership by introducing free CE events to members, with speakers including Robert Cronin, Harald Espedal and Will Amos
- Created new committee responsibilities to ensure we make the most of the resources devoted to CE

AREAS OF FOCUS FOR 2014/2015

- Providing continuing professional development (CPD) across the membership base
- Ensuring we provide a significant number of events with speakers who are leaders in their field
- Assisting with the re-launch of the CFA UK website – making it easier to search for and book events, as well as find related content
- Delivering events through different media, including more webcasts and with ongoing discussion via social media

154 EVENTS HELD DURING 2014



“CE is a key part of the CFA charter – committing to remaining up to date with the latest developments in the body of knowledge, which means learning doesn't end with the designation certificate you receive. As charter holders grow in number and diversity, the CE Committee will ensure that we not only cover the content required, but also in a choice of formats.”

Helen Thomas, CFA
Chair, Continuing Education Committee

STRUCTURED LEARNING COMMITTEE

The Structured Learning Committee is responsible for sourcing, delivering and monitoring structured learning to provide to the membership and other interested parties.

ACTIVITIES DURING 2013/2014

- Successfully launched the new Continuing Professional Development (CPD) Platform into leading firms
- Implemented a diary for logging CPD credits, with the ability to distinguish between structured and un-structured activities
- Worked within the rules and guidelines of the FCA to develop policies and publish a summary card on CPD
- Commissioned new content for the CPD Platform, including employing academic experts to structure a carefully selected range of books and packaged new and existing content into a multimedia short course (CPD Certificate Programme)

AREAS OF FOCUS FOR 2014/2015

- Launching the Asset Allocation CPD Certificate Programme and continuing to build and develop other online structured learning programmes, with an initial focus on Equity Analysis and Wealth Management
- Adding further structured learning content in terms of articles, books and associated questions to the CPD Platform and continuing to provide guidance to members regarding what constitutes structured learning
- Seeking ways to improve and enhance the CPD Platform
- Working with other committees within the society to ensure that there are a steady stream of live structured learning events for our members to attend

“The fundamental role of the committee is to seek ways to improve resources available to our membership for the purposes of structured learning. Actions taken over the past year have made significant progress in this regard, notably with respect to materials available online. For reasons related to both regulation as well as career development, structured learning is an increasingly important part of what our membership requires from the society. We aim to continue to develop available resources and support our members' evolving structured learning needs over the next year.”

Daniel Murray, CFA
Chair, Structured Learning Committee

62%

OF MEMBERS
SURVEYED EXPECTED
TO FULFIL THEIR CPD
REQUIREMENTS USING
ONLINE RESOURCES.

(CFA UK Annual Survey 2014)



EXAMINATIONS AND EDUCATION COMMITTEE

The Examinations and Education Committee ensures that the society's exams remain relevant and up-to-date, and oversees the development and administration of new exams. It also reviews all policy issues relating to exams and education and proposes any necessary changes to the board.

ACTIVITIES DURING 2013/2014

- Provided oversight of the Investment Management Certificate (IMC) syllabus review and updated the Official Training Manual (OTM) for the IMC exam
- Approved an enhancement to IMC results reporting, with immediate provisional results now offered to candidates
- Assisted with the development of the new CFA UK Continuing Professional Development (CPD) Platform and the CPD Certificate Programmes
- Supported the staffed office in their outreach to universities and firms to build greater awareness of CFA UK services
- Prepared the annual Statement of Compliance submission to Ofqual

AREAS OF FOCUS FOR 2014/2015

- Overseeing the further roll-out of content for the CPD Platform
- Supporting the staffed office in their outreach to universities and firms to extend the take-up of the IMC programme and CPD materials
- Maintaining ongoing regulatory compliance for the IMC exam
- Continuing to enhance the processes for the delivery of the IMC exam

“The Examinations and Education Committee's primary responsibility is to provide oversight to the delivery of the IMC exam, and this will continue. On the education front, we are excited by the possibilities that our new CPD platform presents in providing new and engaging content to further the development of investment professionals. We hope to make important strides here in the coming year.”

David Bertocchi, CFA
Chair, Examinations and Education Committee



INVESTMENT MANAGEMENT CERTIFICATE (IMC) PANEL

The IMC Panel is responsible for all aspects of the provision of the IMC examination, the IMC syllabus and the Official Training Manual (OTM).

