



ICSA annual report 2010–2011

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www.icsaglobal.com

Find an online version of the ICSA annual report and financial statements on our website.

Annual General Meeting

A resolution to receive the financial statements will be put to Members at the twenty-first Annual General Meeting of the United Kingdom, Republic of Ireland and Associated Territories of the Institute of Chartered Secretaries and Administrators to be held at 6.45pm on Monday, 27 February 2012 at The Rutherford Theatre, 76 Portland Place, London, W1B 1NT.

Council

President

Mr C J Kane FCIS (from 25 October 2011)^{1,2}
 Mr R A Cowe FCIS (from 1 January 2011, resigned 14 March 2011)^{1,2}
 Mr F W E Bush FCIS (to 31 December 2010)^{1,2,3}

Vice Presidents

Mr J Harknett FCIS (retired 31 December 2010)³
 Mr R D Lees FCIS³

Australia Division

Mr F W E Bush FCIS^{1,2,3}
 Mr P Turnbull FCIS (elected 1 January 2011)

Canada Division

Mr B Murray FCIS³

China Division

Ms N Seng FCIS³

Malaysia Division

Mr M Hafidz Bin Nurrudin FCIS³

New Zealand Division

Position vacant
 Mr J Harknett FCIS (retired 31 December 2010)³

Singapore Division

Mr K Singh FCIS (resigned 25 March 2011)³
 Prof Tan Wee Liang (elected 25 March 2011)³

Southern Africa Division

Mr R D Lees FCIS³

Zimbabwe

Mr P Kadzere FCIS³

UKRIAT

Mrs J Ashcroft FCIS
 Mr R Blanks FCIS
 Mrs L A Brownnett FCIS (elected 1 January 2011)
 Miss V Carpenter FCIS
 Mr R A Cowe FCIS²
 Mr F Curtiss FCIS
 Mr M Green FCIS
 Mr M Jacob FCIS
 Mrs P Keith FCIS
 Mr R Rosenhead FCIS
 Mr G A G Shephard FCIS
 Miss J E C Skeels FCIS (retired 31 December 2010)
 Mrs A E Squire FCIS (elected 1 January 2011)
 Mr D A Venus FCIS (nominated 30 March 2011)
 Mr J B Woodhead FCIS
 Mrs L Young FCIS (nominated 30 March 2011)

Past Presidents

Mr R A Cowe FCIS^{1,2}
 Mr F W E Bush FCIS^{1,2}
 Mr C J Kane FCIS^{1,2}
 Mr G D Downs FCIS^{1,2}
 Mr M Ashford FCIS^{1,3}

United Kingdom Committee

UK President

Mr R Rosenhead FCIS (from 1 August 2011)^{4,5,7,8}
 Mr M Jacob FCIS (from 1 August 2010 to 31 July 2011)^{4,5,7,8}

Vice Presidents and Treasurer

Mr F Curtiss FCIS (Treasurer from 1 August 2011)^{4,5,7}
 Mr J B Woodhead FCIS (Treasurer from 31 July 2010)^{4,5,7,8}
 Mr A P Theakston FCIS (from 14 December 2010)^{4,5,7}

Mrs J Ashcroft FCIS⁸
 Mr R Blanks FCIS^{4,7}
 Mrs L A Brownnett FCIS (elected 1 January 2011)
 Miss V Carpenter FCIS^{5,6}
 Mr M Green FCIS^{4,5}
 Mrs P Keith FCIS
 Mr G A G Shephard FCIS^{6,7}
 Mrs A E Squire FCIS (elected 1 January 2011)
 Mr D A Venus FCIS (nominated 30 March 2011)
 Mrs L Young FCIS (nominated 30 March 2011)

UK Past Presidents

Mr R A Cowe FCIS⁷
 Mr T V Morrison FCIS⁷
 Mr J Baldwin FCIS (resigned 1 March 2011)⁷
 Mr D J Brooks FCIS (retired 31 July 2011)⁷

International Past Presidents

Mr C J Kane FCIS^{7,8}
 Mr G D Downs FCIS^{5,6,7}
 Mr A P Theakston FCIS^{4,7}

Senior Management Team

(as at the date of these financial statements)

Mike Evans	Managing Director, ICSA Software International Limited
Seamus Gillen FCIS	Director of Policy
Clare Grist Taylor	Joint Managing Director, ICSA Information & Training Limited
Fiona Hellowell	Head of Education
Robert Ing ACMA	Finance Director
Jeremy Lloyd	Technical Director, ICSA Software International Limited
Theresa Minnie	Head of Members and Students
Russell Morrice FCIS	Head of Secretariat and Clerk to Council
Simon Osborne FCIS	Chief Executive
Susan Richards	Joint Managing Director, ICSA Information & Training Limited
Nigel Tompkins ACA	Chief Operating Officer

Standing Committees of Council:

- 1 Nomination Committee
- 2 Professional Standards Committee
- 3 Divisional Committee

Standing Committees of the United Kingdom Committee:

- 4 The UK Oversight Committee
- 5 The UK Audit Committee
- 6 UK Risk Management Committee
- 7 The UK President's Committee
- 8 UK Professional Development and Admissions Committee

The UK President's view



I would like to start by paying tribute to the tremendous work of the senior management team and staff of the Institute and its commercial entities during this financial year. They have succeeded in raising our profile even further, developed new products and services and remained focused on delivering high quality support to our Members and students.

