



CMI Chartered
Management
Institute

ANNUAL REPORT AND ACCOUNTS

2023

#BetterManagers



Helping managers become

confident leaders.



Our mission, vision & status

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Our Mission

CMI's mission is to turn accidental managers into conscious, inclusive leaders. Good management and leadership drives results for individuals and organisations boosting productivity, engagement and wellbeing.

Our Vision

We envisage a world of better led and managed organisations arising through our mission to increase the number and standard of professionally qualified managers.

Our Status

CMI exists for the public benefit and is the only Chartered Professional body dedicated to promoting the highest standards in management and leadership excellence. Through its Royal Charter, CMI is uniquely able to award Chartered Manager and Chartered Management Consultant status.

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President's Report

Lord Mark Price CVO, CMgr CCMI | President, CMI

Managers and leaders face more change, complexity and risk than ever before. In the past year, we've seen soaring inflation leading to cost-of-living pressures for many; the ongoing war in Ukraine that continues to cause geopolitical uncertainty and supply chain disruption; and, in recent months, what felt like the overnight emergence of generative AI.

In this volatile environment, it is now clear that confident, competent, inclusive managers make a positive difference. The evidence base is there. Good management leads to improved workplace culture, better profits, better public services, more and better innovation, as well as higher productivity.

Good management also opens up opportunity. In my time as CMI President I have been proud to chair CMI's 75th-anniversary programme, "The Everyone Economy." This landmark project provided compelling evidence that, to maximise economic potential and realise the opportunities of the future, organisations need to embrace all the talent available, especially from under-represented groups. The Everyone Economy research has also shown that as a society we have a long way to go.

The growing appreciation of the positive impact of ethical and inclusive management and leadership is reflected in another impressive performance by CMI this year. I'd like to congratulate CMI's Chief Executive, Ann Francke and the whole CMI team for continuing to grow in all of CMI's key metrics – learners, membership community, Chartered Managers, partners, partner engagement, and income – during an exceptionally challenging time. It is also very encouraging to see the number of Chartered Management Consultants growing, thanks to CMI's important partnership with the Management Consultancies Association (MCA).

Overall, this growth enables CMI to continue to invest in its thought leadership and research, and in the services it provides to its members, and partners, and realise its vision of a world of better led and managed organisations.

I have no doubt that CMI will continue to be influential as we work towards that goal. It's fantastic to see CMI increasingly setting the

agenda and influencing policy on many issues such as good management practice, the future of work, and the importance of diversity and inclusion.

In closing, I want to thank CMI's Board of Trustees, as well as the volunteers on CMI's committees and regional boards in the UK and around the world. This committed group gives its time freely to advance the cause of good management; it is testament to the stature of CMI that it attracts such high-calibre people to these roles.

It has been an honour to serve as CMI President, especially during its 75th-anniversary year. What's become clear in my three-year tenure is that CMI's mission is as important today as it was when the organisation was founded after World War II. While the challenges today may be different, they are no less urgent. I wish my successor Fiona Dawson well as she takes up the role as CMI President, and I thank the whole membership community for driving forward CMI's mission.



Lord Mark Price CVO, CMgr CCMI
President, CMI



“

It's fantastic to see CMI increasingly setting the agenda and influencing policy on many issues such as good management practice, the future of work, and the importance of diversity and inclusion.

”

**Lord Mark Price CVO,
CMgr CCMi**



Good leadership isn't just about acquiring technical competences; it's about developing positive cultures and behaviours. And the only way to gain those is through consistent engagement with high-quality professional development and training.

**Ann Francke OBE,
CMgr CCMi FIC**



CEO's Report

Ann Francke OBE, CMgr CMI FIC | CEO, CMI

GOOD MANAGEMENT AND LEADERSHIP MAKE A POSITIVE DIFFERENCE

This year it has become clear that ethical and inclusive leadership needs to be at the top of the organisational agenda. We have witnessed examples around the world of bad management practices and the catastrophic impact these can have on reputation, trust, employee engagement and organisational success. It's no coincidence that we made "Being an ethical and inclusive leader" the central pillar of CMI's Professional Standard this year.

But good leadership isn't just about acquiring technical competences; it's about developing positive cultures and behaviours. And the only way to gain those is through consistent engagement with high-quality professional development and training.

Fortunately, this message is cutting through. CMI's mission – turning accidental managers into conscious, inclusive leaders – is being accepted by more and more organisations and individuals. And this renewed relevance is reflected in CMI's excellent performance this year.

PROFESSIONAL MANAGEMENT AND LEADERSHIP IS TAKING ROOT

Despite cost of living pressures, growing numbers of managers and leaders see value in CMI membership. In 2022/23 our membership community passed an important milestone of 200,000, reaching 203,761 (a 12% rise). Registrations on CMI qualifications, apprenticeships and programmes are up 8% at 79,014. Malaysia, Sri Lanka and the Middle East are three notable international growth areas for CMI.

In large part, this membership growth was driven by CMI's first ever brand awareness campaign, "CMI Confidence". The campaign featured real-life CMI members from diverse backgrounds and industries, telling their stories of how CMI membership has benefited their career.

A key measure of CMI's positive impact is the number of professional managers and leaders. This year the number of Chartered Managers – the highest status available in management – rose to 16,953 (20% up year-on-year).

As an organisation, we are committed to personalising our member offering so that we help people with their specific, real-world challenges. CMI's new Management Diagnostic tool, for example, enables people to identify – and score – their management strengths and weaknesses. Management Diagnostic was one of a number of CMI initiatives shortlisted for awards this year.

Such digital innovations are important in attracting next-generation leaders, and this year 2,712 learners converted to full members after the completion of their learning (a 13% rise). This is really positive for the future.

CHARTERED MANAGEMENT CONSULTANT

In 2021, CMI and the Management Consultancies Association (MCA) launched the Chartered Management Consultant Award (ChMC), with the purpose of setting and maintaining the highest standards in the management consulting profession. ChMC continues to gain traction: three of the world's largest consultancy firms – EY, KPMG, PwC – now offer the ChMC award to all new graduates and apprentices as part of their learning and development programme. There are 735 individual ChMCs currently, a 26% increase from the previous year.

GOOD MANAGEMENT HAS A POSITIVE SOCIAL IMPACT

Collectively, this growing community of professional, qualified managers and leaders carry the torch for ethical and inclusive practice.

This year CMI has been able to provide evidence of the positive social impact of ethical and inclusive management. The Future of the Apprenticeship Levy report showed that 39% of CMI management apprentices are from a low socio-economic background (compared to 36% in the UK labour force as a whole and 27% in higher education); and 71% of management apprentices come from families where neither parent went to university. This research was hailed by Secretary of State Gillian Keegan, who herself completed an apprenticeship at a subsidiary of General Motors.

The analysis also found that apprenticeships deliver significant productivity gains, helping businesses and public services to innovate, and transforming organisational cultures around learning and development. So it is very encouraging that this year CMI carried out 10,550 apprentice end point assessments, up 19% on previous year. These apprentices, together with a further 30,000 non-apprentice learners completed management and leadership qualifications and awards with CMI in 2022/2023, resulting in over 40,000 more “better managers”.

As part of our 75th-anniversary campaign to open opportunity, CMI made 75 bursaries available this year to people whose financial circumstances might otherwise have prevented them from achieving their management and leadership potential.

CMI's new employability “bootcamps” were developed as a result of CMI's long-standing work to identify the skills required in a changing workplace. These bootcamps enable CMI to engage with many more students and, importantly, universities and faculties.

WORKING WITH PARTNERS TO SPREAD THE WORD OF ETHICAL AND INCLUSIVE LEADERSHIP

CMI is able to deliver on its mission by working with a high-quality network of partners. This year, we've extended that network, with 97 new training provider relationships formed across universities, FE colleges, independent providers and employers, including 24 outside the UK.

The quality of this network is evident in the outcomes: among apprentices, we saw a 98% first-time pass rate; 65% achieved distinction and 18% merit. Partner satisfaction (measured by net promoter) scores are high at +46 (on -100 to +100 scale) with our larger partners rating CMI +63.

Improving management and leadership skills is vital for the public as well as the private sector. We continue to work directly with public-sector organisations such as the NHS, Civil Service, Fire Service and others to help develop common frameworks for good management and leadership.

LIVING AND SHARING INCLUSIVE LEADERSHIP

As an organisation, we want to be an exemplar for inclusivity, and the benefits it can bring. Our practices should align with our principles.

We were proud to be listed as one of the Sunday Times best places to work, and CMI continues to be an Investors in People Platinum award organisation, a standard achieved by just 3% of IIP-recognised organisations in the UK.

We are committed to communicating openly, transparently and honestly with our people. We introduced two new inclusion hubs as a safe space for people from under-represented groups. We have regional hubs to enable face-to-face networking for CMI team members. New starters are onboarded in the organisation's values and we operate a reverse mentoring programme.

Our flagship events reflect CMI's positive, inclusive culture. In 2023 we had our second CMI Women conference, with an incredible and diverse line-up of speakers. Supported by our Royal Patron The Duchess of Edinburgh, this was a wonderful platform to explore the issues around “Our inclusive future”.

The Celebrating Apprenticeships event, hosted during National Apprenticeships Week, showcased the contributions of apprentices and the value of lifelong learning to the UK economy.

Every year we shine a light on inspirational, inclusive leadership at CMI's President's Dinner. This year Dame Sharon White DBE CMgr CCMi was awarded CMI's Gold Medal; Sir Trevor Phillips OBE CMgr CCMi was our Lifetime Achievement Award winner; and The Power of Difference, by Simon Fanshawe, was named CMI Management Book of the Year.

Last but not least, we remain committed to a digital-first future. We are developing our agile tech and digital capabilities to drive increased innovation and modernisation with maximum efficiency.

GROWING INFLUENCE, BUILDING AWARENESS OF POSITIVE LEADERSHIP

CMI works closely with the media to build understanding of the value of positive, ethical, inclusive leadership.

We significantly extended our influence over the past year. CMI Managers Voice poll results regularly set the news agenda. For example, CMI research showing that organisations are much less open to hiring older workers than they are to bringing in younger people was a lead story on the BBC website in January 2023. We are asked to comment on issues such as the future of work, productivity, and addressing bad management practice. My monthly “Expert Tips” column for

The Times allows me to answer the public's questions and showcase best management practice.

CMI's social media presence is growing. LinkedIn followers grew 17.5% to 111,000. We have 43,900 Twitter followers and 18,000 Facebook followers.

To make sure that management skills are at the heart of national and international rebuild efforts, the CMI team is building strong connections in government and with opposition parties.

Ministers and shadow ministers speak regularly at CMI events. CMI's policy specialists offer compelling research to support the case for public funding of management and leadership qualifications, including apprenticeships. This hard work is paying off, and we see an increased willingness in Westminster, across government departments in Whitehall, and in devolved institutions, to engage with CMI. I'm also pleased and proud to serve on the Help to Grow: Management Advisory Council aimed at improving management and leadership skills amongst SMEs. As part of our engagement we offer free CMI resources to all alumni of the Help to Grow programme.

THE EVERYONE ECONOMY

"The Everyone Economy: CMI's plan for sharing work, opportunity and success" was the centrepiece of our 75th anniversary activity in 2022. The year also marked the 20th anniversary of CMI's Chartered status.

The research underpinning The Everyone Economy campaign showed that we are wasting talent – just when we need it most. It highlighted the huge number of "missing managers" across the economy, and brought attention to the "say-do gap" – organisations that say they are committed to diversity and inclusivity, but in reality are not.

The Everyone Economy has made a huge public and media impact. Roadshows have been held across the UK, and the campaign is enabling CMI to build strong access in government. The campaign is having real impact and providing organisations with practical tools to create change.