ACTIVITIES DURING 2013/2014

- Four new expert members are recruited
- Provisional results now provided at the test centre on completion of the exam – candidates have responded to this favourably
- Reviewed and updated the IMC syllabus, with a corresponding new OTM released
- Moved to a four month test publication cycle, allowing more time to construct and review the exams
- Supported by additional resources in the staffed office, which has resulted in positive impact on the candidate experience

AREAS OF FOCUS FOR 2014/2015

- Reviewing opportunities to provide online learning material relating to the IMC
- Looking at ways to increase conversion of IMC holders to CFA UK members
- Continuing to expand the IMC Panel, with additional cover in key areas
- Ongoing review of syllabus coverage to ensure continuing relevance of the qualification

“Over 5,000 candidates take a unit of the IMC each year to demonstrate their professional competency and understanding of the regulatory environment. The IMC panel is committed to upholding the standard of this qualification and maintaining its integrity. Following last year's comprehensive review of the syllabus and OTM, the panel will this year turn their focus to exploring e-learning as a delivery mechanism, as well as ways of embracing newly qualified IMC holders into the CFA UK membership.”

Graham Cook, CFA
Chair, Investment Management Certificate Panel



5,300

INDIVIDUAL IMC EXAMINATIONS
SAT DURING THE YEAR

ETHICS COMMITTEE

The Ethics Committee assists CFA UK in promoting the highest levels of professional and ethical conduct. It communicates regularly with members to help determine their needs and develops services to assist employees and employers attain and maintain exemplary ethical standards.

ACTIVITIES DURING 2013/2014

- Founded and constituted the Ethics Committee, hired a new Ethics Advisor for the CFA UK staffed-office and held an ethics 'town hall' meeting for members to provide input
- Identified and prioritised initial projects and services under the headings: continuing education, case studies, ethics resources and whistleblowing
- Input into the IT review process detailing the committee's needs in the future
- Opened lines of communication with CFA Institute, other local CFA Societies, and other professional and civil society bodies
- Held first continuing education case study event with CFA Institute on Lubrizol

AREAS OF FOCUS FOR 2014/2015

- Delivery of initial projects and services, in order that they start contributing to the life of the society and benefiting its members
- Formulating policies for handling matters of ethical concern brought to the society by individual members
- Turning attention to second stage projects, and especially the planned 'ethics forum'

74%

OF MEMBERS SURVEYED AGREED THAT ADVERTISING CAMPAIGNS PROMOTING ETHICS AND PROFESSIONAL STANDARDS ARE A GOOD USE OF MEMBER DUES.

(CFA UK Annual Survey 2014)



“It has been a very busy, but also a very exciting first year. We have a wonderful group of talented, committed and energetic volunteers who are making extremely promising initial progress. The volunteers are most ably supported by our proactive new ethics advisor. All the signs are excellent for the coming year.”

James Irving, CFA
Chair, Ethics Committee
Annabel Gillard, CFA
Vice-Chair, Ethics Committee

FINANCIAL REPORTING AND ANALYSIS COMMITTEE (FRAC)

The FRAC comments on proposed rule changes on accounting and auditing issues as they affect the investment profession.

ACTIVITIES DURING 2013/2014

- Played a leading role in seeking a compromise over the inclusion of the concept of 'prudence' – but not conservative, or biased measurement – in international accounting standards
- Influenced the final stage of the IASB's proposed leasing standard and provided feedback on problems with implementing IFRS 3 Business Combinations
- At EU level, we got more involved in the activities of EFRAG and ESMA, responding to the latter's inquiry on alternative performance measures
- Within the UK, we contributed to several Financial Reporting Council projects, from the Financial Reporting Lab's guidelines on net debt reconciliation to the new rules on the way auditors report their work

AREAS OF FOCUS FOR 2014/2015

- Continue to be a leading voice representing members views on the development of international accounting standards
- Engaging with the work of the EU bodies to ensure that investors' interests are more strongly promoted and that the fair and efficient operation of capital markets is front of mind
- Contributing to the improvement of company reporting and auditor reporting within the UK
- Raising the public profile of the FRAC as an advocate of investors' interests



“ This year has been extremely busy as the FRAC's views – as a leading representative of users of accounts – have been sought at national and international levels. With a new adviser in place, we are well placed not only to do more of the same, but to give more emphasis to the EU and to raise the FRAC's public profile. ”

Jane Fuller, FSIP
Chair, Financial Reporting and Analysis Committee

PROFESSIONAL STANDARDS AND MARKET PRACTICES COMMITTEE (PSMPC)

The PSMPC is responsible for identifying, monitoring and providing views on key regulatory and best practice developments likely to affect CFA UK members.