Despite the slow growth of the UK economy, both the Institute and the group have considerable financial resource; the group net result for the year was a surplus of £374,000. The surplus before the tax credit of £63,000 and the surplus of £216,000 from the charitable activities was £95,000. Revenue from the commercial activities increased by nearly 8% this year. Sales of ICSA Software's new BoardPad product contributed to its 6% increase of turnover to £7,495,000 (2010: £7,058,000). ICSA Information & Training also had a successful year, with a 5% increase in turnover derived from an upturn in sales of training courses and conferences. The details of our financial performance are to be found in the financial review.

The Financial Reporting Council's publication of its *Guidance on Board Effectiveness* was one of the most significant milestones this year. It is encouraging to see that the guidance highlights the leading governance role of the company secretary and the value that is placed on their ability to build effective relationships with the key players in the boardroom.

The successful launch of the new Chartered Secretaries Qualifying Scheme (CSQS) has enabled us to strengthen our offer to the next generation of Chartered Secretaries. The launch of the Health Service Governance module in 2012 will enable us to reach a wider audience of health service professionals who are seeking new ways to develop their careers. Although not fully operational, the agreement reached with BPP as a registered tuition provider is an exciting opportunity that will greatly assist our students.

Chartered Secretaries
have the skills necessary
to help their organisations
plan for a secure future.

The introduction of mandatory CPD has provided us with a framework to be able to support Members throughout their careers. We have taken care to make the new scheme as flexible as possible and will continue to develop CPD opportunities to help Members gain the most out of the career benefits it can offer.

Against a backdrop of continued economic uncertainty in Europe, it is evident that Chartered Secretaries have the skills necessary to help their organisations deal with the inevitable problems and plan for a secure future.

Ron Rosenhead
UK President

From the Chief Executive



The last year has been one of change and forward thinking for ICSA. As you will see from the pages that follow, a great deal of work has been done this year to cement our position as a go-to authority on governance and to maintaining high educational standards.

Our profile has been enhanced by initiatives such as the ICSA Hermes Transparency in Governance Awards. By recognising the achievements of those who have taken steps to improve their corporate reporting, we have demonstrated our commitment to helping to restore much needed confidence in the corporate sector of the UK economy. We have also conducted our own research this year to encourage good governance in the not-for-profit sector. ICSA's *Mapping the Gap* project confirmed that there was a distinct gap between the theory and reality of governance practice in the NHS and demonstrated that successful organisations need to place much more emphasis on strategy and decision-making in order to succeed.

One of our main focuses this year has been to try and increase opportunities for our students. This has been done in several ways: by launching a revitalised qualifying scheme which has more relevance to today's business world, by offering flexible learning via BPP's online classroom and by talking to a range of employers about the benefits of running training schemes for Chartered Secretaries. We plan to continue this work during this coming year and would ask all Members to support us with this initiative in any way they can.

ICSA has a strong brand and now is the time, when public interest in risk, reward and performance is in the forefront, for Chartered Secretaries to lead the governance agenda in organisations of all kinds. ICSA can support its Members in achieving that goal.

I am writing this introduction at a time when we are about undertake a review of our own governance structure. It is evident that this needs refreshing if we are to achieve our goal of being a 21st century profession. The review is likely to take some time and we are keen to work with Members to meet the challenges we face. In the meantime, it is very much 'business as usual'. We have much to offer and will continue to concentrate our resources on promoting our strengths and positioning Chartered Secretaries at the centre of business life throughout the world.

A handwritten signature in blue ink that reads "Simon Osborne". The signature is fluid and cursive, with a horizontal line underlining the name.

Simon Osborne
Chief Executive

Effectiveness and accountability

ICSA's thought leadership continues to be at the heart of the governance debate.

One of the most significant milestones this year was the Financial Reporting Council's publication of its *Guidance on Board Effectiveness* which replaces the Higgs guidance. ICSA played a leading role in drafting the guidance with the support of a steering group chaired by Sir John Egan, Chairman of Severn Trent plc. ICSA's Policy team is also responsible for updating the Guidance Notes that were originally appended to the Higgs guidance.

The purpose of the guidance is to help boards of UK companies avoid some of the problems that contributed to significant value destruction during the financial crisis. The FRC's intention is that it should be used to help companies in applying the principles of the UK Corporate Governance Code.

Areas covered by the guidance include the role of the board and the directors, decision-making, board composition and succession planning and evaluating the performance of the board and the directors. Uniquely, the guidance highlights the leading governance role of the company secretary and the part they play in supporting the chairman and aiding the efficient functioning of the board. The company secretary should report to the chairman on all board governance matters, says the guidance, and his or her effectiveness can be enhanced through building relationships of mutual trust with the chairman, the senior independent director and the non-executive directors.

