CFA Society United Kingdom

CFA SOCIETY UNITED KINGDOM

WE GROW TALENT

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 30 June 2024

A Company limited by Guarantee and not having a Share Capital. Company Number: 04035569

CONTENTS

ABOUT US

CFA Society of the UK's ('CFA UK', 'the Society' or 'the Company') purpose is to educate, connect and inspire the investment community to build a sustainable future.

We meet the investment community's needs for skills and knowledge and we bring investment professionals together. Through our focus on 'We Grow Talent', we help people build rewarding careers within an inclusive and diverse investment community that serves its stakeholders well.

CFA UK is a professional body representing more than 12,000 members across the UK's investment community and is a proud member of CFA Institute's worldwide network of member societies. CFA Institute leads the investment profession globally by promoting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.

CFA UK is the awarding body for the Investment Management Certificate ('IMC'), a Level 4 qualification for investment professionals that meets the Financial Conduct Authority'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 developed the Certificate in Climate and Investing ('Climate Certificate'), a Level 4 qualification which enables investment professionals to understand climate as it relates to investing and how to integrate climate change considerations into the investment process.

CFA UK also developed the Certificate in Impact Investing ('Impact Certificate'), a Level 4 qualification which provides investment professionals with a good understanding of the theory and practice of impact investment.

CFA UK developed the Certificate in ESG Investing ('ESG Certificate' or 'ESG') which has been sold to CFA Institute. The ESG certificate delivers the knowledge and skills required by investment professionals to integrate ESG (environmental, social and governance) factors into the investment process.

CFA UK promotes the CFA Program for 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 2024:

Hilary Eastman, CFA, (Chair)

Katerina Kosmopoulou, CFA, IMC, (Vice Chair)

Weiyen Hung, CFA, CMA, CAIA, CIPM, FRM, IMC, (Treasurer)

Alistair Byrne, CFA

Gillian Elcock

Kieran Ferguson, CFA

Suzanne Hsu, CFA, CIPM

Elena Koycheva, CFA, CAIA, CIPM, IMC

Philippe Lenoble, CFA

Sylvia Solomon, ASIP, IMC

LEADERSHIP TEAM AS AT 30 JUNE 2024:

Will Goodhart, IMC, Chief Executive

Ashley Ramsay, Chief Operating Officer

Victoria French, ACA, Chief Financial Officer

Christina Curtin, Director of Education

Anna Pinch, Director of Customer Experience

Praneet Shivaprasad, Director of Outreach

SECRETARY:

Indigo Corporate Secretary Limited

REGISTERED OFFICE:

3rd floor, Boston House, 63-64 New Broad Street,
London, EC2M 1JJ

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Email: **info@cfauk.org**

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CHAIR'S REPORT

CFA UK's mission is to educate, connect and inspire the investment community to build a sustainable future. This year, we've focused on how we can most effectively deliver on that mission. To put it simply, 'We Grow Talent'. We do that by helping professionals working across the investment sector to build their capabilities (their skills, knowledge and behaviour), their connections and their careers.

With the launch of our sustainable investment certificates, we have helped investment professionals build their skills to support the sector's role in the transition to Net Zero. We're now also focusing on helping them build skills that are relevant across the sector and helping them to identify opportunities to use those skills and the connections that the Society offers to advance their careers.

It's been an exciting year for the Society. We've held more than 100 events for members, responded to several consultations from UK regulators and policymakers, launched the world's first Certificate in Impact Investing and delivered a growing number of Investment Management Certificate exams. We've also continued to improve the performance and resilience of our technology infrastructure.

Our events programme has seen us welcome a series of leading individuals from across the investment sector, including Alex Edmans, Mohnish Pabrai, Antti Petajisto and Virginie Maisonneuve. We have also brought in those working in other fields – most notably, the film director Sir Steve McQueen – to share their experience and wisdom with Society members. We've held a variety of social events, ranging from the formal, such as our two Charterholder ceremonies, to the less formal, such as our receptions for new members, our summer socials in London and Edinburgh and our regular pub meets. The topics for our events have been widespread, but those around AI and data science, sustainability and risk have been among the most popular. Our annual sustainability conference featured the Climate Change Committee's (CCC) Baroness Brown as well as senior speakers from the Institutional Investor Group on Climate Change (IIGCC), Transition Pathway Initiative (TPI), Principles for Responsible Investment (PRI) and the IFRS Foundation and saw us launch our video series on 'Investing in Tomorrow'. Our work on diversity, equity and inclusion (DEI) is closely related to our work on sustainability and this year we have committed to support CFA Institute in promoting its new DEI Code in the UK and have continued to administer the successful Young Women in Investment Programme. Further details of the various sustainability initiatives in progress are included in an update on the Society's website.

We were pleased to launch several series of careers events last year. The multi-part sessions on 'Next Level Communication Skills' and 'Your Next Career Move' proved extremely popular and we will be running new pathways and repeating these ones in the year ahead.