Three pillars – Include everyone; Increase prosperity; For future generations – will underpin The Everyone Economy campaign moving forward. We are delighted that Sir Trevor Phillips will chair our new Everyone

Economy advisory board to carry on this important work.

FINANCIALS

The renewed relevance of CMI's mission has led to sustained growth in our key financial metrics. Total income in 2022/23 was £27.9m, up 16% year-on-year. The organisation's financial strength and stability means that we are able to invest in member services, products and our ongoing digital transformation programme, as well as make a net contribution to capital reserves of £1.4m.

THANK YOU

I'd like to conclude with a few heart-felt thank-yous.

First to our outgoing President Lord Mark Price. Mark really lives the CMI values and has been a passionate champion of management and leadership over the past three years. My personal thanks to him, and a warm welcome to our incoming President Fiona Dawson.

I am so proud of the whole CMI team and grateful for their adaptability and commitment. At a time of great volatility and change, they dedicate themselves to our membership community, partners and stakeholders.

To CMI's Board of Trustees and volunteer network around the world. This inspirational community enhances CMI's impact and lives our values every day. We are hugely grateful to you all.

We are proud to work with such a high-quality network of partners. Thank you for your support and enabling us collectively to build a better-led world.

And finally to our members, in all corners of the world. In your ethical, inclusive, professional management and leadership, you are role models to others.



Ann Francke OBE, CMgr CMI FIC
CEO, CMI





LIFETIME ACHIEVEMENT AWARD WINNER 2022

Sir Trevor Phillips OBE CMgr CCMi

Co-Founder, Webber Phillips; Chairman, Green Park Interim Executive Search and Index on Censorship; Senior Fellow, Policy Exchange think tank; and Vice-President, Royal Television Society

The Lifetime Achievement Award recognises outstanding Management & Leadership demonstrated by an individual throughout their career, we present this award only when a truly worthy candidate is identified.



GOLD MEDAL AWARD WINNER 2022

Dame Sharon White DBE CMgr CCMi

Chairman, John Lewis Partnership; Non-executive Board member, Barratt Developments Plc and Trustee, Sadler's Wells Trust Ltd

The Gold Medal Award is the prestigious acknowledgement given by CMI for the recognition of outstanding Management and Leadership from an individual at the pinnacle of their career.



CHARTERED MANAGER OF THE YEAR 2022

Sarah Gardner CMgr FCMi

Project Manager, Counter Terrorism Policing HQ

The Chartered Manager of the Year Award recognises and celebrates the outstanding achievements and contribution that Chartered Managers bring to both their workplace and to their own personal development as a manager and leader.



VOLUNTEER OF THE YEAR 2022

Professor Dilshad Sheikh CMBE CMgr CCMi

Chair, CMI West Midlands & North West

CMI has a whole host of talented, dedicated volunteers. Our Volunteer of the Year Award recognises and extends our gratitude to one incredible individual whose support is truly invaluable to our mission and vision.

Award Winners

Our achievements for 2022/23

Overall Sales*

£31.9m
*unaudited

8% Year on Year

Income

£27.9m
16% Increase

Website Visits





1.17m
With 77.6% of users being new visitors


401 Total media mentions on CMI and Ann Francke

2,180
Downloads of the Everyone Economy Report


10,550
End Point Assessments were signed off this year up 19%


*A social followers record of...

 Facebook **18k**  Twitter **43.9k**
 Instagram **5.1k**  LinkedIn **111k**

*Total numbers for each account for all CMI channels.

203,761
Overall CMI community up from 182,641 the previous year




79,000

New learner registrations on management and leadership programmes

16,953
Chartered Managers up from 14,070 (20% Increase on the previous year)

Workplace Awards

THE SUNDAY TIMES
Best Places to Work 2023

INVESTORS IN PEOPLE™
We invest in people Platinum

IIP Platinum award renewed in August 2022



2 Star Rating



in the Top 50 mid-size companies to work for

#44



not for profit category

#2



Regional ranking in best mid-size company to work for in both London and the Midlands

#17



#20

CMI Highlights

Chartered Management Consultant

The Chartered Management Consultant (ChMC) of the Year is awarded to a Chartered consultant who has shown they have the talent, skills and experience that quality management consultants embody and knows how to employ them. Delivering consistent excellence to their clients. Exemplifying the values and professional ethics that are at the very core of the Chartership. Our winner for 2022 was Susannah Lindsay ChMC of IBM Consulting.

1,320

Consultants registered on accredited programmes

735

Chartered Management Consultants



The Presidents Dinner

On 22nd November 2022, CMI held its annual President's Dinner at the Natural History Museum; where we welcomed our attendees for a dinner and celebration of the CMI community, honouring our incredible award winners, including CMI's Gold Medal and Lifetime Achievement Awards and reflecting on our 75th anniversary.

30.8k

Impressions across Twitter and Instagram stories

6k

Views on our highlights video

Apprenticeship Celebration with Gillian Keegan

In February 2023 we celebrated and highlighted the impact of apprenticeships on social mobility. With insights and experiences shared from our fantastic speakers. The inspiring takeaways from the event covered how apprenticeships are driving social mobility, boosting productivity and leading to more diversity.

53.8k

Impressions across social media

121

Attendees



CMI Women Conference

In May 2023, CMI held the second CMI Women Conference: Our Inclusive Future to explore what individuals and organisations can do to create a truly inclusive future by recognising and supporting talent in all its forms. With 2,000 attendees both in person and via livestream. The inspiring talks and sessions on diversity, equity and inclusion in the workplace equipped attendees with practical tools and strategies to make a difference in their workplace.

1.9k

Attendees both in person and via livestream

3.5k

Social engagement on the day

CMI Year in Pictures



International Growth

CMI continues to grow its international reach. We are working with more than 26 university and private training providers in Malaysia, which is the hub of CMI's APAC activity, and 25 partners in MENA, another priority growth region. In the year we established our first partnerships in Vietnam and our four international regional boards in Malaysia, Singapore, Hong Kong and Sri Lanka support CMI's members and learners in those regions through the delivery of both online and in person events. In 2022/23 we won the Federation of Awarding Bodies Exporter of the Year award.

Everyone Economy - The Workplace in Review

To inform our research for the Everyone Economy Report, we gathered fresh evidence from CMI's global membership community of managers and leaders; from our specially convened 75th Anniversary Advisory Council; from a series of 'Leading Lights' interviews with global leaders; from established players changing their operating model from disruptive start-ups; UK employees; and from grass-roots projects.

2.18k
Report downloads



Your very own personalised 3-step development cycle

- 1. Measure**
Take the Diagnostic to assess your skills and identify gaps
- 2. Develop**
Use your personalised learning plan resources to improve your expertise
- 3. Repeat**
Download your certificate, reassess your skills and see how you've grown!

Management Diagnostic

Since the launch of our Management Diagnostic tool, we had 7,550 diagnostics taken, which is split into 2,599 Aspiring/Junior Managers, 2,972 Middle Managers and 1,979 Senior Managers. For those that have taken and then retaken their diagnostics to see how their skills have improved after completing the CPD recommendations, we've seen an increase of 12% in scores (translating to those people now feel 12% more confident in their knowledge, skills, behaviour as a result of completing CMI learning).

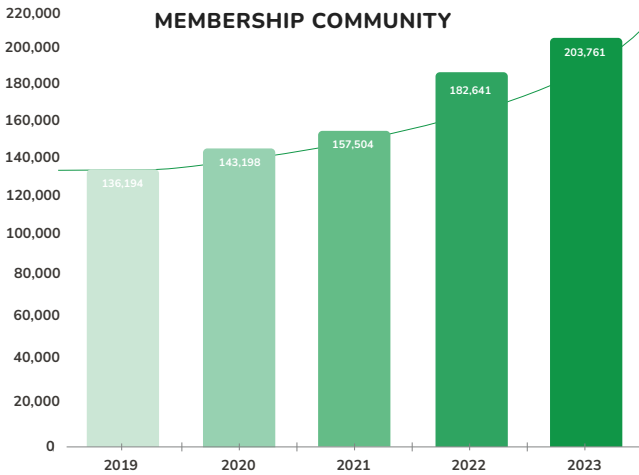
Career Confidence Campaign

Further to member research outlining that CMI members are statistically more confident in their careers than non members, we launched our #CMICConfidence campaign across Digital, Social and Search. Featuring real members in the ad creative, the campaign increased branded search from 49% to 56% and delivered over 2,600 new members and friends.



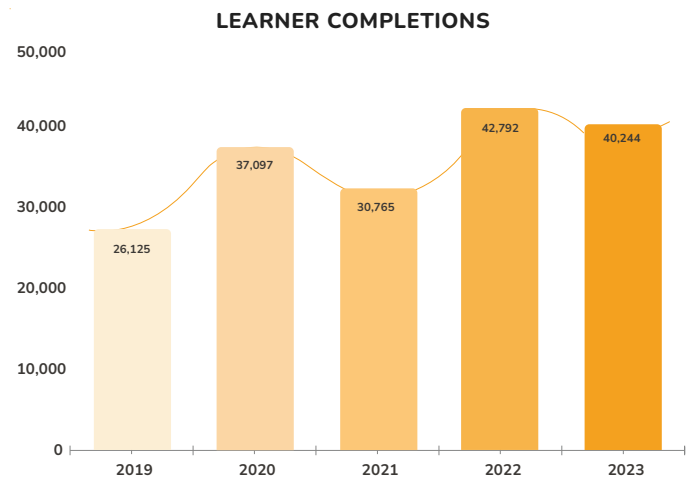
MEMBERSHIP COMMUNITY

We have continued to see a rise in our membership community, driven both by an increase in new non-learner members, and an increase in the number of individuals studying on a CMI accredited course or apprenticeship. The number of learners converting into paying membership after their studies has also continued to rise by 15% year on year.



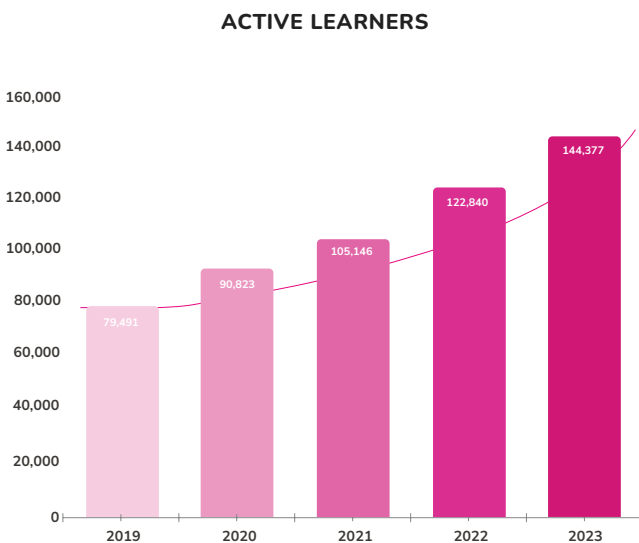
LEARNER COMPLETIONS

In 2022/23 we saw over 40,000 individuals complete a management and leadership qualification with CMI, including over 10,500 apprentices who completed their end point assessment in the year. This means there are 40,000 more individuals who have gained skills and expertise in management and leadership which will in turn boost productivity for organisations. This is a slight dip year on year as 2021/22 included completions for learners who paused learning during the pandemic.