Seamus Gillen, ICSA's Policy Director, visited Dubai and Lithuania following the publication of the guidance. Both countries are keen to improve investor confidence and ICSA is now working with the Baltic Institute of Corporate Governance and Hawkamah, its Dubai counterpart, to help them improve governance practices in these jurisdictions. ICSA's annual Corporate Governance Conference, incorporating the official launch of the Board Effectiveness guidance, examined the European Commission's Green Paper on Corporate Governance and the likelihood of 'comply or explain' being superseded by more stringent regulation. The event attracted the largest number of delegates to date, continuing the upwards growth in numbers since the inaugural conference in 2009.





Sir Roger Carr speaking at the ICSA Hermes Transparency in Governance Awards 2010

Rewarding best practice

The ICSA Hermes Transparency in Governance Awards scheme has evolved into a key mechanism for generating confidence, not only for the company and its investors, but for the economy as a whole. FTSE 350 companies in the retail, energy and financial services sectors were amongst those rewarded for their annual report disclosure at an Awards Ceremony held at the Brewery in the City of London. In a speech delivered at the Ceremony, Edward Davey MP, Business Minister said: 'It is important that we recognise the world-class corporate governance that British companies can achieve and these Awards are an excellent way of spreading those high standards more widely.'

The ICSA Company Secretary Awards, which recognise best practice in the company secretarial field, were presented on the same evening. Claire Chapman from Inchcape won the Company Secretary of the Year Award and the award for Company Secretarial Team of the Year went to the Co-operative Group Governance team.

Two of the most influential figures in the corporate reporting debate, CBI President Sir Roger Carr, and Edward Davey MP were keynote speakers at an ICSA Hermes Transparency in Governance Awards summer seminar which took place in July. The seminar was designed to influence governance disclosure early in the reporting year and disseminate best practice from last year's Award winners.

Sir Roger Carr, who is chair of the ICSA Hermes Transparency in Governance Awards Judging Panel, encouraged Chairmen and CEOs to get more involved with the writing of the report and do so in a style which reflects 'a sense of ownership and engagement'.

Mapping the gap

In line with our ongoing objective to encourage good governance in the not-for-profit sector, the results of ICSA's *Mapping the gap* research project were published in July. The aim of the research was to establish if there is a gap between the theory and reality of governance practice in the NHS and 1,277 board agendas, 176 questionnaire responses and interviews with participating board members were analysed by the ICSA Policy team. The focus was on four key governance areas: strategy, decision-making, clinical and quality matters and probity and transparency.

The research found that on average, 10% of agenda items were dedicated to strategic issues in contrast to best practice recommendations of 60%, boards were more frequently presented with items 'to note' than 'for decision' and only 5% of boards observed clearly aligned clinical and quality issues to strategic objectives. The study concludes that boards are spending too much time on operational issues rather than strategy or clinical and quality matters.

ICSA's thought leadership continues to be at the heart of the governance debate and there is a global recognition that organisations need to place much more emphasis on strategy and effective decision-making if they are to achieve their objectives.



Fit for the future

Newly qualified graduates can make a valuable contribution to their employers' governance agenda.

The successful launch of our Chartered Secretaries Qualifying scheme, or CSQS, has further strengthened our offer to the next generation of Chartered Secretaries. The content of the updated scheme reflects the regulatory changes spawned by the global financial crisis, thus ensuring that newly qualified graduates can make a valuable contribution to their employers' governance agenda at an early stage of their career.

With the introduction of the new Health Service Governance module in 2012, we will be in a strong position to support health service professionals with their career development. The module has been designed to ensure that graduates will have the breadth of professional skills and knowledge necessary to deliver in a fast changing environment.

A flexible approach

In keeping with our plans to widen our tuition provision and engage more closely with our students, BPP Business School has been designated as our preferred tuition provider for the delivery of the CSQS. Under the agreement, BPP offers face-to-face tuition, online and distance learning across the UK.

From September 2011 onwards, CSQS students have been able to enrol on an online classroom to support their studies. The flexibility of the online platform means that students are able to work through the lessons at any time and at any pace and make contact with the tutor and fellow students. From October 2011, BPP will also be running face-to-face revision sessions in London and Jersey. It is anticipated that delivery will be extended to cover all the CSQS modules during the next academic year.





The next generation

Another key theme this year has been the expansion of our graduate recruitment campaign. ICSA's presence at university careers fairs was significantly increased and this has proved to be a highly successful method of targeting this key audience and promoting the ICSA brand.

We have succeeded in positioning ICSA as a thriving, vibrant profession and established a strong online profile on graduate targeted sites. We have also increased the amount of information for prospective Chartered Secretaries on the ICSA website. The 'Join us' section of the website now includes an online video of Members outlining their current roles and responsibilities and giving their views on how the ICSA qualification has helped their career. We have also introduced a dedicated area on the website for university careers advisors, providing all the key material they need to advise students who are considering becoming a Chartered Secretary.