ACTIVITIES DURING 2013/2014

- Submitted responses to issues relating to market integrity and client interests involving Fiduciary Duty, Dealing Commissions, Local Government Pension Scheme Reform and the Lambert Banking Standards Review
- Hosted the society's second Professionalism Conference, focused on culture and conflicts
- In support of the Professionalism Conference, the following position papers were published: *The Market for Research*, *Fiduciary Duty*, *Informed Consent*, *Whistleblowing* and *Public Disclosure*
- Initiated two research projects, the first on Executive Remuneration and the second on the Market for Research
- To encourage further member engagement, a quarterly advocacy newsletter was launched

AREAS OF FOCUS FOR 2014/2015

- Planning for the third Professionalism Conference, to be focused on the asset owner's perspective
- Publishing position papers related to *Fees*, *Investment Horizons*, and *The Market for Research*
- Promoting and disseminating CFA UK's research project related to Executive Remuneration

“ This year, the committee's primary focus has been to be more proactive about informing and educating policymakers and standard setters about the investment profession. In the coming year, we will continue to be proactive and place even greater emphasis on member engagement and raising the society's profile. I look forward to a successful 2014/2015 in which we hope to see more CFA UK members become involved with our initiatives. ”

Natalie WinterFrost, CFA
Chair, Professional Standards and Market Practices Committee



FINANCE COMMITTEE

The Finance Committee reviews the financial reports and forecasts prepared by the staffed office and assists in the development of suitable financial controls and in setting an appropriate risk framework for the society.

ACTIVITIES DURING 2013/2014

- Strengthened the society's operational risk controls
- Continued oversight of the society's finances and helped ensure robust forecasting approaches
- Oversight of the investment portfolio and Investment Committee
- Mitigated risks associated with the society's IT infrastructure and established a working group to develop a new website

AREAS OF FOCUS FOR 2014/2015

- Continuing to have oversight of the society's operating reserves
- Ongoing review of the society's projects from a financial and risk perspective
- Ongoing review of the society's risk register



“The focus of the committee has been scrutiny of the accounts and the systems and controls of the society, as well as putting in place a framework to refresh and renew the website and IT infrastructure to help the society achieve its diverse objectives.”

Peter Mennie, ASIP
Chair, Finance Committee



INVESTMENT COMMITTEE

The Investment Committee seeks to implement the reserves policy as defined by the Finance Committee and approved by the CFA UK board.

ACTIVITIES DURING 2013/2014

- Introduced StatPro software to track performance of the society's investment portfolio on a timely and consistent basis
- Review of investment portfolio guidelines, permissible asset classes and limits to improve investment flexibility and diversify sources of returns
- Ongoing review, especially of initial investments, to ensure that managers are investing within their brief and that existing holdings have performed well

AREAS OF FOCUS FOR 2014/2015

- Whilst we are confident that our conservative investment approach focussed on capital preservation should protect the society's investments when rate tightening cycle commences, the committee will nonetheless maintain a watchful eye on the investment managers and holdings to minimise exposure to cyclical themes and directional investment strategies
- Working closely with the society's management team and directors to reaffirm the objectives and time horizon of the investment portfolio to ensure ongoing alignment with the society's goals and liquidity requirements



“ We are very pleased with the significant progress made in the last year and look forward to maintaining a similar focus in the forthcoming year. ”

Tarik Ben-Saud, CFA
Chair, Investment Committee

MARKETING AND COMMUNICATIONS COMMITTEE (MACC)

MACC is responsible for all issues relating to public relations and communication with members. It offers the staffed office guidance on CFA UK's marketing materials and is involved in the development of the society's various digital tools.

ACTIVITIES DURING 2013/2014

- Continued increase in positive media coverage, particularly for the quarterly valuation survey
- Greater awareness of CFA UK's financial journalism awards from the UK media, resulting in a record level and quality of submissions
- Developed new multi-platform email templates, improving open rates and member engagement by 3% compared to previous year
- Introduction of an interactive, multi-platform webcast environment, which will also integrate into CFA UK's new Continuing Professional Development (CPD) Platform
- Brand and experience benchmarking – identifying approach and best practice for member engagement to support digital strategy

AREAS OF FOCUS FOR 2014/2015

- Preparing a paper outlining the importance of new integrated IT solutions to provide an engaging environment for members, whilst meeting the reporting requirements of the staffed office
- Establishing qualitative research groups to reinforce findings from quantitative surveys and identify member insights to inform future communications
- Considering a digital campaign similar to 2013's 'Integrity First' to keep the brand visible and support the launch of the LMS
- Working with the staffed office to create a digital archive of *Professional Investor*, to launch as part of the society's 60th anniversary

“ This year, the committee's primary focus has been digital marketing; looking at what can be done to improve member engagement and experience with our current systems, and considering areas of improvement and change for the future. This will continue to be top of our agenda, with the review of the CFA UK website being a priority. ”

Stephanie Condra, CFA
Chair, Marketing and Communications Committee



53

CFA UK MENTIONS
IN THE UK MEDIA
IN 2013/2014

MEMBERSHIP COMMITTEE

The Membership Committee reviews and monitors the society's membership participation rate and helps increase member engagement with the society.