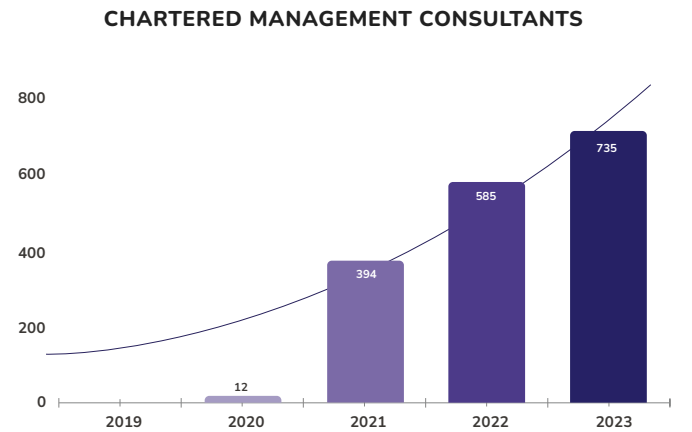
ACTIVE LEARNERS

The number of individuals registering on a CMI accredited course or apprenticeship has continued to increase year on year to over 75,000. In 2023 we saw record registrations by new learners at all levels proving the relevance of management and leadership training for both those already in the workplace and undergraduates.



CHARTERED MANAGEMENT CONSULTANTS

We launched the Chartered Management Consultant award in 2021 in partnership with the Management Consultancies Association (MCA) to develop, set and maintain the highest standards in management consultancy and to reward consistent, high levels of professional competence and achievement, and it presents a recognised standard of career excellence for management consultants to aspire to, and for clients to measure against. By the end of 2022/23 over 730 consultants have been awarded Chartered status.



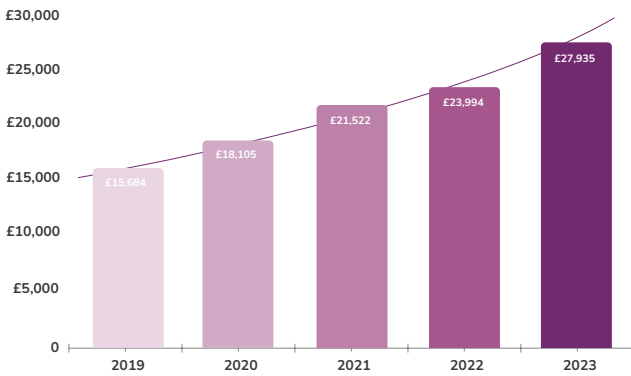
CMI 5 Year Trends

GROWING PARTNERSHIPS

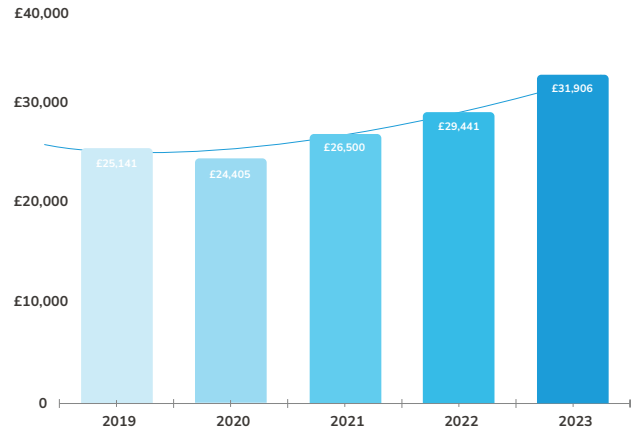
In 2022/23 we achieved a further year of double digit income growth at 16%, reflecting growth in all service lines delivered by CMI including the number of accredited programmes and number of end point assessments carried out in the year.

Our 8% growth in invoiced sales in 2022/23 reflects increased sales across all revenue streams in the UK including chartered awards, qualifications and end point assessments, and increased sales of qualification sales internationally despite uncertainty caused by major world events including the ongoing war in Ukraine, and the highest commodity prices for individuals and businesses in the UK in over 40 years.

INCOME £'000



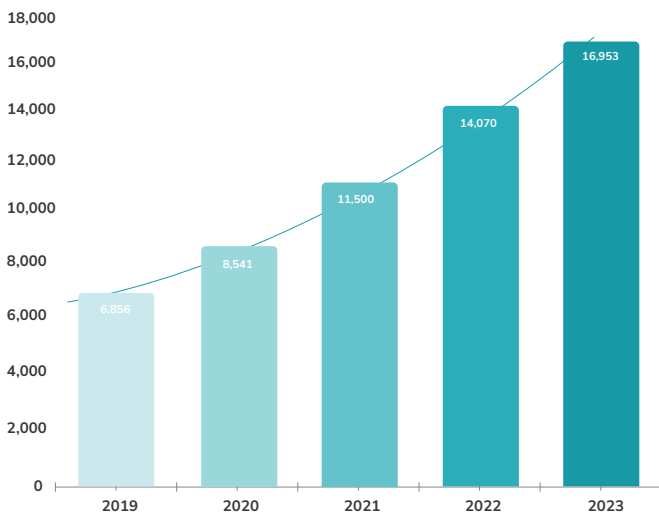
INVOICED SALES £'000 (UNAUDITED)



CHARTERED MANAGERS

Chartered Manager status recognises managers with exceptional leadership skills and a commitment to lifelong Continuing Professional Development. In 2022/23, CMI's Chartered Manager community grew by over 20% to over 16,900.

CHARTERED MANAGERS



Being Chartered has improved my career prospects and boosted my confidence. It demonstrates that I have the transferable skills to be the best manager in a range of environments.

Sarah Gardner CMgr FCMi
Chartered Manager of the Year 2022



The Chartered Management Consultant (ChMC) accreditation provides a professional standard of career excellence for management consultants to aspire towards and clients to benchmark against. Central to this is the award's competency framework which sets the standards for both individual consultants and their organisation's training and development programme.

The award was created and is managed in a joint partnership between the Management Consultancies Association (**MCA**), the trade association for the UK's leading consulting firms and **CMI**, which ensures that Chartered status is relevant to both the individual and the profession and with constant engagement across the industry directly with consultancy firms and through networks such as the Young MCA and the Institute of Consulting (IC).

The ChMC award is designed to be inclusive and so consultants from the largest organisations, to SMEs and those working as independents can be assessed against the same standard and assure their clients of their commitment to ethical practice, professional competence and of course ongoing development.

DURING 2022/23



By the end of 2022/23, 41 MCA member firms and a number of non member firms, made up of large, medium, and SME organisations, were involved in adopting ChMC either through enabling experienced professionals to become chartered or seeking accreditation for their in-house training and development programmes to offer ChMC.

This year has seen us launch the Associate Chartered Management Consultant accreditation following a successful pilot. This award recognises consultants who are on the pathway to become fully Chartered.

We've also responded to some of the time pressures prevalent within the marketplace with the introduction of the new Depth Interview assessment route. This reduces the written application element of the process in exchange for a longer, wider ranging professional discussion to ensure that whilst some of the time pressure can be removed the full gamut of the Competency Framework is still assessed to ensure standards remain consistently high.

In March 2023 KPMG UK announced a major commitment to the Chartered Management Consultant Award (ChMC) and is now offering the new award to all its new graduates and apprentices as part of its learning and development programme. KPMG will onboard approximately 200 graduates and apprentices within its consulting practice this year and they will all have the option to work towards becoming chartered from their first year in the firm. This now means three out of the four largest consultancy firms including EY and PwC are now automatically offering ChMC to all their graduate and apprentice intake in a major step change for the industry. KPMG's commitment to the ChMC award underscores its dedication to its people and high standards of training and development.

As well as large firms such as KPMG, EY, PwC, IBM Consulting, Arup, Moorhouse and Arcadis there has been a stream of SME firms adopting the accreditation, including Alba Partners, Cadence Innova, Clarity, Mason Advisory, Managementors, NECS Consultancy, and Vendigital. By 31 March 2023, there were 735 ChMCs (2022: 595), 21 firms (2022: 16) with accredited development programmes and a further 6 working towards accreditation. There were a further 1,320 consultants (2022: 1,000) registered on accredited programmes culminating in ChMC assessment and contracted firms have committed to a further 700 consultants getting Chartered this year.

A survey of those (mainly early career professionals with 84% under the age of 34) on accredited programmes working towards ChMC in February 2023:



For those who had found out about the ChMC development programme during the recruitment process (24%), a third stated that **the opportunity had influenced their decision to accept their current role.**



The majority of respondents were **excited about the opportunity** to work towards Chartered status, believed that the ChMC competency **framework helps to set a great standard of professionalism** and felt that the ChMC journey made them **feel valued.**



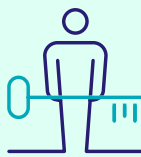
Almost seven out of 10 respondents felt that being on the ChMC journey **motivates them to progress their career** in management consulting and recognises their specialism.



64% of respondents agreed that their **professional development journey is clear** due to the ChMC accreditation.



61% of respondents agreed that they **felt motivated to stay with their firm** due to the opportunity to get Chartered status.



The top things that respondents were hoping to achieve as a result of becoming Chartered were to do with **professional recognition and independent endorsement of their professional competence, integrity and credibility.**

The 2022 annual MCA Awards and CMI President's Dinner and Awards presented valuable opportunities to showcase Chartered Management Consultant with the introduction of the new accolade of 'Chartered Management Consultant of the Year'.

The inaugural winner was Susannah Lindsay of IBM and both Matt McCabe of EY and Guy Watmore of PwC were highly commended. Susannah was praised by the judges for her ability to deliver challenging programmes, coaching teams to perform, and bringing an infectious and positive energy for all who work with her.

At CMI we believe that organisations with a diverse workforce and inclusive culture outperform their peers and deliver improved business performance. CMI is committed to supporting diversity and inclusion both within CMI, from Board level through to all levels of staff, and within its membership community and the wider public through the provision of research findings, practical tools and qualifications in managing diversity and inclusion.

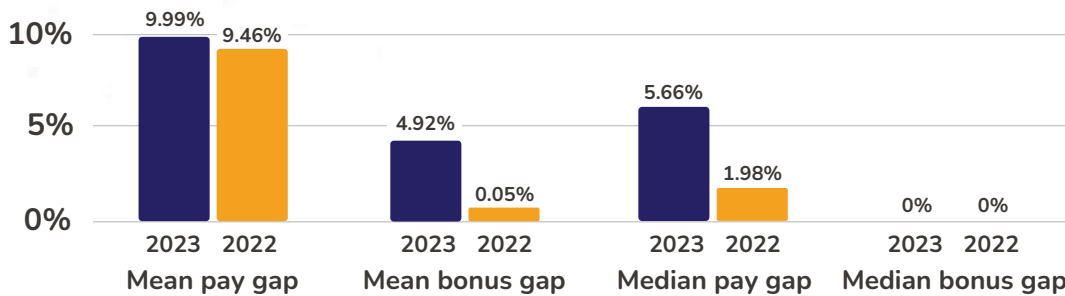
Within our organisation

At April 2023, CMI's Board of Trustees comprised 46% women and 54% men and 18% were from ethnically diverse backgrounds. CMI's senior management team at April 2023 comprised 52% women and 48% men, of which 14% were from ethnically diverse backgrounds.

GENDER PAY GAP

As an organisation with 250 or more employees at 5 April 2023, CMI has disclosed its gender pay gap below. The 2021/22 data is included on a voluntary basis as CMI had under 250 employees at that time. We support the campaign to extend mandatory pay gap reporting beyond gender to include ethnicity, as we believe what gets measured gets managed and holds organisations to account.