Like many organisations, we are starting to make more use of social media to support our promotional activities. We have developed new Twitter accounts – @ICSA_News and @ICSA_media – which we use to disseminate our latest news.

Graduation and Membership Ceremony

The annual ICSA Graduation and Membership Ceremony gave students who completed the qualification in June and November 2010 an opportunity to celebrate their achievements. As in previous years, this proved to be a very popular event, particularly with our international graduates.



Meeting challenges

Meeting challenges

Against a backdrop of continuing economic uncertainty, the ICSA group has been continuing its efforts to support Members and students by enhancing their career prospects, providing training and information and encouraging networking opportunities.

One of our key areas of focus has been to increase employment opportunities for our students. Although some employers already operate good training schemes, it is essential that we encourage more employers to do this. To this end, a number of presentations have been made to employers, highlighting the benefits of training Chartered Secretaries and offering guidelines on training agreements. This work will continue for the foreseeable future and we plan to publish a list of participating employers on our website.



John Egan talking at the
3rd ICSA Corporate Governance
Conference in March 2011



We recognise that Members value the opportunity to discuss topics of professional interest and network with their local peers. The first ICSA Scottish Governance Conference in June and the ICSA Ireland Conference in May were both well attended and featured speakers from Companies House Scotland, Standard Life plc and the Irish Stock Exchange. Work has also continued on the re-establishment of our regional branch network. The new Essex branch held its inaugural meeting and we plan to renew links with more local branches in 2011–12.

A growing demand

Chartered Secretary magazine remains one of our primary mechanisms for updating our stakeholders on industry news. A re-design in the autumn gave the magazine a clean and modern look, bringing it into line with the rest of ICSA's new branding.

ICSA Information & Training has continued to expand its suite of training courses. Highlights in the year were two new sessions designed to develop key career skills for company secretaries. We have also seen considerable growth in the demand for in-house training, tailored to clients' requirements.



ICSA Software met the growing demand for its BoardPad product launched during the year. One of the most exciting developments has been the approval from Apple for the product to be downloaded from the App Store. BoardPad is having a revolutionary effect on the conduct of board meetings in the UK and international markets.

Our goal is to deliver excellent service to our Members and students.

Setting standards

The introduction of mandatory CPD with effect from August 2011 has provided us with a framework for us to be able to support Members throughout their careers. In common with many other membership organisations, the CPD scheme also helps us to set and develop standards of competency and conduct for our Members which is essential for our credibility as a professional membership body.

We have been careful to make the new scheme as flexible as possible, taking into account that many Members will already be carrying out appropriate CPD activities in the workplace. Members can gain points by undertaking a variety of formal and informal activities from face-to-face training to reading and personal research.

A new CPD area of the ICSA website has been developed which includes an explanatory video and a CPD log which enables Members to record their points throughout the year. We will continue to develop our range of advice and guidance to support the scheme so that Members are able to take full advantage of the benefits it can offer.

Financial review

This is a review of the performance of the group and of its financial statements for the year ended 31 July 2011 of the Royal Charter body, the Institute of Chartered Secretaries and Administrators ('ICSA' and 'the Institute'). As such, they comprise the results, assets and liabilities of the Institute's affairs in the UK, the Republic of Ireland and Associated Territories and the principal subsidiaries ICSA Software International Limited (Software), ICSA Software North America Inc (Inc), ICSA Information & Training Limited (I&T), ICSA Services Limited (Services) and the Institute's three UK charities, the Trustees of which are appointed by the United Kingdom Committee (hereafter all the foregoing referred to as 'the group').

Constitutional background to the preparation of these financial statements

These group financial statements do not reflect the activities of, nor do they include the results, assets and liabilities of, the Institute's Divisions. The Institute operates its eight Divisions (comprising, Australia, Canada, China (including Hong Kong), Malaysia, New Zealand, Singapore, Southern Africa and Zimbabwe) through local Divisional Committees, which each hold their authority through delegation agreements with the Institute's Council. The Divisions do not hold any assets, nor incur any liabilities, but operate in their respective locations through independent third party service providers, which either are locally constituted companies or local societies (hereinafter referred to as service companies). Under their delegated authority from the Council, each Division has contracted with a service company to collect all Member and student subscriptions and fees, and to provide from those subscriptions and fees all the services enjoyed by Members and students locally.

The effect of these arrangements entered into with the Divisions and services companies is to constitute each service company the full legal owner of the Member subscriptions and any profits or assets derived therefrom. The Institute has no claim to those profits or assets.

The Institute's Member subscriptions comprise only those subscriptions from Members in the UK, Republic of Ireland and the Associated Territories. The Member subscription income in the Divisions is paid to the service companies, and any surpluses arising from such subscriptions after the discharge of expenses is the property of the service companies, not the Institute.

The result for the year

The UK economy continued to grow very slowly during the year and trading conditions remained challenging. The group result for the year under review was a net surplus of £374,000. The surplus before the tax credit (£63,000) and the charitable activities (£216,000) was £95,000.