In the advocacy field, the Society has worked hard to promote to regulators the need for technically and ethically skilled investment professionals across fields such as transition finance, trusteeship, DEI, governance and investment research. We were also pleased to support CFA Institute's work on the 'Future of the Investment Industry' by holding a series of associated events. In the year ahead, we will focus even more clearly on issues related to the demand and supply of skills, knowledge and behaviours in the investment sector so that we can continue to mark ourselves out as the leading voice in this field.

Alongside CFA Institute, we continue to play a leading role in meeting the investment community's need for skills and knowledge. The CFA Program has evolved considerably over recent years, becoming more accessible and even more practical. We help candidates see the Program's benefits and show firms the value of recruiting CFA Charterholders and putting their staff through the CFA Program. We do the same for the Certificate in ESG Investing, a qualification that was developed by CFA UK and is now administered globally by CFA Institute.

This year, we will celebrate the 30th anniversary of the Investment Management Certificate, by far the leading entry-level qualification in the UK investment profession. The IMC is regularly updated and with this milestone we are taking an even closer look at the IMC to ensure it reflects the skills and knowledge the sector needs today.

That work, like everything that we do, is driven by the energy that our volunteers bring. We have a talented staffed office and make progress on our mission through the joint contributions of our staff and volunteers: our members' intellectual capital linked to our staff's organisational expertise. The Society's governance remains strong as we continue to embed the recommendations of our last governance review. The Treasurer's report indicates that the same is true of our finances. The Board is excited about the Society's outlook and we are better positioned than ever to respond to and meet our members' needs for up-to-date skills and knowledge and for making the connections to help them use those.

At this AGM, I am seeking an extension of my term for an additional year. The Board has asked me to serve one year beyond the usual term to oversee the transition to a new chief executive when Will Goodhart steps down in the first quarter of calendar year 2025. Will joined the Society in 2006 and under his leadership we have seen tremendous growth in the Society's profile, our resources and our ambitions. On behalf of the Board, I thank Will for his unwavering dedication to the Society and to the profession more broadly. We are very grateful to him for all that he has done for CFA UK over nearly two decades. I am also grateful to all the Board for their support. We were delighted to welcome Suzanne Hsu, CFA to the Board at last year's AGM. This year, we are sorry to say goodbye to Gillian Elcock and are grateful to Mark Pryce, CFA for offering to stand for the Board to replace her.

I thank Will and the staffed office team and all our volunteers for putting the Board's vision into practice and hope to see many of you at this year's AGM.

HILARY EASTMAN, CFA
Chair

TREASURER'S REPORT

I am pleased to share with you that our financial position remains healthy and that in the year ended 30 June 2024 CFA UK continued to make progress in a number of areas. We continued the transformation of our IT systems, grew our sustainability-related investment certificates via the launch of the new Certificate in Impact Investing and delivered a new programme of careers-related events for members.

CFA UK made an operating profit of £95,261 in the year ended 30 June 2024 which was lower than in the prior year (2023: £413,767) due to lower ESG revenue share and higher administrative expenses and establishment costs.

Total profit before taxation was £790,370 which was slightly ahead of prior year (2023: £702,713) aided by £194,216 of interest income (2023: £72,872) from higher interest rates on money market funds and £496,678 (2023: £191,840) of unrealised investment gains.

Total revenue decreased 4% to £6,340,907 in the year ended 30 June 2024 (2023: £6,607,968) due to a decrease in the ESG revenue share received from CFA Institute to £2,197,189 in the year to 30 June 2024 (2023: £2,542,571) which is included in Other Activities revenue. The ESG certificate was sold to CFA Institute in 2021 to benefit from CFA Institute's global reach and as part of the sale agreement CFA UK receives a share of global ESG revenues from CFA Institute. The ESG revenue share received by CFA UK will reduce from the current 15% revenue share (effective from 1 September 2023), to a 10% share from 1 September 2025 for five years, and then reduced to a 5% share from 1 September 2030 for the final five years, placing pressure on the Society's future revenues and profitability.

Examination, online training manual and publications revenue reduced 2% in the year ended 30 June 2024 to £2,062,634 (2023: £2,114,741) mainly due to the run-off of the legacy ESG examination revenues in the prior financial year.

Membership subscriptions revenue increased 8% to £1,526,887 (2023: £1,417,960) following an increase in the annual membership fee to £135 (2023: £125), partially offset by member numbers decreasing to 12,160 as at 30 June 2024 (2023: 12,198). CFA Institute funding revenue increased 4% to £427,496 (2023: £412,825) which is used to support events and membership costs.

Cost of sales decreased 14% to £1,774,882 in the year to 30 June 2024 (2023: £2,054,627) partly due to no brand consultancy costs being incurred in the year (2023: £207,177 of costs were expensed for the 'We Grow Talent' brand consultancy development) which has now been successfully embedded across the website and in CFA UK's messaging.

The IT transformation continues to be a key area of focus with work underway to invest in digital systems and infrastructure to deliver our strategy, including modernising our IT systems for the sale and administration of our educational certificates. Work in this area includes replacing the current website 'shop' area and ecommerce system, and moving to a new customer relationship management (CRM) system for the administration of our educational certificates (the IMC, Climate and Impact certificates). Cost of sales in the year to 30 June 2024 included £389,283 of expensed IT costs (2023: £338,023) for implementation of the website brand changes and other IT system changes. In addition, intangible fixed assets of £359,060 were capitalised in the period to 30 June 2024 (2023: £138,531) relating to development work by a supplier on the CRM system, including integrations to our exam delivery partner, Pearson Vue. The new system changes are expected to go live in December 2024.