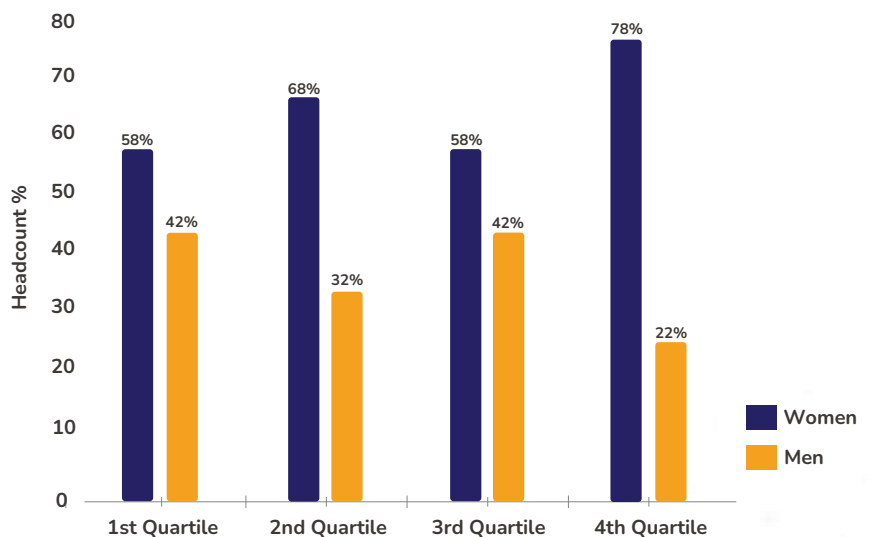
MEAN & MEDIAN



The mean figure is the difference between the average of men's and women's pay or bonuses. The median figure is the difference between the midpoints in the ranges of men's and women's pay or bonuses.

WHY HAVE THESE PAY GAPS ARISEN AND WHAT ARE WE DOING ABOUT THEM?

CMI's workforce is predominantly female (66% 2022:63% 2023), and this has the largest impact on pay gap data. This gender ratio is particularly apparent in the bottom quartiles of the organisation, ie CMI has more women than men in its lower pay bands, which has a direct impact on the mean and median pay gaps.



Diversity & Inclusion

COMMITMENT TO EQUAL PAY

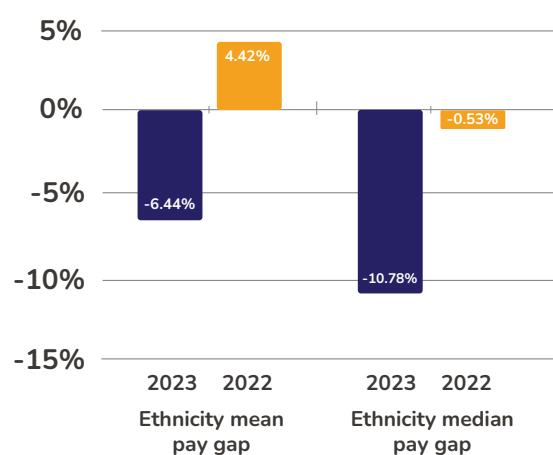
Whilst CMI's median gender pay gap has widened to 7% from 2% in 2022, in January 2023 CMI undertook an external salary benchmarking exercise on every job description within the organisation. As a result, CMI aligned all salaries across the organisation to the median benchmark for a role effective 1 April 2023. As a result of this exercise we can be confident that every woman and man who have the same job description at CMI are paid equally. This was an important step to ensure equality, but it did not impact the gender pay gap calculations in a significant way.

STEPS TO CLOSE CMI'S GENDER PAY GAP

In 2021 CMI set a target of a 0% median gender pay gap by 31 March 2024. Although CMI continues to work towards this target through the use of balanced shortlists for roles, and transparency of data by quartile across the organisation, the gap will be most effectively closed by hiring more males in the lower quartiles of the organisation, and this is subject to market supply and skills and experience of candidates for roles. Providing a flexible working environment and increasing the number of part time roles across CMI may also attract more skilled women to return to the workplace in the higher quartiles of the organisation.

ETHNICITY AND ETHNICITY PAY GAP

We are choosing to voluntarily disclose our ethnicity pay gap at 5 April 2023.



CMI's median and mean ethnicity pay gaps are negative, which means that the median and mean salaries for staff from ethnically diverse backgrounds are higher than the median and mean salaries for white colleagues. The movements between 2022 and 2023 reflect hiring more ethnically diverse staff in the higher quartiles of the organisation. CMI is committed to increasing the proportion of colleagues from ethnically diverse backgrounds. In 2021 CMI set a target of 15% of staff being from ethnically diverse backgrounds by 31 March 2024. At April 2023 14.84% of staff were from ethnically diverse backgrounds.

As we continue to grow we will look to increase this proportion to ensure we at least meet our target at 31 March 2024.

SUPPORT FOR OUR MEMBERSHIP COMMUNITY AND THE PUBLIC

The issues around gender equality and ethnicity at work were key areas of focus for CMI's 75th anniversary research project across 2021/22 and 2022/23. The full report "The Everyone Economy" was launched at a reception in Parliament in June 2022 and is available to our membership community and the wider public on our website along with other useful reports including Moving the Dial on Race, a Practical Guide to Workplace Inclusion, Delivering Diversity published by CMI's Committee 'Race Equity'. CMI also champions professional development in this area and offers a bite sized learning module together with Level 5 and Level 7 awards in equality, diversity and inclusion which can be taken as stand alone awards or within wider management and leadership qualifications.



Ensuring that our own workplace supports the wellbeing of our people and has an **inclusive culture** where everyone feels they can bring their authentic selves to work, and that our organisation is fit for the future remain key priorities for CMI.

EMPLOYEE WELLBEING

CMI has a Wellness and Wellbeing Charter in place for employees. Some of the services available to employees under the charter include:

- Access to three mental health first aiders, counselling services via the Employee Assistance Programme and access to Kooth, an anonymous mental health platform.
- Meeting-free walk and talk hours each work day to encourage colleagues to take a daily walk and if they need to meet with colleagues during this time, that they do so on the phone rather than behind a screen.
- Weekly online classes including pilates class (chair-based and non chair-based) and karate.
- Early finishes at 2pm on Fridays to allow colleagues to enjoy a longer weekend with no loss of pay.
- Periodic wellbeing days at the CEO's discretion allowing the entire organisation to benefit from a short notice office closure for a day.
- Reward schemes to celebrate individuals and teams each quarter.



CMI Voice, our employee forum also provides regular social and wellbeing activities. In 2022/23 these included bake boxes, gardening boxes, book clubs, quizzes and walking challenges to keep colleagues connected and engaged with each other.

Coming out of the pandemic CMI adopted hybrid working across the organisation and whilst we encourage colleagues to come into the offices to benefit from the positive effects that being co-located brings a team, we do not mandate a minimum number of days in the office. Based on feedback from colleagues during 2022/23, who were keen to meet up outside of their own teams more frequently, we introduced regional hub meet ups, which have allowed colleagues to attend a half day meeting at one of six locations across the UK to meet with colleagues from across CMI to discuss and contribute to a business related challenge, but to also informally spend time together and get to know colleagues outside of their immediate teams.



Investing in our Organisation

WORKPLACE CULTURE

CMI sets the cultural tone of the organisation through its values and these are embedded from day one of onboarding colleagues and colleagues' behaviours are assessed against these values as part of our appraisal process.



Alongside formal policies and procedures for raising and addressing any issues which may arise, we use a number of mechanisms across the year which give employees the opportunity to raise negative points about the organisation anonymously including:

- Questions submitted for weekly question and answer session with the CEO.
- Wordclouds at directorate meetings and the weekly question and answer session with the CEO.
- Coffee and chat meetings with the CEO.
- Via our employee resource groups, CMI Voice, Ethnicity, LGBTQIA+ and Menopause hubs.
- Investors in People assessment.
- Sunday Times Best Places to Work Survey in collaboration with WorkL.

As well as holding **IIP Platinum status**, and no.2 not for profit Best Companies to work for 2022, we were pleased to be named in the **Sunday Times Best Places to Work 2023** medium sized organisations list. In order to feature in this list, CMI staff anonymously undertook a survey encompassing: **1.** Reward and Recognition **2.** Instilling Pride **3.** Information Sharing **4.** Empowerment **5.** Wellbeing and **6.** Job Satisfaction, and performed consistently highly in all categories.

During 2022/23, we launched a reverse mentoring scheme where colleagues nominated themselves to mentor members of the senior management team, with a focus on sharing the impact of lived experiences relating to gender identity and sexual orientation, ethnicity, socio-economic background, age and disability.

We have three employee representation groups, CMI LGBTQIA+, CMI Ethnicity and CMI Menopause comprising colleagues who identify with the group as well as colleagues who want to be allies. Our Menopause hub has been running for some years, and we plan to extend these hubs to other under-represented groups in the months to come. The hubs meet monthly and provide safe spaces for members as well as producing an inclusion calendar and content to help educate and inform colleagues across CMI.



BUSINESS IMPROVEMENT PROGRAMME

In 2022/23 we started a programme of business improvements, focusing on data and processes, underpinned by technology change to ensure CMI is fit for the future. The programme, which will run for a number of years, will deliver incremental and modular improvements to improve the way we deliver our services, and to improve the ways that our members, learners, partners and other stakeholders interact with CMI and CMI's resources.

ENVIRONMENTAL IMPACT

CMI is committed to reducing its impact on our environment. We started collecting detailed data of our greenhouse gas equivalents (GHG) in line with the GHG protocol in 2021/2022, and CMI Voice - Environmental Group, an employee led group is now focused on identifying ways to reduce both CMI's direct consumption of greenhouse gases, and to identify ways in which CMI can offset its residual impact to achieve net zero.



ETHICAL INVESTMENT

At 31 March 2023, CMI held £9,641,000 in a charity investment portfolio. CMI's funds are invested in a responsible manner through measures including investing in a charity specific property fund where the tenants are screened for ethical considerations; all fund managers used are signatories to the United Nations Principle of Responsible Investment; investing in equities which are screened for ethical considerations; and investing in bonds where proceeds are ring-fenced for specialised projects (eg environmental). At 31 March 2023 the portfolio achieved a AAA MSCI ESG Rating, above the minimum level of AA set by CMI's Board of Trustees.



Investing in our Organisation

Delivering value to society is fully aligned with CMI's charitable purpose, through providing resources, qualifications and awards to future and current managers regardless of vocation, socio-economic background, gender, age, ethnicity and physical ability, to help those individuals become confident leaders, ready to tackle the challenges facing organisations today. These resources level the playing field and promote social mobility through management and leadership education. Furthermore, as a mission-driven organisation, CMI seeks to impact wider changes in policy, employer practice and public awareness of the importance of modern management. Some of the ways in which we do this are featured below.

RESEARCH AND THOUGHT LEADERSHIP

CMI undertakes and delivers research and thought leadership to influence practitioners and policy makers to drive social value through investment in good management and leadership, including through CMI's 75th Anniversary research "the Everyone Economy".

CMI now sits on the government's Flexible Working Taskforce; Inclusion Confident Scheme and the Ethnicity Pay Gap Reporting roundtable, both run by the Government Equalities Office/ Cabinet Office. During 2022/23 CMI explored The Everyone Economy with the Scottish and Welsh governments including how it could influence their policy agenda. CMI became an endorser and contributor to The Social Mobility Commission employer toolkit with CMI's Chief Executive Ann Francke taking a position within SMC's Employer Advisory Group.

CMI has been featured in several external pieces of thought leadership, such as the Institute for Apprenticeships and Technical Education EDI toolkit. Business Disability Forum wrote an article featuring CMI data, and CMI work was featured by the Fawcett Society.



MANAGEMENT APPRENTICESHIPS

CMI's research "The Future of the Apprenticeship Levy" 2023 found that

- 71% of management apprentices are from families where neither parent went to university,
- 39% of CMI management apprentices are from a lower socio-economic background (compared to 36% in the UK labour force as a whole and 27% in higher education).
- 97% of CMI management apprentices said they were more committed to upskilling the people who work for them.

CMI's analysis of the English model of apprenticeships also found that apprentices qualified in 2019 are projected to add £7bn to the economy by the end of 2029, based on an initial training investment of £2bn - a 300% return on investment.