Group total operating revenue increased by 1.8% to £14,220,000 from £13,975,000 in 2010. Total direct costs increased by 3.6% to £8,450,000 (2010: £8,160,000).

Total group administration costs of £5,617,000 show a significant increase on 2010 the majority of which arise within Software as a result of the introduction of the BoardPad product during the year. The increase in premises costs is mainly due to the redecoration of the exterior of 16 Park Crescent required by the lease. Note 4 shows the composition of the administration costs.

The group did not incur a net tax charge during the year. The credit of £63,000 arises within Software and is comprised of a charge to foreign taxation offset by the 2010 R&D claim which was compiled and submitted during the year under review. The 2011 claim will be submitted during the year to 31 July 2012 and reflected in the results for that year.

The deficit in the defined benefit pension scheme as measured at the year end under FRS17, Retirement Benefits, decreased by £501,000 to £1,648,000 from £2,149,000. It should be noted that this deficit in the scheme does not represent a future cash call as the funding of the scheme is made through budgeted contributions, the level of which has been agreed with the scheme's trustees after having taken advice from the scheme's actuary.

Excluding the charities, total net current assets before the pension scheme liability increased in the year by £206,000 to £3,123,000 and net assets decreased by £40,000 to £120,000. The deferred income balance of £3,493,000, which is deducted in arriving at the net assets figure, represents income received in advance and is therefore not normally expected to be repayable. Also deducted in arriving at the net assets figure is the dilapidations provision of £1,300,000 set up in 2010 (see note 5). It is not anticipated that any expenditure against this provision will be made within the next 12 months. The Institute will seek to reduce this figure significantly in due course.

Professional activities

Revenue from professional activities decreased 7.9% to £4,763,000 (2010: £5,174,000), the decrease being mainly in student fees. Student income at £1,522,000 was £338,000 lower than last year. The major factor in this decrease was the reluctance of students to enter both the last examination under IQS and the first examination under the new Chartered Secretaries Qualifying Scheme (CSQS) in June 2011.

Member subscriptions of £2,307,000 were a little above the previous year, although income from other activities at £934,000 was 10% down on 2010 mainly in relation to courses and that no Guildhall Dinner was held in December 2010.

Direct costs decreased by £79,000 to £3,392,000 (2010: £3,471,000) owing to reduced staff costs and other efficiency savings.

The resulting contribution from the professional activities decreased by £332,000 to £1,371,000 (2010: £1,703,000).

A key strategic aim had been to eliminate the net deficit arising from the professional activities by 2012. Progress towards this has been slowed during the year and it may not now be possible to achieve before 2012. However the focus on growing income will continue which, coupled with further cost reductions, will ensure that the net deficit is removed as soon as possible.

Membership profile

The breakdown of the Institute's Membership is as follows:

UKRIAT*	2011	%	2010	%
Fellows	1,594	12.4	1,695	12.8
Associates	5,899	45.8	6,113	46.1
Graduates	834	6.5	819	6.2
Retirees	3,113	24.2	3,062	23.1
Life	1,431	11.1	1,567	11.8
Total	12,871	100.0	13,256	100.0

* UKRIAT represents the UK, Republic of Ireland and the Associated Territories.

Institute	2011	%	2010	%
UKRIAT	12,871	34.4	13,256	35.5
Australia	6,687	17.9	**6,726	18.1
Canada	683	1.8	766	2.1
China (inc. Hong Kong)	5,521	14.7	5,460	14.7
Malaysia	*4,208	11.2	**4,353	11.7
New Zealand	*1,015	2.7	1,045	2.8
Singapore	*1,481	4.0	1,286	3.5
Southern Africa	2,284	6.1	**1,736	4.7
Zimbabwe	2,692	7.2	**2,556	6.9
Total	37,442	100.0	37,184	100.0

* Figures are as at 31 December 2011.

** Figures are as at 31 December 2009.

Financial review (continued)

Commercial activities

Revenue from the commercial activities increased by 7.7% to £9,279,000 (2010: £8,613,000). Direct costs increased by 8.1% as a direct result of this increase in sales activity to £5,041,000 (2010: £4,664,000) and contribution increased by 7.3% to £4,238,000 (2010: £3,949,000). Administration costs increased by 14.2% to £2,693,000 (2010: £2,358,000).

There have been significant developments in Software's business during the year. A little over 12 months ago Software launched its BoardPad product which has been designed specifically for the Apple iPad. BoardPad sales are largely responsible for the 6.2% increase in turnover to £7,495,000 (2010: £7,058,000). The total value of orders for BoardPad is significant and the prospects for this product are very exciting with hosted services and support sales expected to continue to increase significantly.

The development of BoardPad involved a significant investment which is recognised by the increase in administration costs to £2,854,000 from £2,389,000 in 2010 for Software. Profit before tax and management charges amounted to £305,000 compared with £630,000 the previous year.

I&T benefitted from better trading conditions than those faced last year. Turnover increased by 5.0% to £1,354,000 against £1,290,000 the previous year, the increase coming from training courses and conferences. Profit before management charges increased to £182,000 from £117,000 for 2010.