ACTIVITIES DURING 2013/2014

- Launched the CFA UK Ambassador programme – developed to create a grass-roots network for CFA UK members by appointing an ambassador to key firms. We have appointed 16 ambassadors who will be pivotal in driving efforts to build membership, engagement and use of CFA UK services
- Reviewed member benefits, leading to an expansion in partner discounts and the introduction of free events for members
- Careful consideration of the financial situation and plans of CFA UK led the committee to recommend holding fees stable in GBP terms for yet another year

AREAS OF FOCUS FOR 2014/2015

- Oversight of the ambassador initiative remains a key focus – we expect to appoint more ambassadors and to support their efforts in promoting CFA UK
- Our focus on improving member benefits is shifting to proposals for further improving the jobs board and events programs, two of the most popular member benefits identified in the annual survey
- Improving engagement – with currently only around 30% of members 'engaged' with the society, we see the Ambassador programme as pivotal in helping to create a greater sense of community and improving participation



“The committee has made great strides in advancing the interests of CFA UK members through improved member benefits while keeping fees flat for another year. Over the next year, expansion of the Ambassador programme and increased collaboration with the Marketing and Communications Committee and Continuing Education Committee should mean further enhancements to member benefits that we are confident will contribute to more improvements to the member experience with CFA UK.”

Gerry Fowler, CFA
Chair, Membership Committee

SCOTTISH COMMITTEE

The Scottish Committee works with the CFA UK staffed office in London to provide events for members in Scotland and to attract new members working in Scotland.

ACTIVITIES DURING 2013/2014

- Continued to develop a programme of continuing education events for Scottish members, with speakers including Anthony Clake, Russell Napier, ASIP, and Bryan Carter
- Rupert Soames, OBE and Bill Jamieson addressed attendees at The Scottish Analysts' Dinner



“This has been another successful year for CFA UK in Scotland in terms of holding events for members and in working with candidates here. I am grateful to my fellow committee members for their support and look forward to even closer engagement with Scottish members in future.”

Haig Bathgate, CFA, ASIP
Chair, Scottish Committee



FELLOWSHIP COMMITTEE

The Fellowship Committee recommends candidates for fellowships to the CFA UK board. The committee develops events for Fellows and encourages the society to make use of the resource that the Fellowship represents.

ACTIVITIES DURING 2013/2014

- CFA UK now has 82 Fellows. Fellowship this year bestowed on: Michelle McGregor-Smith, ASIP, CFA, Helena Morrissey, Russell Napier, ASIP, Anne Richards, Richard Rothwell, ASIP, George Spentzos, CFA and Richard Taffler
- Fellows welcomed at January reception
- Russell Napier, ASIP, addressed bi-annual Fellows luncheon on 'understanding financial market history'

AREAS OF FOCUS FOR 2014/2015

- Involving Fellows in the society's media awards
- Holding a media roundtable with Fellows
- Asking Fellows to speak on and review society material and papers on Professionalism

“The committee was delighted to welcome such a strong slate of new entrants to society Fellowship. They have led firms, led the development of investment theory and practice, led our society and led by example. We look forward to working with all of our Fellows to advance CFA UK's mission of serving society's best interests.”

Yusuf Samad, CFA, FSIP
Chair, Fellowship Committee



Directors' Report

The directors submit their report and the financial statements of CFA Society of the UK for the year ended 30 June 2014.

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 CFA and ASIP designations.

Directors

The following directors held office during the year ended 30 June 2014:

Richard Dunbar, CFA, ASIP (Chairman)

Natalie WinterFrost, CFA (Vice-Chair)

Peter Mennie, ASIP (Treasurer)

Tarik Ben-Saud, CFA

David Bertocchi, CFA

Daniel Draper, CFA - Resigned 19 November 2013

Gerald Fowler, CFA

Annabel Gillard, CFA

James Irving, CFA

Omar Kodmani, CFA

Steven Major, CFA - Appointed 19 November 2013

John Marsland, CFA

Anne Marden, CFA

Ian Paczek, CFA

Andreas Utermann, ASIP

Statement as to disclosure of information to the auditor

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 auditor is 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 Companies Act 2006 relating to small companies.

By order of the board

Bernadette Barber

Secretary

2 October 2014

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 auditor's report to the members of the CFA Society of the UK

We have audited the group and parent company financial statements (the "financial statements") on pages 23 to 34. 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 Chapter 3 of Part 16 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 21, 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 and express an opinion on 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 June 2014 and of the company's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; *or*
- the parent company 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Andrew Westbrook (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

2 October 2014

FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2014	Notes	2014	2013
		£	£
Turnover	3	2,870,164	3,011,997
Cost of sales		(850,466)	(942,597)
Gross Profit		2,019,698	2,069,400
Administrative expenses		(1,871,752)	(1,777,516)
Establishment costs	4	(276,936)	(182,328)
Operating (loss) / profit		(128,990)	109,556
Interest receivable and similar income	5	34,940	29,181
Profit / (loss) on disposal of current asset investments		166,824	(13,920)
Profit on ordinary activities before taxation	6	72,774	124,817
Taxation on profit on ordinary activities	7	(12,002)	(29,623)
Profit on ordinary activities after taxation	15	60,772	95,194