*Data from CMI's The Future of the Apprenticeship Levy report, 2023



CHARTERED AWARDS

CMI is the only organisation to be able to award Chartered Manager and Chartered Management Consultant. These awards level the playing field for individuals regardless of background and individual characteristics. A survey of individuals on accredited programmes working towards the Chartered Management Consultant Award in February 2023 revealed that 52% are female, 32% are from minority ethnic backgrounds and 13% have a declared disability. Chartered Managers also drive value for society through increasing the profitability of their organisations by an average of £310,000 over a five year period and adding £22,400 of GVA (CMI research, 2019).



BURSARY SCHEME

As part of our 75th anniversary celebrations CMI awarded 75 learners up to £1,000 for up to three years, to invest in management and leadership training which otherwise would not have been available to them, helping them achieve their management and leadership potential. CMI will continue to award 75 new bursaries in the coming financial year.

“The CMI bursary has been so important to me. I would never have been able to fund the diploma otherwise. It's given me the confidence to deliver vital mental health support to mums in focused, highly strategic ways.”

Keji Moses, founder and CEO, Mayah's Legacy



Delivering Social Value

REGIONAL BOARDS

Our formal network of regional boards comprises over 100 volunteers across the UK and in Malaysia, Hong Kong, Singapore and Sri Lanka. Their purpose is to help facilitate member CPD, provide input to and share our policy and research work and promote the benefits of becoming Chartered.

In 2022/23 the regional boards delivered over 60 events across the UK and APAC, which engaged over 19,000 delegates and included both digital and face to face events. As we emerged from the pandemic, in person events have started to make a comeback allowing us to build community and networking opportunities for members within the regions. During the last 12 months, we continued to deliver a full schedule of digital events, allowing us to continue to offer accessible and on demand CPD opportunities to the CMI community.

We've also had some fantastic feedback and engagement from our volunteer network, with a net promoter score (NPS) among our UK Volunteers of +61 and +24 in the APAC region. This is a great improvement on previous years and we expect this to continue to improve with increased engagement and investment as we move into 2023/24.



60 Events delivered across UK & APAC



Over **100**

Volunteers across the UK



Over **19,000**

Engaged delegates

CHARTERED COMPANIONS

CMI's Chartered Companion network comprises over 450 individuals from around the world, all of which are experts in their relevant fields of Management and Leadership. During the last 12 months, we have seen an increasing number of these senior leaders taking on voluntary roles in support of CMI's Board Committees and Regional Networks, applying their skills and expertise to help drive forward CMI's mission. Over 60 new Chartered Companion nominations were reviewed by the Board of Companions, with the successful applicants now adding to the wealth of experience and diversity of the existing network.

In addition to this increasing engagement, our Chartered Companion network has continued to make a real impact within the wider CMI membership community by sharing their thoughts and experiences through interviews, videos, articles and magazine features.

Throughout our 75th Anniversary year, CMI's CEO interviewed over 20 Chartered Companions as part of our special edition 75th Anniversary Leading Lights interviews, highlighting topical management and leadership issues facing the world today as we navigate through these challenging times of economic uncertainty.

Our Chartered Companion network has also continued to significantly support CMI's equality, diversity and inclusion initiatives by actively taking part in thought leadership work and ongoing development of the CMI Women and newly formed CMI Everyone Economy committees.

MEET SOME OF OUR VOLUNTEERS



Kathryn Austin
CMgr CCMi



Taranjeet Singh
CMgr FCMI



Kirsty Watson
CMgr FCMI



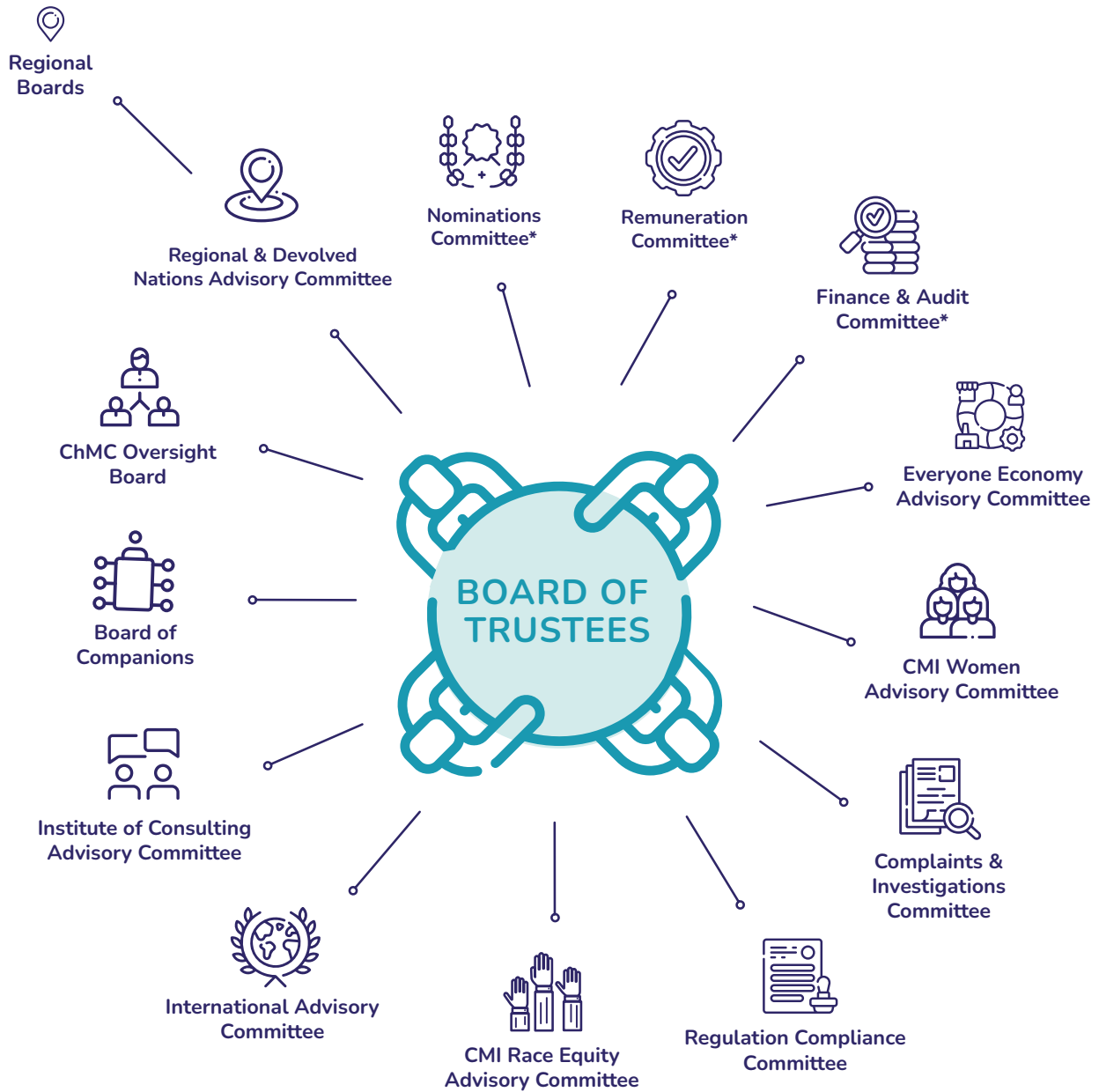
Denis Lindsey
CMgr FCMI

SUPPORTING OUR MEMBERSHIP COMMUNITY



Volunteer Activities

BOARD OF TRUSTEES AND INSTITUTE GOVERNANCE



* formal committees with responsibilities delegated by the Board of Trustees. All other committees are advisory.

Governance & Structure

BOARD OF TRUSTEES AND INSTITUTE GOVERNANCE

The Chartered Management Institute is incorporated under Royal Charter and is a registered charity in England, Wales and Scotland. Our charitable purpose, as prescribed by our Charter and Byelaws, is to promote the art and science of management for the public benefit.

As a charity, we use the Large Charity Governance Code, which enables and supports compliance with the law and regulations, along with encouraging continuous improvement.

The Board of Trustees is the governing body of the charity, with members being charity trustees with the associated legal responsibilities. The Board met under the chairship of the President six times during the year. It is the Board's role to determine the overall direction and development of the organisation through good governance and effective strategic planning. The Board is also responsible for safeguarding and protecting the assets of the Institute, identifying its principal business risks and ensuring that appropriate systems are in place for their management and mitigation. In addition, Board members have important representational and communication roles, engaging with members at major CMI events.

The Board of Trustees is responsible for the update and application of the Institute's risk management policy. The Institute maintains risk registers at corporate, operational and project levels, which are subject to review on a regular basis. The Finance and Audit Committee performs a quarterly review of the key risks, and reports thereon to the Board. The risks identified include: income risks, future funding of the pension deficit and reputational risks.

The Institute ensured compliance with all aspects of charity legislation. When planning the Institute's activities for the year, the Board considered the Charity Commission guidance on public benefit. In compiling this report, the Board has paid due regard to relevant guidance in deciding which activities the charity should undertake and report on.

In 2023 an Everyone Economy Advisory Committee was established to support the thought leadership project on equality, diversity and inclusion in the workplace. The main report was published in 2022 and covers socio-economic background, ethnicity, disability, age, gender and LGBTQ+ characteristics. The CMI Race Equity Committee was incorporated within this new Committee and a working group, reporting to the Chair, was created specifically concerning ethnicity.

THE BOARD AND COMMITTEE STRUCTURE

Finance and Audit Committee

The Finance and Audit Committee provides an independent review of internal controls and financial reporting as well as reporting to the Board, on a quarterly basis, on risk management issues.

The Chair is appointed by and from the Board and its members (up to a maximum of nine) are appointed by the Board on the recommendation of the Nominations Committee. The Committee reviews the internal audits carried out by RSM; this year audits were completed on purchasing and supplier controls, data protection and governance.

Nominations Committee

The Nominations Committee nominates, for ratification by the Board, the President Elect, co-opted Board members and members of the Finance and Audit Committee. It also manages the process of election of members to the Board and co-ordinates the process for appointment to the post of Chief Executive. Its members include the President and the Immediate Past President and/or the President Elect. The remaining four members are appointed by the Board from the Board, the Board of Companions or by exception general members of the Institute.

Remuneration Committee

The Remuneration Committee determines the terms and conditions, including annual remuneration, of the Chief Executive and Executive Directors of the Institute. It also reviews and advises upon the overall remuneration strategy, headcount and payroll costs, and sets the annual pay award for Institute staff. In undertaking this work, the Committee takes into consideration the Institute's charitable mission, individual and collective performance, together with independent data on remuneration levels at comparable organisations. The Chair is appointed by and from the Board and its members (up to a maximum of five) include the President, the Immediate Past President and/or the President Elect, together with a further member co-opted by the Board.

Advisory Committees

The Advisory Committee structure aligns with business priorities. CMI's Advisory Committees are the Regulation Compliance Committee, Regional/Devolved Nation Advisory Committee, IC Advisory Committee, International Advisory Committee, CMI Women Advisory Committee and CMI Everyone Economy Advisory Committee. The structure ensures member engagement in discussions on strategic developments agreed by the Board. Written reports on Committee discussions are provided to each Board meeting, with Committee Chairs and staff directors speaking to those reports and ensuring a two-way flow of information and feedback.

Board and Committee support

All new members of the Board and its Committees are provided with a comprehensive induction, including face-to-face meetings and written guidance in the form of The Guide resource pack. An intranet resource provides comprehensive and up-to-date information to support Board and Committee members in their work.

Governance & Structure

Board vacancies

Vacancies for the elected member places on the Board have been promoted via CMI's website, member e-newsletters and CMI's social media channels.