Services' main businesses of recruitment and board performance evaluation both increased their turnover during the year. Total turnover increased to £284,000 from £199,000 in 2010. Profit before management charges increased to £85,000 from £46,000 in 2010.

Charitable activities

The consolidated surplus of the Institute's three charities for the year was £216,000 against £23,000 in 2010. The make-up of the charities' surplus is shown in note 20 but the improvement on 2010 is mainly due to improved investment performance, the net gains on investments being £382,000 (2010: £239,000). The majority of the charities' investments are held in index linked gilt accumulation units.

As the United Kingdom Committee appoints the Trustees of these charities, it technically controls them and, under current accounting standards, the Institute is required to consolidate their results within its group. It is important to note that the reserves of these charities cannot be used by the Institute and are, in effect, restricted funds that can only be applied to the charitable objects of these charities. In addition, the consolidation of the charities' results does not alter the Trustees' authority over the charitable assets, nor does it allow the United Kingdom Committee to commit, or otherwise direct, how the assets are applied.

Cash and reserves

Excluding the charities, the group's deficit of reserves decreased by £461,000 to a deficit of £1,528,000 (2010: deficit £1,989,000), and cash balances increased by £216,000 to £1,959,000 (2010: £1,743,000).

Going concern

Both the Institute and the group have considerable financial resources. Cash flow forecasts show that the group will have positive cash flows for at least 12 months from the date of these financial statements. As the group has sufficient funds to meet its obligations as they fall due, it is therefore appropriate that these financial statements are produced on a going concern basis.

Outlook

The Institute will continue its strategy of bringing the professional activities to breakeven as soon as possible through growing revenues and reducing costs. Promotion of the Chartered Secretaries Qualifying Scheme will be enhanced with the introduction of a new sales team. Investment will be made in Software's BoardPad product to ensure continued sales and profit growth.

Cash flows for the group are forecast to remain positive through 2011/12 and no external borrowings are planned.

I take this opportunity to thank my management colleagues and staff for their efforts, which have led to this creditable result. I also thank the Honorary Officers and members of the United Kingdom Committee for their service.



Simon Osborne FCIS
Chief Executive

Summary consolidated revenue statement (for the year ended 31 July 2011)

	2011	2010
	Group	Group
	£000	£000
Operating income	14,220	13,975
Direct costs in support of professional activities	(3,392)	(3,471)
Direct costs in support of commercial and other activities	(5,058)	(4,689)
Gross contribution	5,770	5,815
Administration costs	(5,617)	(4,892)
Operating surplus	153	923
Exceptional costs	–	(1,300)
Interest receivable	16	9
Other finance costs – from defined benefit pension scheme	(74)	(165)
Surplus/(deficit) on ordinary activities before surplus arising from charitable activities	95	(533)
Consolidated surplus arising from charitable activities	216	23
Surplus/(deficit) on ordinary activities before taxation	311	(510)
Taxation credit/(charge) on ordinary activities	63	(12)
Surplus/(deficit) on ordinary activities after taxation	374	(522)
Surplus/(deficit) transferred to accumulated fund	374	(522)

All activities are continuing.

Summary consolidated statement of total recognised gains and losses (for the year ended 31 July 2011)

	2011	2010
	Group	Group
	£000	£000
Surplus/(deficit) for the financial year	374	(522)
Actuarial gain on defined benefit scheme	285	150
Exchange differences	18	(20)
Total gains and (losses) recognised since last annual report	677	(392)

Summary balance sheets

(at 31 July 2011)

	2011	2011	2011	2010	2010	2010
	Group	Group	ICSA	Group	Group	ICSA
	including	excluding		including	excluding	
	charities	charities		charities	charities	
	£000	£000	£000	£000	£000	£000
Fixed assets						
Intangible assets	1,204	1,204	–	1,133	1,133	–
Tangible assets	586	586	322	601	601	466
Investments	5,009	–	406	4,778	–	406
	6,799	1,790	728	6,512	1,734	872
Current assets						
Stocks	99	99	2	73	73	5
Debtors	2,662	2,704	1,944	2,496	2,553	1,457
Cash at bank and in hand	2,055	1,959	445	1,859	1,743	673
	4,816	4,762	2,391	4,428	4,369	2,135
Creditors	(1,655)	(1,639)	(602)	(1,458)	(1,452)	(486)
Net current assets	3,161	3,123	1,789	2,970	2,917	1,649
Total net assets less current liabilities	9,960	4,913	2,517	9,482	4,651	2,521
Provisions for liabilities and charges	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)	(1,300)
Deferred income	(3,493)	(3,493)	(695)	(3,191)	(3,191)	(839)
Total net assets before pension scheme liability	5,167	120	522	4,991	160	382
Pension scheme liability	(1,648)	(1,648)	(1,648)	(2,149)	(2,149)	(2,149)
Total net liabilities including pension scheme liability	3,519	(1,528)	(1,126)	2,842	(1,989)	(1,767)
Accumulated reserves						
Accumulated fund	3,519	(1,528)	(1,126)	2,842	(1,989)	(1,767)
	3,519	(1,528)	(1,126)	2,842	(1,989)	(1,767)

The summary financial statement was approved on 25 January 2012.