Administrative expenses increased 6% to £4,005,134 (2023: £3,776,025), partly due to higher staff costs of £2,860,960 (2023: £2,560,911) that reflected salary increases taken into account the recent inflationary period and higher staff numbers. Establishment costs increased 28% to £465,630 (2023: £363,549) following the Society's move to a new office in New Broad Street in June 2023. The office has a 'B' energy efficiency rating, an improvement on the Mincing Lane's office 'E' rating, with the lease being for a period of ten years with a five-year tenant break.

CFA UK's investments increased by 13% to £6,824,471 at 30 June 2024 (2023: £6,026,232) including additional net investments of £301,562 (2023: £170,961) and investment gains of £496,678 (2023: £191,840).

The investment portfolio contributes to the long-term financial stability of CFA UK and is managed by the Investment Committee with oversight from the Finance Committee and the Board. The portfolio takes a medium level of risk and has a targeted annual return of UK CPI inflation plus 1%, over a medium-term horizon of three to seven years. Building a sustainable future is part of our mission, and work is in progress on improving the Society's own sustainability profile and performance. As part of CFA UK's commitment to sustainability, all fund managers in the portfolio are signatories to the UN Principles for Responsible Investment and the committee is continuing its work towards decarbonising the investment portfolio.

In the year ended 30 June 2024 the Investment Committee continued to ensure there was sufficient liquidity in the portfolio, reduced risk and increased diversification. Over the 12-month period to 30 June 2024, the investment portfolio gained 9.8% which was higher than the inflation benchmark return of +3.0% (2023: gain of 4.0%, lower than the inflation benchmark return of +8.9%). The portfolio had annualised returns over three years to 30 June 2024 of +1.7% and over seven years of +4.0%.

At 30 June 2024 CFA UK held £2,925,758 of cash in bank and money market accounts (2023: £2,607,896) across four financial institutions. Net assets were £8,489,005 which was 5.7% higher than at the prior year end (2023: £8,032,483).

WEIYEN HUNG, CFA, CMA, CAIA, CIPM, FRM, IMC
Treasurer

DIRECTORS’ REPORT

The directors submit their report and the financial statements of CFA Society of the UK for the year ended 30 June 2024.

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.

BOARD OF DIRECTORS

The CFA UK Board as at 30 June 2024 comprised 10 directors, elected by the members at the Annual General Meeting (AGM). The Board directors typically work in other paid roles in investment or financial services firms and are elected as non-executive directors to the CFA UK Board, in the role of a volunteer that is not paid. Directors are typically elected for a total term of six years and are required to retire and be re-appointed by rotation, normally every three years. The term of the Chair can be extended by the Board only in circumstances where it is deemed to be in the best interests of CFA UK.

DIRECTORS

The following directors held office during the year ended 30 June 2024:

DIRECTOR	DATE RESIGNED / APPOINTED DURING THE YEAR
Lindsey Matthews, CFA, CIPM (Chair)	Resigned 21 November 2023
Hilary Eastman, CFA (Appointed as Chair 21 November 2023)	
Katerina Kosmopoulou, CFA, IMC (Vice Chair)	
Weiyen Hung, CFA, CMA, CAIA, CIPM, FRM, IMC (Appointed as Treasurer 21 November 2023)	
Alistair Byrne, CFA	
Gillian Elcock	
Kieran Ferguson, CFA	
Suzanne Hsu, CFA	Appointed 21 November 2023
Elena Koycheva, CFA, CAIA, CIPM, IMC	
Philippe Lenoble, CFA	
Fraser Lundie, CFA, IMC	Resigned 21 November 2023
Sylvia Solomon, ASIP, IMC	

BOARD MEETINGS

During the year ended 30 June 2024, the Board held four quarterly Board meetings plus a short meeting immediately following the Society's AGM, primarily to deal with certain formal matters. Board members also attended a strategy session and additional ad-hoc telephone calls at shorter notice. The attendance records at the scheduled Board meetings for those directors who served during the year to 30 June 2024 are shown below. The records for attendance at scheduled committee meetings for Board members who are also members of the Nominating, Remuneration, Finance and Examination and Education committees, are also shown in the table below.