The operating profit for the period arises from the society's continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2014	2014	2013
	£	£
Profit for the financial year	60,772	95,194
Fair value (losses) / gains on available-for-sale financial assets	(120,609)	209,001
Total recognised (losses) / gains relating to the year	(59,837)	304,195

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30 JUNE 2014	Notes	2014	2013
		£	£
Fixed Assets			
Tangible assets	8	169,898	25,427
Current Assets			
Stock	9	17,137	15,441
Debtors	10	606,776	336,690
Investments	11	3,148,590	3,465,963
Cash at bank and in hand		1,201,246	1,204,502
		<u>4,973,749</u>	<u>5,022,596</u>
Creditors			
Amounts falling due within one year	12	(1,407,726)	(1,261,997)
Net Current Assets		<u>3,566,023</u>	<u>3,760,599</u>
Total Assets less Current Liabilities		<u>3,735,921</u>	<u>3,786,026</u>
Creditors			
Amounts falling due after more than one year	13	(8,400)	-
Provisions for liabilities and charges	14	(1,332)	-
Net Assets		<u><u>3,726,189</u></u>	<u><u>3,786,026</u></u>
Reserves			
Profit and Loss Account	15	3,574,960	3,514,188
Available for Sale Reserve	15	151,229	271,838
Members' Funds		<u><u>3,726,189</u></u>	<u><u>3,786,026</u></u>

The financial statements on pages 23 to 34 were approved and authorised for issue by the Board of Directors on 20 October 2014 and signed on their behalf by:

R Dunbar, CFA, ASIP, Chairman

P Mennie, ASIP, Treasurer

CASH FLOW STATEMENT	Notes	2014	2013
		£	£
Net cash (outflow) / inflow from operating activities	17	(189,513)	285,513
Returns on investments and servicing of finance			
Interest received and investment income		34,940	29,181
Net cash inflow from returns on investments and servicing of finance		34,940	29,181
Taxation			
Corporation tax paid		(23,993)	(119,743)
Capital expenditure and financial investments			
Payments to acquire current investments		(1,749,908)	(251,022)
Proceeds from sale of current investments		2,113,496	232,246
Payments to acquire tangible fixed assets		(188,278)	(3,202)
Net cash inflow / (outflow) from capital expenditure and financial investments		175,310	(21,978)
(Decrease) / increase in cash in the period	17	(3,256)	172,973

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 2006 have been followed. These financial statements have been prepared under the historical cost convention.

B. INVESTMENT INCOME

Investment income comprises interest receivable and dividend income.

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 lease term
Membership and examination systems software	20%
Office equipment - computer equipment	33.33%
- other equipment	20%
Furniture and fittings	10% and 20%

D. INVESTMENTS

Short term investments are classified as current assets and measured at market value. Investments are revalued to market value, with gains/losses being recognised in the Available for Sale reserve within the balance sheet. Upon disposal of an investment, the related Available for Sale reserve is recognised and transferred to the Profit & Loss Account.

E. STOCK

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.

F. 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.

G. 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.

H. FINANCIAL INSTRUMENTS

The company exposure derives primarily from foreign currency risk. The company uses foreign exchange forward contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes. Instruments quoted in an active market are measured at their current bid price. For instruments that are not quoted in an active market, the fair value is estimated using a valuation technique. Techniques that are used include comparisons to recent market transactions or reference to other instruments which are substantially the same. Inputs to such techniques rely on market inputs where such information is readily available. Where such information is not available entity-specific inputs are used.

I. 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.

J. PENSION CONTRIBUTIONS

The company makes contributions to the personal pension plans of employees. The cost of providing pensions for employees is charged to the profit and loss account as incurred.

K. 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 in the year to which the membership relates.

Investment Management Certificate examination fees are recognised when the candidate sits an examination or on expiry, one year after registration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(1) The income and property of the society must be applied solely to 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 every regular member 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 the members of the society.

As at 30 June 2014, the total number of members was 11,190 (2013: 10,829) and the number of Regular members was 7,963 (2013: 7,433).

(2) EMPLOYEES	2014	2013
The average monthly number of persons, excluding 14 volunteer directors (2013: 14) employed by the society was:		
Employees	22	20
Staff costs for the above persons:	£	£
Wages and salaries	1,083,073	1,009,062
Social security costs	128,655	120,504
Other pension costs	69,925	62,994
	<u>1,281,653</u>	<u>1,192,560</u>

No remuneration was paid to the directors during the year (2013: nil). No director (2013: nil) is accruing benefits under money purchase or defined benefit pension schemes.