F Curtiss FCIS
Treasurer

Independent auditor's statement to the Members of the Institute of Chartered Secretaries and Administrators

We have examined the summary financial statement for the year ended 31 July 2011 set out on pages 15 and 16 which comprise the summary consolidated revenue statement, the summary consolidated statement of total recognised gains and losses and the summary balance sheets of ICSA and the group.

Respective responsibilities of the United Kingdom Committee and auditor

The United Kingdom Committee is responsible for preparing the summary financial statement in accordance with United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual report with the full annual financial statements. We also read the other information contained in the annual report and consider the implications for our report, if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3, *The Auditor's Statement on the Summary Financial Statement*,

issued by the Auditing Practices Board. Our report on the group's full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion, the summary financial statement is consistent with the full financial statements of ICSA and the group for the year ended 31 July 2011. We have not considered the effects of any events between the date on which we signed our report on the full financial statements (20 January 2012) and the date of this statement.

Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP

Chartered Accountants and Statutory Auditor
London, United Kingdom
25 January 2012

Statement of the United Kingdom Committee's responsibilities in respect of the preparation of financial statements

As the membership of the United Kingdom Committee comprises the majority of the members of the Council, the United Kingdom Committee effectively controls the Institute and recognises its responsibility for preparing the financial statements of the Institute under bye-laws 59.1 and 59.2.

The Institute is incorporated by Royal Charter and therefore is not subject to UK Company Law. The United Kingdom Committee has elected to prepare financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice) and to have them audited.

The financial statements of the Institute and the group are required to give a true and fair view of the state of affairs and of the net surplus or deficit of the Institute and the group for each year. In preparing these financial statements the United Kingdom Committee is required to:

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

The United Kingdom Committee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Institute and the group. It is also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The United Kingdom Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

This summary financial statement is not the full financial statements and therefore may not contain sufficient information to enable a full understanding of the financial affairs of the group and the Institute. For further information, the full financial statements 2010–2011 containing the independent auditor's report should be consulted. Copies of these and of the annual report 2010–2011 can be obtained from the Institute's website www.icsaglobal.com or by addressing a request to the Chief Executive at the registered office at 16 Park Crescent, London, W1B 1AH, or by e-mail to annualreport2011@icsaglobal.com. The full financial statements were approved by the United Kingdom Committee on 14 December 2011 and signed on its behalf on the 20 January 2012.

Charitable Funds

Trustees' annual review 2010 to 2011

The Charitable Funds Management Committee administers Funds held by the Institute for charitable purposes. Its members are the Managing Trustees of three registered charities and full annual reports and statements of financial activities (SOFA) for the year ended 31 July 2011 have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005.

The ICSA Benevolent Fund (Registered charity no. 213345)

The ICSA Benevolent Fund provides financial support for the relief of necessitous Members, former Members and graduates of the Institute, as defined by the objects of the Fund, and those who in the opinion of the Trustees show a clear and direct relationship with Members. Founded in 1897, the Fund has assisted many people over the years providing eligible applicants with a regular allowance and/or other assistance.

At the commencement of the year, the Fund supported 102 beneficiaries. Over the year, the Fund received 20 new applications, with the total number of beneficiaries supported being 122, ten more than the previous year. During the year, 26 files were closed where support was no longer needed. Consequently, the Fund managed a caseload of 96 beneficiaries at the year end, a decrease of six over the year.

Of these 96 beneficiaries, 48% had a direct relationship to the Institute and 52% were dependants. The increase in the ratio of Members to dependants, from 41% at July 2010 to 48% at July 2011, is explained by the increase in the year of new calls to the Fund from Members of the Institute, along with the passing of older female beneficiaries who were classified as dependants of former Members.

Of the 20 new applications received during the year, their average age at 31 July 2011 was 53. Of the 96 beneficiaries at the year-end, the youngest was a female aged 23 and the eldest was a male aged 100. The average age was 73 with 24 beneficiaries aged between 70 and 79.

Beneficiaries received regular benevolent and communications allowances, support of emergency alarms, television licence fee, television rental and payment of ICSA Membership subscriptions, Christmas gifts and winter grants. Grants were also provided to assist with specific needs, for example, towards the cost of essential home repairs.

In the year to 31 July 2011, total charitable expenditure decreased by 10.6% to £163,024 from £182,314 in the previous year. The market value of the Fund's investment holdings at 31 July 2011 was £4,759,229 (31 July 2010: £4,543,373).

The Fund was fortunate to receive contributions from Members including tax reclaimed of £8,132 (2010: £7,909). Legacies received during the year totalled £10,000 (2010: £1,200). Total expenditure amounted to £189,726 (2010: £210,475).