The role and person specification for a Board member are published, alongside the well-established set of competencies for Trustees. Candidates are subject to initial assessment by the Nominations Committee. In a contested election, full CMI and IC members are eligible to vote. Four members contested the two elected places available in 2021's election. An uncontested election for two vacancies was held in 2022.

Four co-opted places are available on the Board, with candidates considered on the basis of perceived gaps in the range of available skills and competencies required to meet the Board's needs at that time. The remaining members of the Board are ex-officio - namely the President, President Elect, Immediate Past President, Chair of the Consultancy Community, Chair of the Board of Companions and Chief Executive.

Committee positions

Committee positions are advertised widely across the Institute, with candidates assessed in terms of their experience and professional background. Interviews are held, with nominations then ratified by the Chair of the relevant Committee and the Executive Director.

HIGHLIGHTS ACROSS THE COMMITTEES

Board of Companions

Has continued to inspire Companion engagement and contribution, which have included digital events, round tables, articles and interviews. During the year the board has reviewed and approved inspirational new companions to join the CMI network to share their wealth of experience with the wider community. They have also played a key role in the judging process for the Gold Medal and Lifetime Achievement Award winners.

CMI Everyone Economy Advisory Committee

A new Committee established in 2023 to support the Everyone Economy thought leadership project, focusing on equality, diversity and inclusion (EDI) in the workplace.

CMI Women Advisory Committee

Supported the Institute's successful campaign on gender pay gap reporting enforcement; leads CMI's International Women's Day campaigns and brings together leaders and managers to share best practice and build a strong network. The second CMI Women conference was held in May 2023.

Chartered Management Consultant (ChMC) Oversight Board

Oversees the governance of the Chartered award for Management Consultants in partnership with the Management Consultancies Association (MCA) and continues to support plans to scale up the award following its successful launch. During the year the Oversight Board has helped us to launch pilots and then move to our mainstream offer both a new Associate ChMC award and a new assessment method for the full Chartered award. The Board also played an integral role in the development of the joint CMI and MCA business plan for 2023/2024.

Complaints and Investigations Committee

Reviews and determines all complaints received by the Institute.

International Advisory Committee

The Committee continues to advise the Board of Trustees on CMI's international growth strategy.

Institute of Consulting (IC) Advisory Committee

Represents the views of IC members and is supporting on the delivery of new membership engagement opportunities and also providing views and support on some aspects of the development of the Chartered Management Consultant award.

Regional/Devolved Nation Advisory Committee

Ensures the sharing of good practice across the nine UK regions/devolved nations plus our four overseas Boards and informs and inputs into and helps socialise CMI policy and research, facilitate member engagement through digital events and encouraging more people to become Chartered Managers.

Regional Boards

Deliver a programme of digital and face to face events for members in their regions; disseminates CMI policy; amplifies CMI thought leadership and pathways to Chartered status to regional members and non members.

Regulation Compliance Committee

Approves and recommends to the Board the Statement of Compliance from the Awarding Body to the regulatory bodies Ofqual, SQA, CCEA and Qualifications Wales.

President

Lord Mark Price CVO CMgr CCMi

Board of Trustees (as at 31 March 2023)

(The number of Board meetings attended during the period April 2022 to March 2023 is indicated alongside the name of each member.)

Lord Mark Price CVO CMgr CCMi	6/6
Fiona Dawson CMgr CCMi	4/4
Samantha Allen CMgr CCMi	3/4
Tamara Box CMgr CCMi	6/6
Pavita Cooper CMgr CCMi (Until 21 March 2023)	2/6
Bob Cryan CBE DL CMgr CCMi	6/6
Patrick Dunne OBE CMgr CCMi (Until 21 March 2023)	4/6
Ann Francke OBE CMgr CCMi FIC	6/6
Kate Grussing CBE CMgr CCMi	5/6
Heather Melville OBE CMgr CCMi (Until 21 February 2023)	4/5
Teddy Nyahasha CMgr CCMi	4/6
Sir Gareth Rhys Williams CMgr CCMi	3/4
Tim Stewart CMgr CCMi	5/6
John Zealley CMgr CCMi	1/1
Paul Bennett FCMI (until 5 October 2022)	2/2
Liz Hoskin CMgr CCMi (until 5 October 2022)	2/2

The following candidates were successful in being elected, appointed or co-opted to the Board of Trustees as from the AGM held on 5 October 2022 (or as otherwise indicated):

Elected members

Samantha Allen CMgr CCMi
Sir Gareth Rhys Williams CMgr CCMi

Co-opted member

Fiona Dawson CMgr CCMi (co-opted as President Elect) (from 5 October 2022)

Ex-officio member

John Zealley CMgr CCMi (co-opted as Chair, ChMC Oversight Board) (from 21 March 2023)

Member of the Board of CMI Enterprises Limited (as at 31 March 2023)

Ann Francke OBE CMgr CCMi FIC

Members of Committees of the Board (as at 31 March 2023)

Finance and Audit Committee

Tim Stewart CMgr CCMi – Chair
Lorna Hinds-Sotomey CMgr CCMi
Bridget Ogunjuyigbe FCMI
Phil Spence OBE CMgr CCMi
Tim Steel FCMI

Nominations Committee

Lord Mark Price CVO CMgr CCMi - Chair
Fiona Dawson CMgr CCMi
Kate Grussing CBE CMgr CCMi
Teddy Nyahasha CMgr CCMi
Paul Bennett FCMI (until 5 October 2022)

Remuneration Committee

Kate Grussing CBE CMgr CCMi - Chair
Lord Mark Price CVO CMgr CCMi
Fiona Dawson CMgr CCMi
Teddy Nyahasha CMgr CCMi
Paul Bennett FCMI (until 5th October 2022)

Board of Companions

Bob Cryan CBE DL CMgr CCMi - Chair
Lord Mark Price CVO CMgr CCMi
Fola Komolafe MBE DL CMgr CCMi
Matthew Elliott CMgr CCMi
John Jeffcock CMgr CCMi
Karamjit Singh CBE CMgr CCMi
Sally Penni MBE CMgr CCMi
Byron Dixon OBE CMgr CCMi
Rupert McNeil CMgr CCMi
Stephen Pierce CMgr CCMi
Dilshad Sheikh CMBE CMgr CCMi
Paul Wilden CMgr CCMi

CMI Women Advisory Committee

Tamara Box CMgr CCMi - Chair (from 17 March 2023)
Dr Jummy Okoya FCMI
Gideon Franklin CMgr CCMi
Patrick Macdonald CMgr CCMi
Anna Price CMgr CCMi
Carol Ann Whitehead CMgr CCMi
Heather Melville OBE CMgr CCMi - Chair (until 17 March 2023)
Jo Moffatt CMgr CCMi (until 17 March 2023)
Angela Owen CMgr CCMi (until 17 March 2023)

Complaints and Investigations Committee

Nick Elton CMgr FCMI - Chair
Jane Noakes CMgr MCMi
Alan Blaney CMgr FCMI
Graham Briscoe CMC FIC
Anthony McClure FCMI
Mike Rumble CMgr FCMI
Peter Saban CMgr FMCI

Institute of Consulting Advisory Committee

Scott Rodham-Boyd CMgr MCMi CMC ChMC MIC - Chair
Zarina Naqvi ChMC FIC
Nicholas Warn CMC FIC
Peter Johnson CMgr FCMI CMC ChMC FIC
Tom Spence MCMi ChMC
John Tibble CMgr FCMI ChMC FIC
Simon Haslam FIC CMC
Tudor Baron MIC
Daniel Christian FCMI FIC
Mairead Fernandez-McCann CMgr FCMI CMC ChMC FIC
Sue Bowman FIC

Governance & Structure

Regional and Devolved Nations Advisory Committee

Kathryn Austin CMgr CCMI - Chair
Delroy Beverley CMgr CCMI
Terry Corby CMgr CCMI
Gemma Jordan MCMi
Nick Smith CMgr CCMI
Alistair Roman CMgr FCMI
Steve Axe CMgr CCMI
Renee Raper CMgr FCMI
Amy Kendrick CMgr FCMI
Paulina Chan CMgr CCMI
Taranjeet Singh CMgr FCMI
Tay Woon Teck CMgr CCMI
Indhra Kaushal Rajapaksa CMgr CCMI (until 21 June 2022)
Prof. Ajantha Dharmasiri CMgr FCMI (from 21 June 2022)

Regulation Compliance Committee

Sophie Azam ACMI - Chair
Fern Carter ACMI
Helen Valls ACMI
Ruth Matthews ACMI (until 19 January 2022)
Patrick Tucker CMgr MCMi (until 19 January 2022)
Sheena Crisford ACMI (until 20 October 2021)
Jenifer Moody ACMI
Elaine Clarke FCMI
Jackie Morris ACMI
Rodney Fernandes ACMI
Suzie Webb ACMI
Ian Jeal CMgr FCMI
Steve Heapey CMgr FCMI

CMI Race Equity Advisory Committee (until Jan 2023)

Pavita Cooper CMgr CCMI - Chair
Zaheer Ahmad MBE
Nic Beech CMgr CCMI
Delroy Beverley CMgr CCMI
Simon Blake OBE CMgr CCMI
Tamara Box CMgr CCMI
Aquila Cozzella (until 15 March 2021)
Matt Elliott CMgr CCMI
Jan Gooding CMgr CCMI
Rak Kalidas
Reetu Kansal CMgr FCMI
Daljit Kaur CMgr FCMI
Robin Landman OBE CMgr CCMI
Dalton Leong CMgr CCMI
Heather Melville OBE CMgr CCMI
Anisa Missaghi
Manisha Mistry CMgr MCMi
Cindy Rampersaud CMgr CCMI

Chartered Management Consultant Oversight Board

Patrick Dunne OBE CMgr CCMI - Chair (Until 8 March 2023)
John Zealley CMgr CCMI - Chair (From 8 March 2023)
Ann Francke OBE CMgr CCMI FIC
Lucy Greggains FCMI
Nick Griffin

Tamzen Isacson CMgr CCMI
Lucy Jeffreys
Andy Lethbridge ChMC
Matt Roberts CMgr FCMI
Scott Rodham-Boyd CMgr MCMi CMC ChMC MIC
Alwin Swales
Steve Watmough

International Advisory Committee

Lucy Greggains FCMI - Chair
Maggie Buggie CMgr CCMI
Dr Paulina Chan CMgr CCMI
Sarah Chidgey
Jim Islam CMgr CCMI
Cindy Rampersaud CMgr CCMI
Professor Rebecca Taylor CMgr CCMI
Taranjeet Singh CMgr FCMI
Tay Woon Teck CMgr CCMI
Indhra Kaushal Rajapaksa CMgr CCMI (until 21 June 2022)
Prof. Ajantha Dharmasiri CMgr FCMI (from 21 June 2022)

The Chartered Management Institute was incorporated by Royal Charter on 12 February 2002. The Institute is a charity, with registration number 1091035. The Institute is also a charity registered in Scotland (SCO38105).

The members of the Institute's Board of Trustees, other than the Chief Executive, serve as unpaid trustees. Its members are listed on page 26. The Institute insures the trustees in respect of their duties to the Institute.

CMI Enterprises Limited is a wholly owned trading subsidiary of the Institute, company number 4373145, offering commercial services in support of the Institute.

CMI Management and Leadership Sdn Bhd is a wholly owned trading subsidiary of the Institute, Malaysian company number 201901042853 (1352183-H), offering commercial services in Malaysia.