(3) TURNOVER	2014	2013
	£	£
Subscriptions	890,304	886,336
Publications	206,337	184,472
Journal	18,360	17,930
Examinations	1,324,505	1,385,375
Professional Development	83,074	99,746
CFA Support	21,685	18,349
Social	24,817	25,338
Other Activities	147,191	153,483
CFA Institute Funding	85,727	125,001
CFA Institute Claritas income	68,164	115,967
	<u>2,870,164</u>	<u>3,011,997</u>

The society's turnover and profit before taxation were all derived from its principal activity.

Turnover from CFA Institute relating to the Claritas Investment Certificate Program was £68,164 (2013: £115,967) with turnover being higher in the prior year due to revenue accruals. In the year ended 30 June 2012, on 1 July 2011, the society signed an agreement with CFA Institute to support the new Claritas Investment Certificate Program. Under this agreement, the society sold various intellectual property rights in respect of the IMC curriculum, the terms of which were intended to provide protection of the society's future profits from the IMC and included an initial payment of \$500,000 (£309,732) followed by a share of future revenues of the Claritas Program. The share of future revenues from outside the United Kingdom expires on 1 July 2027 and the share of future revenues from within the United Kingdom is subject to a buy-out option after 1 July 2027.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

(4) ESTABLISHMENT COSTS		2014	2013
	£	£	£
Rent	104,234		61,242
Rates	39,926		21,634
Lighting and heating	3,713		2,520
		147,873	85,396
Insurance		17,623	11,808
Office building maintenance		35,600	41,173
Office repairs and renewals and health & safety		398	2,236
Office security		1,411	1,451
Office cleaning		18,491	4,463
Lease dilapidations		11,733	8,000
Depreciation		43,807	27,801
		276,936	182,328

(5) INTEREST RECEIVABLE AND OTHER INCOME (NET)		2014	2013
	£	£	£
Bank interest		4,748	9,275
Dividend income received		30,192	19,906
		34,940	29,181

(6) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2014	2013
	£	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):			
Depreciation of tangible fixed assets		43,807	27,801
Exchange gains		(922)	(1,406)
Operating leases:			
Plant and machinery		8,769	8,704
Land and buildings		104,234	61,242
Auditor's remuneration - audit services		11,200	10,750
Auditor's remuneration - taxation		5,450	6,450
Auditor's remuneration - other services		4,000	4,000

(7) CORPORATION TAX	2014	2013
	£	£
Current Tax: UK corporation tax	-	23,993
Under provision in previous period	-	3,145
Total current tax	-	27,138
Deferred taxation:		
Origination of timing differences	12,002	293
Effect on tax rate change on opening balance	-	2,192
Total deferred tax charge	12,002	2,485
Tax on profits on ordinary activities	12,002	29,623
Factors affecting tax charge for the year:		
The tax assessed for the year is lower than the effective rate of corporation tax in the UK of 20%.		
The differences are explained below:		
Profit on ordinary activities before tax	72,774	124,817
Profit on ordinary activities multiplied by the effective rate of corporation tax of 20% (2013: 20%)	14,555	24,963
Effects of:		
Fixed asset differences	6,925	4,152
Expenses not deductible for tax purposes	22,741	3,999
Income not taxable for tax purposes	(33,365)	(8,348)
Adjustments to brought forward values	2,483	-
Other permanent differences	573	-
Capital allowances in excess of depreciation	(25,197)	(1,032)
Other short term timing differences	3,406	4,240
Adjustments to tax charge in respect of previous periods	-	3,145
Exempt dividend income	(6,038)	(3,981)
Chargeable gains	7,627	-
Unrelieved tax losses and other deductions arising in the period	6,289	-
Other differences	1	-
Current tax charge for the year	-	27,138

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

(8) TANGIBLE FIXED ASSETS	Leasehold Improvements	Systems Software	Office Equipment	Furniture & Fittings	Total
	£	£	£	£	£
Cost					
At 30 June 2013	108,279	281,878	60,465	32,826	483,448
Additions	121,232	48,900	9,398	8,748	188,278
Disposals	(108,279)	-	-	-	(108,279)
At 30 June 2014	121,232	330,778	69,863	41,574	563,447
Depreciation					
At 30 June 2013	97,899	281,878	53,407	24,837	458,021
Charged in the year	34,626	-	5,990	3,191	43,807
Disposals	(108,279)	-	-	-	(108,279)
At 30 June 2014	24,246	281,878	59,397	28,028	393,549
Net book value					
At 30 June 2014	96,986	48,900	10,466	13,546	169,898
At 30 June 2013	10,380	-	7,058	7,989	25,427

(9) STOCK	2014	2013
	£	£
Stock	17,137	15,441

(10) DEBTORS - DUE WITHIN ONE YEAR	2014	2013
	£	£
Trade debtors	90,531	77,808
Other debtors	302,571	46,441
Prepayments and accrued income	213,674	201,771
Deferred tax asset	-	10,670
	606,776	336,690