DIRECTOR	BOARD	NOMINATING COMMITTEE[3]	REMUNERATION COMMITTEE	FINANCE COMMITTEE	EXAMINATION AND EDUCATION COMMITTEE
Lindsey Matthews	3/3 ^	2/2* [1]	3/3 [2]		
Hilary Eastman	5/5 ^		3/3*	1/2*	
Katerina Kosmopoulou	4/5	1/1	3/3		5/7
Weiyen Hung	5/5	2/2	3/3	2/2*	
Alistair Byrne	5/5	2/2			
Gillian Elcock	5/5				
Kieran Ferguson	5/5	1/1			
Suzanne Hsu	2/2				
Elena Koycheva	5/5	2/2			
Philippe Lenoble	5/5				
Fraser Lundie	3/3	1/1			
Sylvia Solomon	5/5				7/7*

^ Chair of Board, * Chair of committee

Notes:

1. Lindsey Matthews was appointed chair of the Nominating committee when he stepped down as chair of the Board. He has now stepped down as Nominating committee chair due to his appointment to the CFA Institute Board of Governors. Daniel Murray, the previous chair of the Board, will chair the Nominating committee for 2025.
2. Lindsey Matthews became a member of the Remuneration committee when he stepped down as chair of the Board. He has now stepped down as a member of the Remuneration committee due to his appointment to the CFA Institute Board of Governors.
3. There were three Nominating committee meetings held in the period. One of these meetings was held in 2023 prior to the change of committee membership and two meetings were subsequently held in 2024 with the new committee members.

RISK MANAGEMENT

The CFA UK Board has oversight of the principal risks facing CFA UK and is responsible for risk management and internal control. The Board delegates authority for the management of risks to the staffed office and relevant committees.

The Board, with input from the staffed office and Finance committee, performs an annual exercise reviewing the risk environment CFA UK faces. The Board reviews and discusses the potential risks that could affect the achievement of the Board's strategic or operational objectives, the organisation's financial stability, or compliance with legal and other regulatory requirements.

Risks are categorised as strategic, financial, operational or legal/regulatory and are ranked within a framework using a commonly used methodology, the potential impact score multiplied by a likelihood score. Risks with a higher risk ranking are reviewed and mitigating actions agreed and delegated to the staffed office and committees where appropriate. Lower ranking risks are also reviewed and are delegated to committees including the Finance, Investment, Education and IT committees.

The principal risks that CFA UK manages, both as a membership body and as a small company, include:

- **Relevance of CFA UK membership and reliance on CFA Institute members in the UK market.** A decline in the relevance of membership could lead to members lapsing, or potential members not joining, and revenue loss. Membership numbers could also decline due to industry contraction, the move to passive investing and technology changes.
  - We mitigate this risk by offering educational products, events and support to ensure members obtain value from their membership, including:
    - careers support programmes;
    - communities and special interest groups;
    - educational events and learning; and
    - volunteering opportunities, mentoring and networking.

- Regarding CFA Institute membership in the UK specifically, we:
    - regularly communicate with CFA Institute, both at the Board and at the staffed office level, about our respective strategic priorities and plans, and work together on joint initiatives and shared programmes; and
    - contribute to CFA Institute’s mission and promote the CFA designation in the UK through our other revenue streams that provide services to candidates and members in the UK market.

- **The level of CFA Institute’s global ESG Certificate revenues.** CFA UK receives a contractual revenue share of sales of the ESG Certificate and our financial position is sensitive to this. In addition, our revenue share will reduce from 15% to 10% from 1 September 2025.
    - We mitigate this risk by engaging regularly with CFA Institute to obtain insights on expected ESG Certificate performance for each year. We also seek to diversify our revenue sources (for example, through educational product development).
- **Cyber breaches and data security.** A breach or compromise of CFA UK’s IT systems could lead to a loss of revenue, reputational damage and compliance implications.
    - We mitigate this risk by the secure design and architecture of our IT systems, conducting security testing of new systems prior to launch, requiring staff training on cyber and data security and implementing secure backup and data recovery capabilities.
- **IT systems implementation.** A failed implementation or cost overrun could lead to losses or/and lack of planned functionality, possibly affecting candidate or member numbers and revenues.
    - We mitigate this risk by having a contracted IT adviser in place and systems are thoroughly tested prior to go live, with full roll-back capability should new system failure occur; and
    - A working group has been established with IT expertise that monitors progress of the project.
- **Educational product development.** An unsuitable product may be developed that does not meet the market’s needs. This could compromise CFA UK’s ability to provide investment professionals with relevant skills and knowledge and result in lower candidate numbers and revenues.
    - We mitigate this risk in two main ways:
        - The Society gathers feedback from stakeholder firms and working groups prior to product development; and
        - There is a dedicated panel of experts for each certificate to ensure the quality of our educational products, with allocated staff resource.
- **Economic and market environment.** This includes the effect of inflation, interest and foreign exchange rate movements, leading to investment reserves losses and exchange losses.
    - We mitigate this risk in two main ways:
        - The Investment committee uses a target asset allocation, reviews the portfolio diversification and receives regular performance monitoring, making changes to the investment portfolio as appropriate; and
        - The Finance committee monitors market conditions and reviews hedges of US Dollar revenue receipts to limit the Society’s exposure to market-related fluctuations.

An additional risk that the Board is monitoring and addressing relates to the resignation of the chief executive during the year ending 30 June 2025. This could potentially have implications on the staffed office team and the ability to deliver on the Society’s strategic plan in the short term.

GOING CONCERN

After reviewing the Company’s forecasts and projections, the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least the next twelve months and that the financial statements should therefore continue to be prepared on the going concern basis.

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.