Visits to beneficiaries

As at 31 July 2011, the Fund was assisted by 36 volunteer visitors in the UK. All had been the subject of an enhanced criminal records check. During the year, over 108 visits and calls were recorded to existing and potential beneficiaries, an increase of 25 over the previous year. The Trustees greatly value the view of our visitors on the circumstances of our beneficiaries and their need for support, particularly so when the Fund receives a request from a new applicant or the beneficiary is making a significant request. Face-to-face contact with the beneficiary can also result in a specific need being identified, for example decorating or help with clothing, that might not be articulated by the beneficiary in an application form or letter.

ICSA Benevolent Fund	2011	2010
Summary of financial activities	£	£
Incoming resources		
Contributions (gross)	8,132	7,909
Investment income	13,155	14,254
Legacies	10,000	1,200
Loans repaid	2,387	–
Total incoming resources	33,674	23,363
Resources expended		
Charitable activities	(163,024)	(182,314)
Governance costs	(26,702)	(28,161)
Total resources expended	(189,726)	(210,475)
Net outgoing resources	(156,052)	(187,112)
Net gain/(loss) on investments	354,789	207,852
Net movement of funds	198,737	20,740
Balance as at 1 August	4,616,439	4,595,699
Balance as at 31 July	4,815,176	4,616,439

The ICSA Education and Research Foundation (Registered charity no. 1027579)

The Foundation comprises the Institute's Centenary Fund, the Ralph Bell Legacy, the J S Jeans' Bequest and the two CIS Educational Trusts. The aim of the Foundation is to advance the education of the public in the law and practice of secretaryship and business administration by undertaking or assisting in the undertaking of research, and the publication of the useful results of such research, for the public benefit, through making available grants, loans, prizes, scholarships and research funding.

Activity during the year

- Trustees approved a grant of £8,000 to the Centre for Business and Public Sector Ethics, Cambridge. This was to support research from the perspective of the company secretary's role in exercising influence over governance, and governance related matters, to include reference on up-to-date case studies.
- A total of £3,392 (2010: £3,803) was received from donations made by Institute Members.
- The Ralph Bell Prize was awarded to the pass finalist with the best performance at the November 2010 and June 2011 examinations. The recipients this year were Mita Tiberwal of Leeds and Christine Norman of London.
- The Manchester Centenary Prize was not awarded for the calendar year of 2010, as no candidates met the criteria. The award was made possible by generous donations. The fifth annual award will be made following the November 2011 examinations.

ICSA Education and Research Foundation	2011	2010
Summary of financial activities	£	£
Incoming resources		
Contributions (gross)	3,392	3,803
Investment income	181	2,281
Total incoming resources	3,573	6,084
Resources expended		
Charitable activities	(8,250)	(30,191)
Governance costs	(1,760)	(1,667)
Total resources expended	(10,010)	(31,858)
Net outgoing resources	(6,437)	(25,774)
Net gain/(loss) on investments	20,797	24,392
Net movement of funds	14,360	(1,382)
Balance as at 1 August	165,153	166,535
Balance as at 31 July	179,513	165,153

The ICSA Prize Fund (Registered charity no. 1048726)

The Prize Fund comprises all the individual Funds for the 'named' prize trusts that accumulated over the years through the generosity of Members of the Institute. The ICSA Prize Fund awards prizes to students obtaining the highest achievements in the Institute's examinations for specific modules. The Prizes awarded were as follows:

Named prizes	IQS November 2010
Walter Harrison Prize	Accounting for Business
F W McGuinness Prize	Business Environment
C R Heathcock Award	Marketing
Pallister Prize	Business Strategy & Planning
J F Clark Prize Fund	Corporate Law
Rank Xerox Prize	Financial Accounting
E G Hardman Prize	Management Accounting
Beatrice Reid Prize	Strategic & Operations Management
Roy Wilson Memorial Prize	Corporate Administration
A W Goodbody Prize	Corporate Financial Management
J C Mitchell Prize	Corporate Governance
T P Rogers Prize	Corporate Secretaryship

Named prizes	CSQS June 2011
C R Heathcock Award	Financial Reporting and Analysis
Sir Ernest Clarke Prize	Applied Business Law
J F Clark Prize Fund	Corporate Law
A W Goodbody Prize	Financial Decision Making
J C Mitchell Prize	Corporate Governance
T P Rogers Prize	Company Secretarial Practice

ICSA Prize Fund	2011	2010
Summary of financial activities	£	£
Incoming resources		
Interest received	–	–
Total incoming resources	–	–
Resources expended		
Charitable activities	(1,950)	(2,835)
Governance costs	(924)	(884)
Total resources expended	(2,874)	(3,719)
Net outgoing resources	(2,874)	(3,719)
Net gain/(loss) on investments	5,721	7,249
Net movement of funds	2,847	3,530
Balance as at 1 August	49,371	45,841
Balance as at 31 July	52,218	49,371

Administration

The Charities Officer, Ms Elizabeth Howarth, was responsible to the Charitable Funds Management Committee for the day-to-day work of these three registered charities. Further information and sets of the full Annual Reports and Accounts can be obtained from Park Crescent.



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