(11) INVESTMENTS	2014	2013
	£	£
At 1 July	3,465,963	3,252,106
Acquired in the period (at cost)	1,749,908	251,022
Less: Disposal in the period	(1,946,672)	(246,166)
Market value adjustment	(120,609)	209,001
Market value at 30 June	<u>3,148,590</u>	<u>3,465,963</u>

(12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014	2013
	£	£
Amounts received in advance	641,603	590,326
Creditors control account	271,510	212,938
Corporation tax liability	-	23,993
Other taxation and social security costs	56,336	49,364
Sundry creditors and accruals	438,277	385,376
	<u>1,407,726</u>	<u>1,261,997</u>

(13) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2014	2013
	£	£
Accruals	<u>8,400</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

(14) PROVISIONS FOR LIABILITIES AND CHARGES	2014	2013
	£	£
Deferred tax		
Provision at 1 July	(10,670)	(13,155)
Transfer from profit and loss account	12,002	2,485
Provision at 30 June	<u>1,332</u>	<u>(10,670)</u>
Provision for deferred tax:		
Accelerated capital allowances	20,008	(1,688)
Short term timing differences	(12,387)	(8,982)
Tax losses carried forward and other deductions	<u>(6,289)</u>	<u>-</u>
Provision at 30 June	<u>1,332</u>	<u>(10,670)</u>

(15) RESERVES	2014	2013
	£	£
Profit and Loss Account		
At 1 July 2013	3,514,188	3,418,994
Profit for the financial year	60,772	95,194
At 30 June 2014	<u>3,574,960</u>	<u>3,514,188</u>
Available for sale reserve		
At 1 July 2013	271,838	62,837
Market value adjustment on investments	(120,609)	209,001
At 30 June 2014	<u>151,229</u>	<u>271,838</u>
Total Reserves as at 30 June 2014	<u>3,726,189</u>	<u>3,786,026</u>

(16) COMMITMENTS UNDER OPERATING LEASES	2014	2013
	£	£
At 30 June 2014 the society has annual commitments under non-cancellable operating leases as follows:		
Plant and machinery:		
expiring within 1 year	-	2,388
expiring between 2 and 5 years	6,576	6,316
Land and buildings:		
expiring within 1 year	-	29,909
expiring between 2 and 5 years	81,574	-
	88,150	38,613
	88,150	38,613

(17) CASH FLOW	2014	2013
	£	£
A. Reconciliation of operating (loss) / profit to net cash inflow from operating activities		
Operating (loss) / profit	(128,990)	109,556
Depreciation of tangible fixed assets	43,807	27,801
Operating cash (outflow) / inflow before movements in working capital	(85,183)	137,357
Decrease in stocks	(1,696)	(2,287)
Increase in debtors	(280,756)	(78,090)
Increase in creditors	178,122	228,533
Net cash (outflow) / inflow from operating activities	(189,513)	285,513
B. Reconciliation of net cash flow to movement in net funds		
(Decrease) / Increase in cash in the period	(3,256)	172,973
Net funds at 30 June 2014	1,201,246	1,204,502
Net funds at 30 June 2013	(1,204,502)	(1,031,529)
Movement in net funds in the period	(3,256)	172,973
C. Analysis of net funds	As at 30	As at 30
	June 14	June 13
Cash at bank and in hand	1,201,246	1,204,502

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

(18) PENSION COMMITMENTS

The society makes contributions to the personal pension schemes of employees. The pension charge for the year was £69,925 (2013: £62,994). At 30 June 2014, pension contributions amounting to £59,438 were outstanding (2013: £42,408) and are included in creditors.

(19) CURRENCY DERIVATIVES - CASH FLOW HEDGE

The society utilises foreign currency forward contracts to hedge future transactions and cash flows and to manage exchange rate risk. The instruments purchased are primarily denominated in the currencies of the society's principal markets and are mainly to hedge US Dollar denominated income from CFA Institute.

As at the balance sheet date, the total notional amount of outstanding foreign exchange forward contracts to which the society has committed were as follows:

	2014	2013
	£	£
US Dollar denominated contract	-	725,594

Currency forward contracts are related to highly probable forecast transactions that are expected to arise in the next nine months. The fair value of currency forward contracts at 30 June 2014 amounted to an asset of £nil (2013: £4,225).