Auditors: BDO LLP, 55 Baker Street, London W1U 7EU

Bankers: Barclays Bank plc, Level 27, 1 Churchill Place, Canary Wharf, London E14 5HP

Investment fund agents: Barclays Wealth and Investment Management, Level 15, 1 Churchill Place, Canary Wharf, London E14 5HP

Registered office: 77 Kingsway, London WC2B 6SR

Head office: Management House, Cottingham Road, Corby, Northants NN17 1TT

The accounts of the Chartered Management Institute ("CMI"/"Charity") have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP"). CMI is a company incorporated by Royal Charter and it is a charity.

CMI Enterprises Limited is a wholly owned subsidiary offering commercial services in support of the Charity. During the year, CMI Enterprises Limited generated an operating profit of £142 (2022: Operating profit of £756) reflecting the nature of its non-charitable activities. CMI Management and Leadership Sdn Bhd is also a wholly owned subsidiary registered in Malaysia undertaking activities in the Asia Pacific region on behalf of the Charity. During the year, CMI Management and Leadership Sdn Bhd generated an operating loss of £368,000 (2022: Operating loss of £174,000) reflecting the early stages in the development of operations in Malaysia.

The Group generates income from sales of its services and does not receive gifts or donations. Group income for the year amounted to £27.94m (2022: £23.99m) reflecting strong demand for apprenticeships and dual accreditation services. Net income amounted to £0.98m (2022: £2.21m) with the year on year decrease due to investment in headcount to support scaling the organisation, digital brand building and Chartered Management Consultant award. The net cash outflows from all activities of £(0.51)m (2022: Net cash outflows of £(1.05)m) is stated after paying £1.03m (2022: £0.96m) of contributions to fund the deficit in the defined benefits pension scheme.

The value of the Group's unrestricted liquid funds, comprising cash and financial investments was £22.96m (2022: £23.87m) at the end of the year. The Group generated a net surplus on General Funds of £1.42m (2022: £4.39m) from operational activities in the year.

The length of services delivered by the Charity for apprenticeship and dual accreditation activities means that sales contracts can be multi-year and involve an element of their value being deferred to be recognised in future years. The income recognition policies of the Charity are detailed in the notes to the accounts. As these multi-year contracts are generally invoiced in full on commencement of the contract, the balance sheet reflects a significant amount of trade debtor receivables due in future years representing future dated cash payments due against the upfront invoices, and the associated deferred income expected to be earned under these contracts in future years, within creditors. At the balance sheet date, the value of the Group's trade debtors amounted to £34.21m (2022: £28.84m) and deferred income stood at £39.51m (2022: £35.70m).

The Board of Trustees defines the Charity's general reserves as free reserves plus deferred subscription income and, within the reserves policy, it sets a minimum level for general reserves of three months of the Charity's expenditure. This level of reserves is considered prudent to limit the impact of a significant unforeseen decline in income from one or more service lines or an exceptional rise in expenditure on charitable activities of the Charity. At the end of the year, the Charity's free reserves increased by £0.48m to £12.96m (2022: £12.48m). Charitable expenditure incurred by the Charity in the year of £25.75m (2022: £21.57m) equates to a reserves minimum of £6.44m (2022: £5.39m).

The Charity's free reserves of £12.96m (2022: £12.48m) plus deferred membership subscription income of £1.77m (2022: £1.72m) totalled £14.73m at 31 March 2023 (2022: £14.20m), equivalent to 6.9 months of charitable expenditure or 229% of the reserves minimum (2022: 7.9 months/263%). The Board expects to utilise reserves in 2023/24 to invest for future growth through:

- Digital brand campaigns to increase brand awareness by both individuals and their employers;
- Modernisation of CMI's data architecture and technology to improve the ways in which we work and to deliver an enhanced user experience for our members, learners and partners; and
- Thought leadership and research to ensure CMI continues to deliver insight to help managers and leaders address the issues facing organisations today.

The Board has considered a number of down side scenarios for 2023/24 under which there could be a reduction in reserves beyond the planned level of investments, however the Charity will remain well above its stated minimum level of reserves even under these scenarios.

At 31 March 2023 the FRS 102 valuation of the defined benefits pension scheme deficit stood at £9.27m (2022: £10.32m). The Charity's net assets after inclusion of the pension scheme deficit amounted to £5.90m (2022: Net assets of £4.48m). The pension scheme is closed to accrual and a new recovery plan was agreed in April 2022, under which the deficit contributions increased to £1,033k in 2022/23, increasing annually by inflation in order to eliminate the deficit over a period of approximately ten years. All of the Charity's assets and funds are available to meet its ongoing obligations, and they are also applied towards achieving the objectives of the Charity. Net assets excluding the pension scheme deficit amounted to £15.17m at 31 March 2023 (2022: £14.80m) and, as such, are available and adequate to fulfil any outstanding obligations as they fall due.

The Board of Trustees is responsible for monitoring risk management procedures and internal control systems. The Board delegates day to day responsibility for risk management to the executive leadership team. The executive leadership team is responsible for identifying risks, together with ensuring appropriate processes and controls exist to reduce the likelihood of risks. The executive leadership team also identifies mitigation activities in the event a risk should materialise. These are captured in a corporate risk register. The risks are also assessed in the context of the Group and Charity's risk management policy and definition of risk appetite.

The principal risks faced by the Group and Charity are:

- Adverse changes in education funding, including apprenticeships, which is managed by using research and thought leadership to influence government in policy making, and learner outcomes, including employability, to demonstrate the value of CMI's qualifications to our partners and learners; and
- Non-compliance with external regulators which we manage by having robust quality assurance procedures and controls in place.

The Finance and Audit Committee reviews the register twice a year, and the risk register is presented to the Board for review and approval twice a year. The Board also has oversight of risk management through regular updates from the CEO and the executive leadership team. The Board considers the controls to

Financial Review

be appropriate to the size and nature of the Group and Charity's operations and will continue to keep them under review.

The Charter of the Charity permits investments, either in its own name or in the name of nominees, of monies which are not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit. The investments of the Charity are held in accordance with the Trustees' powers. The investment strategy of the Charity's investment portfolio looks for long term capital growth over a ten year time horizon. Investment values are reported in accordance with the SORP and performance is reviewed against an agreed benchmark. The benchmark index is a composite of MSCI indices. The investment portfolio generated an annualised return since inception of 4.38% compared to the benchmark return of 5.60%. Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake direct fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." We have received no such income during the year.

GOING CONCERN

The Board of Trustees approved the Group and Charity's Budget for 2023/24 in March 2023, as part of the normal annual review. The Budget covered the year to 31 March 2024, and the planning period was extended to 31 March 2025 for the purpose of scenario planning. The Board considered the impact of a number of scenarios over the period, including the cumulative impact of downside scenarios. At that time, they were satisfied that the Group and Charity have sufficient resources to continue operating for the foreseeable future and the accounts have been prepared in the knowledge that the Group and Charity are financially viable. With regard to the year ending 31 March 2024, the most significant areas that are likely to affect the Group and Charity's net assets are the financial sustainability of our partners which could impact the forecast recognition of income under existing multi-year contracts, and this could impact in-year sales, an early election in the UK resulting in a new Government with revised policies on education funding which could impact the Charity's apprenticeship end point assessment or dual accreditation income streams, and the valuation of the Charity's defined benefits pension scheme assets and liabilities. The Board is comfortable that the Charity and trustees of the pension scheme continue to have a good working relationship, and both continue to believe that it is in the best interests of the scheme members to continue to run the scheme with the Charity making annual contributions to reduce the deficit. The Board will continue to review plans with the executive leadership team but even in the event that the downside scenarios materialise, the Charity does not expect to breach its reserves policy and expects to have a positive cash and unrestricted liquid investments position over the next twelve month period. The Board is of the opinion that the Group and Charity will have sufficient resources to meet its liabilities as they fall due.

As such, the Board remains satisfied that there are no material uncertainties and that the Group and Charity can continue operating for the foreseeable future and that the accounts have been prepared in the knowledge that the Group and Charity are financially viable. The accounts

for the year, which are presented on pages 32 to 47 of this report, were approved by the Board on 6 July 2023.

TRUSTEES' RESPONSIBILITIES

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

APPOINTMENT OF AUDITORS

A resolution proposing the re-appointment of auditors and authorising the Board of Trustees to fix their remuneration will be put to the Annual General Meeting.

Approved on behalf of the Board



Lord Mark Price CVO, CMgr CCMi
President, CMI
6 July 2023

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011 and Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 & 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of the Chartered Management Institute ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements 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.

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' 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 Group and the Parent Charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the President's Report, CEO's Report, Award Winners, CMI Highlights, CMI Year in Pictures, CMI 5 Year Trends, Chartered Management Consultant (ChMC), Diversity & Inclusion, Investing In Our Organisation, Delivering Social Value, Volunteer Activities, Governance & Structure, and Financial Review and Trustees' Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- The information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- Adequate and proper accounting records have not been kept by the Parent Charity; or
- The Parent Charity financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities statement, the Trustees 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 Trustees 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 Trustees are responsible for assessing the Group's and the Parent Charity'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 Trustees either intend to liquidate the Group or the Parent Charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of designing our audit, based on our understanding of the industry in which the Group operates, we assessed the risks of material misstatement in the financial statements, including how fraud may occur. We considered the Parent Charity's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud.

We also considered financial performance, key drivers for performance targets and the risks of non-compliance with other requirements imposed by the Charity Commission. We considered the extent to which non-compliance might have a material effect on the Group's financial statements. As part of our discussions, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Where possible, we obtained and reviewed corroborating documentation.

Appropriate audit procedures included the review of the Parent Charity's documentation of risks and associated mitigating actions, review of Trustee Board and Finance & Audit Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission. Note that auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management, and inspection of regulatory and legal correspondence if any.

We also completed the following procedures:

- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and

other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or the calculation of the cost recharge to its subsidiary company;

- Reviewed performance related payments made to staff, with particular challenge as to whether individuals receiving such payments were able to influence the metrics used to determine amounts to be paid; and
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be certain aspects of revenue recognition, impairment of trade debtors, valuation of the defined benefits pension scheme liability and the cost allocation methodology.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's trustees 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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**BDO LLP, statutory auditor
London, UK**

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2023

	Note No	Total Funds 2023 £000	Total Funds 2022 £000
INCOME			
Charitable activities	15/17		
Membership		4,790	4,831
Qualifications		22,636	18,808
Trading activities			
Commercial	16	252	241
Investment income			
Investment income		257	114
		27,935	23,994
EXPENDITURE			
Charitable activities	15/17		
Membership		5,268	4,840
Qualifications		17,155	13,783
Thought leadership and research		3,261	2,776
Other		438	342
Trading activities			
Commercial	16	226	215
		26,348	21,956
Net income before (losses)/gains on financial investments		1,587	2,038
(Losses)/gains on financial investments		(608)	168
NET INCOME		979	2,206
Defined benefits pension scheme			
Actuarial gains	27	440	2,185
NET MOVEMENT IN FUNDS		1,419	4,391
FUND BALANCES AT 1 APRIL 2022		4,478	87
FUND BALANCES AT 31 MARCH 2023		5,897	4,478

All activities relate to unrestricted continuing operations.