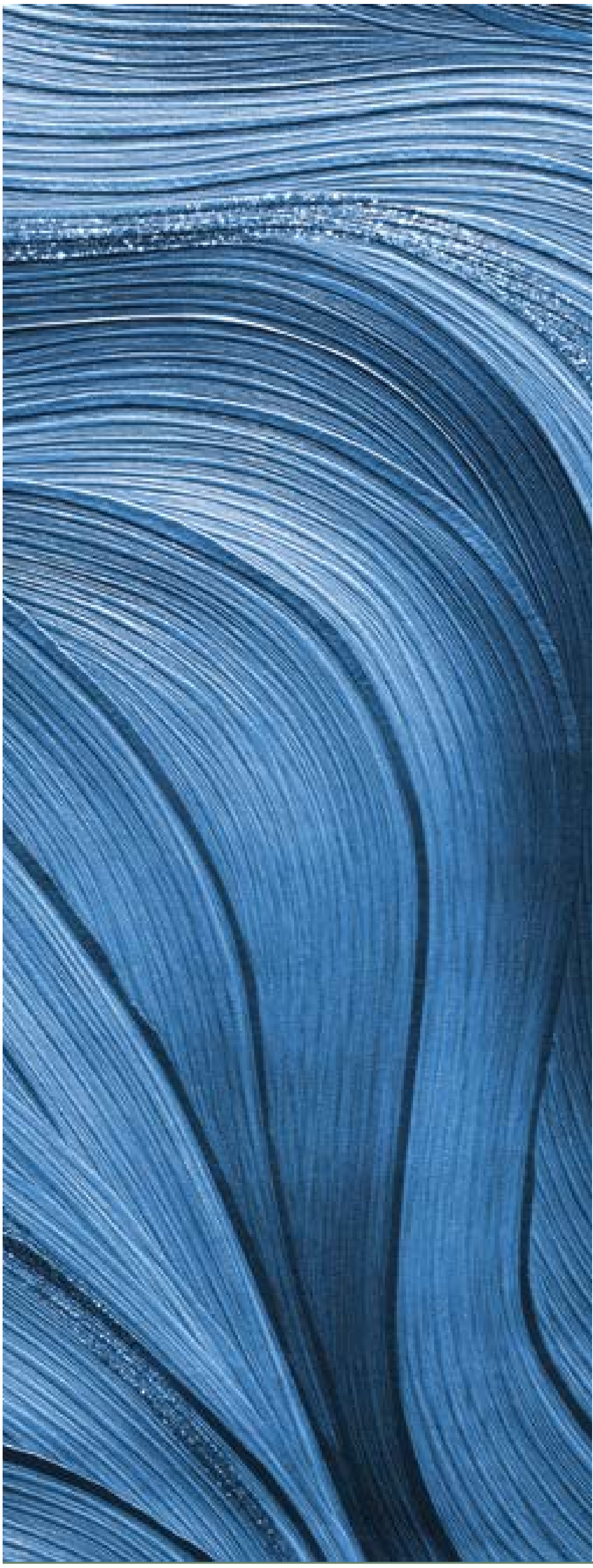
This report has been prepared in accordance with the special provisions of Companies Act 2006 relating to small companies.

BY ORDER OF THE BOARD

Hilary Eastman, CFA
Chair
8 October 2024

Bernadette Young, FCG on behalf of
Indigo Corporate Secretary Limited
8 October 2024

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; and

c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business for at least the next twelve months.

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 CFA SOCIETY OF THE UK

OPINION

We have audited the financial statements of CFA Society of the UK for the year ended 30 June 2024 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of its results, 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- 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 and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Financial Reporting Standard 102. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud.

The laws and regulations we considered in this context were taxation legislation, employment legislation, General Data Protection Regulation (GDPR), Ofqual regulations and Financial Conduct Authority (FCA) regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, agreeing income to supporting documentation on a sample basis, performing analytical review work, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

USE OF OUR REPORT

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.

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

11 October 2024

FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024	2023
		£	£
REVENUE	4	6,340,907	6,607,968
Cost of sales		(1,774,882)	(2,054,627)
GROSS PROFIT		**4,566,025**	**4,553,341**
Administrative expenses		(4,005,134)	(3,776,025)
Establishment costs	5	(465,630)	(363,549)
		(4,470,764)	**(4,139,574)**
OPERATING PROFIT		95,261	413,767
Interest receivable, similar income and gains	6	194,216	72,852
Profit on revaluation of investments		496,678	191,840
(Loss) / profit on revaluation of hedge		(24,739)	22,256
Loss on disposal of fixed assets		-	(3,461)
Gain on disposal of fixed asset investments		28,954	5,459
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	790,370	702,713
Taxation on profit on ordinary activities	8	(333,848)	(275,087)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	**456,522**	**427,626**

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

BALANCE SHEET AS AT 30 JUNE 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Tangible assets	9	94,432	114,459
Intangible assets	10	568,558	297,764
Investments	11	6,824,471	6,026,232
		7,487,461	**6,438,455**
CURRENT ASSETS			
Stock		60,848	52,189
Debtors	12	731,546	1,232,941
Cash at bank and in hand		2,925,758	2,607,896
		3,718,152	**3,893,026**
CREDITORS			
Amounts falling due within one year	13	(1,320,799)	(1,208,140)
Net current assets		2,397,353	2,684,886
Total assets less current liabilities		9,884,814	9,123,341
Provisions for liabilities and charges	14	(378,241)	(235,115)
Deferred income		(1,017,568)	(855,743)
Net assets		**8,489,005**	**8,032,483**
RESERVES			
Profit and loss account	15	8,489,005	8,032,483
Members' funds		**8,489,005**	**8,032,483**