COMMITTEE VOLUNTEERS

AS AT 30 JUNE 2014:

AMBASSADORS

Jim Barrett, CFA
Warun Chadha, CFA
Katrina Green, CFA
Ed Hails, CFA
Justin Kew, CFA
Delphine Leblond, CFA
Richard Van Lienden, CFA
Susan McDonald, CFA
Catherine McLaughlin, CFA
Nicola Morgan, CFA
Seki Mutukwa, CFA
Klaus Paesler, CFA
Matthew Passey, CFA
Michael Sneyd, CFA
Matthew Tait, CFA
Nicholas Wall, CFA
Lianne Walsh, CFA

CAREERS COMMITTEE

Caroline Connell, CFA (Chair)
Jonathan Chambers
Stacy Jansz, CFA
Katerina Kosmopoulou, CFA
Lavannyan Mahalingam, CFA
Bruno Pellier, CFA
Istvan Mate-Toth, CFA
Gary Webber, CFA

CONTINUING EDUCATION COMMITTEE

Helen Thomas, CFA (Chair)
Francesco Castelli, CFA
Arnaud Checconi, CFA
Michael Collins, ASIP
Constantin Cosereanu, CFA
Mahmoud El-Shaer, CFA
Robert Farago
Qiming Li, CFA
Kasi Maciol, CFA
Matt McConnell, CFA
Lydia Ofori
Jonathan Philp, CFA, ASIP
David Porter
Lorena Puica, CFA
Rajesh Solanki, CFA
Ichiro Tange, CFA
Nicolas Themistocli, CFA

ETHICS COMMITTEE

James Irving, CFA (Chair)
Annabel Gillard, CFA
(Vice-chair)
Gabor Bogнар, CFA
Tim Nuding, CFA
Christina Rulfs, CFA
Nigel Sydenham, CFA
David Witzer

EXAMINATIONS AND EDUCATION

David Bertocchi, CFA (Chair)
Alistair Byrne, CFA
Graham Cook, CFA
Richard Fernand, CFA
Prof. Jens Hagendorff
William Harer, ASIP
Ilan Heimann, CFA
Ozma Khan
Ben Kottler, CFA
Philippe Lenoble, CFA
Daniel Murray, CFA
Ian Paczek, CFA
Duncan Sankey
Helen Thomas, CFA
Prof. Stephen Thomas

FELLOWSHIP COMMITTEE

Ysusf Samad, CFA, FSIP (Chair)
Kevin Carter, CFA, FSIP
Geoff Lindey, FSIP
Colin McLean, FSIP
Lindsay Tomlinson, FSIP

FINANCE COMMITTEE

Peter Mennie, ASIP (Chair)
Hugh Brennan, CFA
Ronan Langford, CFA
Matthew Lonerган, CFA
Stephen Maher, CFA
Stephen Wackerle, CFA

FINANCIAL REPORTING AND ANALYSIS

Jane Fuller, FSIP (Chair)
Olivia Brindle, CFA
Hilary Eastman, CFA
Colm Friel, CFA
Anvar Gabidullin, CFA
William Howlett, CFA
Paul Lee
Kristen Lie, CFA
Paul Martin
Marietta Miemietz, CFA
Gabriel Pirlici, CFA
Barbara Petitt, CFA
Humayun Rasheed, CFA
Ian Sealey, CFA
Veenit Surana
Dr. Alison Thomas
Patricia Tomas-Garcia

INVESTMENT MANAGEMENT CERTIFICATE PANEL

Graham Cook, CFA (Chair)
Douglas Barton, CFA
Loba Van der Bijl
Lucas Bouwhuis, CFA
Tony Bronk
Jocelyn Brown
Dr. Mike Buckle
Eliza Dungworth
Michael Gould
Dr. Bernd Hanke, CFA
Weiyan Hung, CFA
James Jenkins, CFA
Jonathon Raymond, CFA
Nicholas Samouilhan, CFA
Dr. James Seaton
John Steele
Prof. Steve Thomas

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Haig Bathgate, CFA, ASIP
Madeleine Gore, ASIP
Peter Mennie, ASIP
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Natalie WinterFrost, CFA
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Peter Mennie, ASIP (Treasurer)
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Annabel Gillard, CFA

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Niels Andersen, CFA
Jean-Paul Carbonnier, CFA
David Clarke, CFA
Stephanie Condra, CFA
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John Angell, ASIP
Nat Johnston, CFA
Hamad Hasan, CFA
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Andrew Skeat, ASIP
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Rita Dhut, ASIP
Liam Gilchrist, CFA
Vivian Huxley, ASIP
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Ansumana Bai-Marrow
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Rhodri Preece, CFA
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Christina Rulfs
Mohit Sarda, CFA
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Justin Kew, CFA
Alexander Koriath, CFA
Alan Livsey, CFA
Nicole Lux
Avinash Rajan
Marie-Christine Riachi, CFA
Ade Roberts, CFA
Ronak Thakrar, CFA
Daniel Ung

WOMEN'S NETWORK

Katerina Kosmopoulou, CFA (Chair)
Caroline Connell, CFA
(Co-Chair)
Katherine Cox, CFA
Istvan Mate Toth, CFA
Helen Thomas, CFA
Victoria Thompson, CFA

The society also operates a Nominations Committee (whose role is to select candidates for board membership and whose composition changes annually), a Remuneration Committee (whose role is to set and review the remuneration of the chief executive and employees) and a Disciplinary Committee (which reviews complaints about members' professional behaviour).



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