The financial statements on pages 15 to 27 were approved and authorised for issue by the Board of Directors on 8 October 2024 and signed on their behalf by:

H Eastman, CFA, Chair

W Hung, CFA, CMA, CAIA, CIPM, FRM, IMC, Treasurer

CASH FLOW STATEMENT

	Notes	2024	2023
		£	£
Net cash provided by operating activities	17	977,381	244,801
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received and investment income		194,216	72,852
Payments to acquire fixed asset investments		(1,163,109)	(913,630)
Proceeds from sale of fixed asset investments		890,502	748,130
Payments to acquire tangible fixed assets		(10,425)	(111,551)
Proceeds from the sale of tangible fixed assets		-	214
Payments to acquire intangible assets		(359,060)	(138,531)
Net cash used in investing activities		(447,876)	(342,516)
TAXATION			
Corporation tax paid		(211,643)	(552,080)
Net increase / (decrease) in cash and cash equivalents		**317,862**	**(649,795)**
Cash and cash equivalents at beginning of year		2,607,896	3,257,691
Cash and cash equivalents at end of year		**2,925,758**	**2,607,896**

ACCOUNTING PRINCIPLES

A. STATUS OF THE COMPANY

CFA Society of the UK was incorporated on 13 July 2000 and is limited by the guarantee of its members. Every Regular member of the Society undertakes to contribute such amount as may be required (not exceeding £1) to the Society's assets if it should be wound up. The address of the registered office is 3rd floor, Boston House, 63-64 New Broad Street, London, EC2M 1JJ.

B. GENERAL

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS102) – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

C. GOING CONCERN

After reviewing the Company's forecasts and projections, the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least the next 12 months. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

D. KEY JUDGEMENTS AND ESTIMATES

In applying the Company's accounting policies, management has made judgements that may have a significant effect on the amounts recognised in the financial statements. The most significant of these judgements is in respect of intangible assets, where certain costs incurred in the developmental phase of an internal project, which include website enhancement costs and amounts incurred in developing customer relationship management (CRM) software were capitalised as intangible assets if several criteria were met. Management has made judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life attributed to such projects.

E. INVESTMENT INCOME

Investment income comprises interest receivable and dividend income.

F. 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

Office equipment – computers – 33.33%

Office equipment – other – 20%

Furniture and fittings – 10% and 20%

G. INTANGIBLE ASSETS

Membership and examination systems software costs are included in intangible assets and are amortised using a rate of 20%.

Website development costs and CRM development costs are capitalised within intangible assets if they can be reliably measured within a specific project and are anticipated to produce future economic benefit. Once brought into use they are amortised on the straight-line basis over the anticipated life of the asset. Costs on research activities, and costs arising where the above criteria are not met, are recognised as an expense in the period in which they are incurred.

H. INVESTMENTS

Investments comprise an investment portfolio of funds invested in fixed income, equity and other liquid investments. Investments are held at fair value and are revalued to market value at the balance sheet date with revaluation gains and losses being recognised in the profit and loss account.

I. STOCK

Stock includes examination training material publications and is valued at the lower of cost and net realisable value. 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.

J. DEFERRED INCOME

Deferred income represents amounts received in advance in relation to membership subscriptions and examination fees which are recognised over the period of the membership year and when the examination is sat, respectively.

ACCOUNTING PRINCIPLES (CONTINUED)

K. 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.

L. 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.

M. FINANCIAL INSTRUMENTS

The Company's exposure derives primarily from foreign currency risk. The Company uses foreign exchange forward contracts to hedge these exposures. The Company does not use financial derivatives or 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. Valuation techniques that are used include comparisons to recent market transactions or reference to other instruments which are substantially the same. Inputs to such valuation techniques rely on market inputs where such information is readily available. Where such information is not available company-specific inputs are used.

At the balance sheet date, the Company held financial assets at amortised cost of £3,427,649 (2023: £3,549,634), financial assets at fair value through profit or loss of £6,824,471 (2023: £6,050,971) and financial liabilities at amortised cost of £1,049,412 (2023: £920,352).

N. 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.

O. PENSION CONTRIBUTIONS

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

P. REVENUE

Revenue 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, Certificate in ESG Investing and Certificate in Climate and Investing examination fees are recognised when candidates sit an examination, or on expiry, one year after registration.

The Certificate in ESG Investing was sold to CFA Institute in 2021 and as consideration CFA UK received a payment in 2021, a completion payment in 2022 and continues to receive royalty payments representing a share of global registrations revenue. CFA UK will continue to receive a revenue share on a reducing percentage share basis until 2035.

Revenue relating to online training materials and hard copy publications is recognised on the delivery of the materials to the candidate.

Q. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. MEMBERS

The income and property of the Society must be applied solely towards the objects of the Society and no distribution of any kind may be made to its members. As a company limited by guarantee, each member has no equity interest and has undertaken to contribute an amount up to £1 to the assets in the event of a winding-up.

As at 30 June 2024, the total number of members was 12,160 (2023: 12,198) and the number of Regular members was 11,123 (2023: 11,167).

2. EMPLOYEES

2. EMPLOYEES	2024	2023
The average monthly number of persons employed by the Society was:		
Total employees	39	35

The full-time equivalent average monthly number of employees, including the leadership team, was 38 (2023: 34). The figures above do not include the 10 volunteer, non-executive directors (2023: 11).

STAFF COSTS FOR THE ABOVE PERSONS:	2024	2023
	£	£
Wages and salaries	2,419,753	2,153,791
Social security costs	287,997	265,105
Other pension costs	153,210	142,015
	2,860,960	**2,560,911**

During the year, there were redundancy payments made of £17,469 (2023: nil). As at year end, redundancy payments totalling £25,490 were outstanding (2023: nil).
No remuneration was paid to the directors during the year (2023: nil). No director (2023: nil) is accruing benefits under money purchase or defined benefit pension schemes.
Expenses incurred by or reimbursed to the directors during the year totalled nil (2023: £658).

3. KEY MANAGEMENT PERSONNEL

The Society leadership team comprises 6 (2023: 6) individuals. The total employee benefits of the Society's leadership team was £1,023,171 (2023: £996,613).

STAFF COSTS FOR THE ABOVE PERSONS:	2024	2023
	£	£
Wages and salaries	833,163	812,586
Social security costs	114,976	112,137
Other pension costs	75,032	71,890
	1,023,171	**996,613**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

4. REVENUE	2024	2023
	£	£
Subscriptions	1,526,887	1,417,960
Examinations	1,583,332	1,662,945
Publications	384,182	372,966
Online Training Manual	95,120	78,830
Professional Development	38,915	18,100
CFA Support	50	225
Social	15,080	6,568
Other Activities	2,269,845	2,637,549
CFA Institute Funding	427,496	412,825
	6,340,907	**6,607,968**

The Society's revenue and profit before taxation were all derived from its principal activity.

Online Training Manual revenue relates to the portion of revenue relating to the provision of online learning materials from the Certificate in ESG Investing and the Certificate in Climate and Investing. The balance of the fees paid is disclosed within Examinations, together with the examination fees for the Investment Management Certificate. Publications revenue relates to hard copy learning materials.

Other Activities includes a gross revenue share of £2,197,189 (2023: £2,542,571) from CFA Institute, which forms part of the contract for the sale of the ESG Certificate. CFA UK will continue to receive a revenue share, on a reducing percentage share basis, until 2035.

5. ESTABLISHMENT COSTS		2024		2023
	£	£	£	£
Rent	134,687		112,291	
Rates	65,489		56,501	
Lighting and heating	21,884		9,755	
		222,060		178,547
Insurance		41,107		39,696
Office building maintenance		60,646		43,730
Office repairs and renewals and health & safety		700		1,743
Office security		486		1,676
Office cleaning		11,913		16,266
Lease dilapidations		10,000		1,667
Depreciation		30,452		18,812
Amortisation		88,266		61,412
		465,630		**363,549**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

6. INTEREST RECEIVABLE, SIMILAR INCOME AND GAINS	2024	2023
	£	£
Bank interest	101,178	21,940
Dividend income received	93,038	50,912
	194,216	**72,852**

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2024	2023
Profit on ordinary activities before taxation is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets	30,452	18,812
Amortisation of intangible assets	88,266	61,412
Loss on disposal of fixed assets	-	3,461
Currency exchange (gains) / losses	(11,595)	23,746
OPERATING LEASES:		
Plant and machinery	16,286	14,122
Land and buildings	134,687	112,291
Auditor's remuneration – audit	17,000	16,075
Auditor's remuneration – taxation	4,200	3,550
Auditor's remuneration – other services	-	5,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

8. CORPORATION TAX	2024	2023
	£	£
Current tax: UK corporation tax	191,259	212,296
Over provision in previous period	(537)	(11,926)
Total current tax	190,722	200,370
Deferred taxation:		
Origination of timing differences	143,126	74,717
Tax on profits on ordinary activities	**333,848**	**275,087**

FACTORS AFFECTING TAX CHARGE FOR THE YEAR:	2024	2023
	£	£
The tax assessed for the year is higher than the effective rate of corporation tax in the UK of 25%.		
THE DIFFERENCES ARE EXPLAINED BELOW:		
Profit on ordinary activities before tax	790,370	702,713
Profit on ordinary activities multiplied by the effective rate of corporation tax of 25% (2023: 20.5%)	197,593	144,056

EFFECTS OF:	2024	2023
	£	£
Expenses not deductible for tax purposes	2,528	201
Loss on member income not deductible	127,674	133,877
Other short-term timing differences	-	(400)
Over provision in previous period	(537)	(11,926)
Deferred tax: change in rate of tax from 19% to 25%	-	13,449
FRS102 adjustments	6,590	(4,170)
Total tax charge for the year	**333,848**	**275,087**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

9. TANGIBLE FIXED ASSETS	Leasehold Improvements	Office Equipment	Furniture & Fittings	Total
	£	£	£	£
COST				
At 30 June 2023	34,463	113,722	12,874	161,059
Additions	-	10,301	124	10,425
Disposals	-	(17,190)	(406)	(17,596)
At 30 June 2024	**34,463**	**106,833**	**12,592**	**153,888**
DEPRECIATION				
At 30 June 2023	1,149	44,804	647	46,600
Charged in the year	6,893	21,043	2,516	30,452
Disposals	-	(17,190)	(406)	(17,596)
At 30 June 2024	**8,042**	**48,657**	**2,757**	**59,456**
NET BOOK VALUE				
At 30 June 2024	**26,421**	**58,176**	**9,835**	**94,432**
At 30 June 2023	33,314	68,918	12,227	114,459

10. INTANGIBLE ASSETS	Systems Software	Website	CRM	Total
	£	£	£	£
COST				
At 30 June 2023	342,308	148,955	421,515	912,778
Additions	330,879	-	28,181	359,060
Disposals	-	(136,426)	-	(136,426)
At 30 June 2024	**673,187**	**12,529**	**449,696**	**1,135,412**
DEPRECIATION				
At 30 June 2023	342,308	147,760	124,946	615,014
Charged in the year	-	1,195	87,071	88,266
Disposals	-	(136,426)	-	(136,426)
At 30 June 2024	**342,308**	**12,529**	**212,017**	**566,854**
NET BOOK VALUE				
At 30 June 2024	**330,879**	**-**	**237,679**	**568,558**
At 30 June 2023	-	1,195	296,569	297,764

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

11. FIXED ASSET INVESTMENTS	2024	2023
	£	£
At 1 July	6,026,232	5,663,433
Acquired in the period (at cost)	1,163,109	913,630
Less: Disposal in the period	(861,548)	(742,671)
Market value adjustment	496,678	191,840
Market value at 30 June	**6,824,471**	**6,026,232**

The historical cost of investments held at 30 June 2024 was £5,954,709 (2023: £5,594,586).

Fixed asset investments include a portfolio of funds invested in fixed income, equity and other investments, managed by the Investment Committee. Investments are able to be liquidated within a three-month period if needed.

12. DEBTORS: DUE WITHIN ONE YEAR	2024	2023
	£	£
Trade debtors	64,470	30,120
Other debtors	115,249	146,426
Prepayments and accrued income	551,827	1,031,656
Forward exchange contract asset	-	24,739
	731,546	**1,232,941**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
	£	£
Trade creditors	320,164	350,543
Corporation tax liability	191,375	212,296
Other taxation and social security costs	80,012	75,492
Sundry creditors and accruals	729,248	569,809
	1,320,799	**1,208,140**

14. PROVISIONS FOR LIABILITIES AND CHARGES	2024	2023
	£	£
Deferred tax provision at 1 July	235,115	160,398
Transfer from profit and loss account	143,126	74,717
Deferred tax provision at 30 June	**378,241**	**235,115**

Deferred tax arises due to timing differences we expect to reverse in future years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

15. RESERVES	2024	2023
	£	£
Profit and loss account at 1 July	8,032,483	7,604,857
Profit for the financial year	456,522	427,626
Profit and loss account at 30 June	**8,489,005**	**8,032,483**

16. CAPITAL AND OTHER COMMITMENTS	2024	2023
The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:	£	£
PLANT AND MACHINERY:		
Due within 1 year	9,336	11,378
Due between 2 and 5 years	4,164	13,407
Due in more than 5 years	-	-
LAND AND BUILDINGS:		
Due within 1 year	121,112	80,742
Due between 2 and 5 years	458,125	579,237
	592,737	**684,764**

As at 30 June 2024, the Company had contracted to purchase intangible assets amounting to £63,596 (2023: £82,894).

17. CASH FLOW	2024	2023
Reconciliation of operating profit to net cash provided by operating activities:	£	£
Operating profit	95,261	413,767
Depreciation of tangible fixed assets	30,452	18,812
Amortisation of intangible assets	88,266	61,412
Increase in stock	(8,659)	(2,112)
Decrease / (increase) in debtors	476,656	(160,803)
Increase in creditors	133,580	99,256
Increase / (decrease) in deferred income	161,825	(185,531)
Net cash provided by operating activities	**977,381**	**244,801**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

18. PENSION COMMITMENTS

The Society makes contributions to the pension schemes of employees. The pension charge for the year was £153,210 (2023: £142,015).

At 30 June 2024, pension contributions amounting to £10,893 (2023: £11,099) were outstanding and are included in creditors.

19. CURRENCY DERIVATIVES - CASH FLOW HEDGE

	2024	2023
	£	£

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.

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

	2024 £	2023 £
US Dollar denominated contract	-	**420,829**

Currency forward contracts are related to highly probable forecast transactions that are expected to arise in the next two months. In the current year the fair value of currency forward contracts amounted to a debtor of nil (2023: £24,739).

Cash at bank includes a balance of £237,000 (2023: £237,000) that is held as security in relation to the currency forward contract facilities.

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