CONSOLIDATED AND CHARITY BALANCE SHEETS

as at 31 March 2023

	Note No	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
FIXED ASSETS					
Tangible fixed assets	21	1,961	1,961	2,076	2,076
Financial investments	22	9,641	9,641	10,039	10,039
		11,602	11,602	12,115	12,115
CURRENT ASSETS					
Debtors – amounts falling due within one year	23	17,458	17,399	14,896	14,823
Cash and cash equivalents		13,321	13,267	13,831	13,745
		30,779	30,666	28,727	28,568
Debtors – amounts falling due after more than one year	23	17,485	17,485	14,625	14,598
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	24	(19,330)	(19,221)	(19,347)	(19,225)
Deferred subscription income		(1,765)	(1,765)	(1,719)	(1,719)
		(21,095)	(20,986)	(21,066)	(20,944)
NET CURRENT ASSETS					
		9,684	9,680	7,661	7,624
TOTAL ASSETS LESS CURRENT LIABILITIES					
		38,771	38,767	34,401	34,337
Creditors – amounts falling due after more than one year	25	(23,604)	(23,600)	(19,599)	(19,535)
NET ASSETS EXCLUDING PENSION LIABILITY					
		15,167	15,167	14,802	14,802
Pension scheme funding liability	27	(9,270)	(9,270)	(10,324)	(10,324)
NET ASSETS					
		5,897	5,897	4,478	4,478
THE FUNDS OF THE GROUP AND CHARITY:					
General Funds					
Tangible fixed assets	21	1,961	1,961	2,076	2,076
Free reserves		12,956	12,956	12,476	12,476
		14,917	14,917	14,552	14,552
Designated Funds	28	250	250	250	250
TOTAL UNRESTRICTED FUNDS					
		15,167	15,167	14,802	14,802
PENSION RESERVE					
		(9,270)	(9,270)	(10,324)	(10,324)
TOTAL GROUP AND CHARITY FUNDS					
		5,897	5,897	4,478	4,478

Approved by the Board of Trustees on 6 July 2023 and signed on their behalf by:

Lord Mark Price CVO, CMgr CCMi
President

Ann Francke OBE, CMgr CCMi FIC
Chief Executive and Member of Board of Trustees

CONSOLIDATED STATEMENT OF CASHFLOWS

for the year ended 31 March 2023

	Group 2023 £000	Group 2022 £000			
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(573)	3,371			
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES					
Investment income	257	114			
Purchase of financial investments	(2,102)	(6,740)			
Disposal of financial investments	2,033	2,513			
Purchase of tangible fixed assets	(125)	(311)			
	63	(4,424)			
DECREASE IN CASH AND CASH EQUIVALENTS	(510)	(1,053)			
NOTES TO THE CONSOLIDATED STATEMENT OF CASHFLOWS					
RECONCILIATION OF NET INCOME TO					
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES					
Net income	979	2,206			
Depreciation charges	240	199			
Investment income	(257)	(114)			
Adjustment for pension scheme funding	(614)	(573)			
Unrealised losses/(gains) on financial investments	467	(4)			
Increase in debtors	(5,422)	(4,347)			
Increase in creditors	3,988	6,008			
Increase/(decrease) in value of subscriptions received relating to a future period	46	(4)			
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(573)	3,371			
MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE YEAR					
Decrease in cash and cash equivalents	(510)	(1,053)			
Cash and cash equivalents at 31 March 2022	13,831	14,884			
Cash and cash equivalents at 31 March 2023	13,321	13,831			
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Cash at bank and in hand	13,321	13,831			
Cash and cash equivalents at 31 March 2023	13,321	13,831			
ANALYSIS OF CHANGES IN NET DEBT					
	Group 2022 £000	Cash flows £000	Other non-cash changes £000	Group 2023 £000	Group 2022 £000
Cash and cash equivalents	13,831	(510)	0	13,321	13,831
Borrowings	0	0	0	0	0
Total	13,831	(510)	0	13,321	13,831

Financials

Accounting Policies

1 BASIS OF ACCOUNTING

The accounts have been prepared in accordance with the revised Charities Statement of Recommended Practice (October 2019) ("SORP"), the Charities Act 2011, the Financial Reporting Standard applicable to the UK and Ireland ("FRS 102"), and applicable accounting standards under the historical cost convention.

The Chartered Management Institute (the "Charity") constitutes a public benefit entity as defined by FRS 102. The Statement of Financial Activities, Balance Sheet and Statement of Cashflows consolidate the accounts of the Charity and its subsidiary undertakings (collectively the "Group").

The accounts have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view.

Certain amendments have been made to the presentation of items in the Statement of Financial Activities to better reflect the activities and organisational structure of the Charity. Amendments include the reclassification of all membership wide activities into a broader Membership category, such as activities and events at a regional level and those of the Institute of Consulting; and the combination of public relations and research activities into a category titled Thought Leadership and Research.

In preparing the separate financial statements of the Charity, advantage has been taken of the following disclosure exemptions available under FRS 102:

- No Statement of Cashflows has been presented; and
- No disclosure has been given for the aggregate remuneration of key management personnel of the Charity as their remuneration is included in the totals for the Group as a whole.

2 FUNCTIONAL AND PRESENTATION CURRENCY

The Group and Charity's accounts are presented for the year ended 31 March 2023 and figures have been rounded to the nearest thousand pounds. The accounts are presented in GBP which is the Group and Charity's functional currency.

3 USE OF JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

In preparing these accounts, management has made judgements, assumptions and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Significant judgements, assumptions and estimates are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. This note provides an overview of the areas that involved a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in other notes to the accounts.

- **Going concern basis of accounting - refer to note 4**
Management is responsible for assessing the ability of the Charity and its subsidiary undertakings to continue as going concerns, disclosing as applicable matters related to going concern, and using the going concern basis of accounting unless management intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.
- **Revenue recognition of contracts - refer to note 6**
A significant amount of revenue is earned over a period of time under multi-year contracts with partners. Revenue is allocated to each accounting period over the course of a contract in accordance with the policy in note 6. The assumptions applied in the approach to recognising revenue is an area where management exercises significant judgement. Assumptions include the phasing of services to be delivered during the contract, number of learners registered on courses, drop-out rates of learners, expected duration of time to complete courses (amongst others). The recognised amounts of revenue on contracts and related trade debtors reflect management's best estimate of each contract's outcome.
- **Determination of cost allocations - refer to note 7**
Non-direct costs are allocated or apportioned to the relevant expenditure categories in the Statement of Financial Activities on a basis consistent with identified cost drivers such as staff headcount, usage and floor space occupied. Judgement is used in the allocation methods applied to each non-direct cost area.
- **Impairment of trade debtors - refer to note 10**
Management needs to exercise judgement on the financial condition of its partners and the recoverability of trade debtors presented in note 23. Assumptions on recoverability are based on the review of each partner's cash flow forecasts, management accounts, audited financial statements, trading history and credit ratings. If judgements and assumptions are incorrect then this would impact the value of trade debtors and impairment losses recognised.

Accounting Policies

3 USE OF JUDGEMENTS, ASSUMPTIONS AND ESTIMATES (CONTINUED)

- Estimation of defined benefits pension obligations - refer to notes 13 and 27**
 Management's estimate of the defined benefits pension obligation is based on a number of critical actuarial assumptions. Management has taken advice from independent qualified actuaries in setting the actuarial assumptions. These assumptions require significant judgement to be exercised with regards to areas such as rates of inflation and mortality, discount rates and anticipated future salary increases. Variations in these assumptions may significantly impact the value of the defined benefits pension obligations, and management reviews sensitivity analysis to provide assurance on the valuation.

4 GOING CONCERN BASIS OF ACCOUNTING

Going concern is a fundamental accounting concept that underlies the preparation of these accounts. Under the going concern concept it is assumed that the Group and Charity will continue in operation for the foreseeable future, and that there is neither the intention nor the need to either liquidate or cease operations.

ASSESSMENT OF GOING CONCERN

- Review of financial performance**
 Management reviews the financial performance of the organisation on a monthly basis, including a review of monthly management accounts and evaluation of actual results compared to budgets and forecasts. The management accounts are shared with the Board of Trustees and the Finance & Audit Committee for their review. Management also reviews both financial and non-financial key performance indicators on a monthly basis, and in light of the COVID-19 pandemic, introduced the review of a number of weekly indicators, including non-financial indicators to ensure early identification of issues.
- Budgeting and forecasting**
 Management undertakes a formal schedule of financial budgeting and forecasting of revenues, expenses, cash flows and liquidity on a semi-annual basis in March and September of each financial year which is taken to the Board of Trustees for their approval. Budgets and forecasts, along with any revisions to them, are reviewed by the Board and the Finance & Audit Committee and are then approved by the Board. Given the uncertainties and challenges presented by the COVID-19 pandemic, management extended the planning period to twenty four months and included stress testing of the Group and Charity's cash position in the event of downside risks.
- Timing of cash flows**
 Management evaluates cash resources and availability of facilities in the funding of operating activities, and develops adequate plans to enable the organisation to take effective action to alter the amounts and timings of its cash flows so that it can respond to unexpected needs or opportunities. Management also includes an assessment of whether the Charity can meet the agreed schedule of contributions into the CMI Retirement Benefit Scheme, and whether there is any risk that, within the period under review for going concern, a section 75 debt requiring immediate payment would be triggered.
- Products, services and markets**
 Management considers emerging economic, socio-economic and political trends within the markets in which it operates, including the higher and further education markets and considers how the organisation might adapt its product offerings accordingly, and it assesses whether there are any other factors which may impact the organisation's ability to deliver its charitable mission.

In making their assessment of going concern, management stress tested the Budget, incorporating a number of different scenarios including reducing the number of paying members, reducing the number of learners registering on CMI accredited courses, and reducing the number of end point assessments taking place within the planning period. In addition management is confident that both the Charity and the trustees of the CMI Retirement Benefit Scheme continue to believe that it is in the best interests of members to continue to run the scheme, with the Charity making the agreed annual contributions. This has given the Board comfort that the Group and Charity will continue to be able to meet its liabilities as they fall due for at least the next twelve months from the date of approval of the financial statements.

Management has determined that there are no material uncertainties that may cast significant doubt about the Group and Charity's ability to continue as going concerns and hence these financial statements have been drawn up on a going concern basis.

Accounting Policies

5 BASIS OF CONSOLIDATION

Subsidiary undertakings are entities controlled by the Charity. The Charity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Financial information of subsidiaries are included in these accounts from the date on which control commences until the date on which control ceases.

The financial results of subsidiaries are consolidated on a line-by-line basis. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. Further information is presented in note 20.

6 REVENUE RECOGNITION

Income represents the invoice value of sales excluding value added tax. It is the practice of the Group and Charity to carry forward to the following year the unexpired portion of all subscriptions where the contribution year does not coincide with the financial year.

Registration fees for awarding body qualifications are recognised over the estimated period to completion. A proportion of the fees attributable to learners who do not complete the qualification is recognised immediately where this can be estimated from available data. A portion of registration fees for dual accreditation income is recognised immediately to reflect the upfront work undertaken by the Group and Charity, with the remaining balance recognised over the estimated period to completion.

Fees in respect of apprenticeships are recognised over the period of delivery. A portion of the overall fee is recognised immediately to reflect the upfront work undertaken by the Group and Charity, with the estimated income attributable to the end point assessment being deferred and recognised when the learners undertake this work.

Income not yet earned on multi-year contracts is included in the balance sheet within accrued income, and assessed for recoverability over the estimated period to completion.

All other income is recognised when the Group and Charity earn the right to consideration by its performance.

7 RESOURCES EXPENDED

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any value added tax which cannot be fully recovered, and which is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with management development and publications. Charitable expenditure comprises those costs incurred in the delivery of activities and services for beneficiaries.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, and other costs are apportioned on an appropriate basis as set out in note 18.

8 TANGIBLE FIXED ASSETS

Freehold land and buildings are carried at the deemed cost adopted at the transition date, 1 April 2014, in accordance with the SORP. The deemed cost is based upon a valuation carried out by Budworth Hardcastle, property valuers, as at 31 March 2015. All other fixed assets are carried at cost.

Depreciation is provided to write off the cost or valuation of tangible fixed assets less any residual value except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

- Freehold property - straight line over 50 years
- ICT and other equipment - straight line over 3, 5 and 10 years as appropriate

Tangible fixed assets are reviewed for indications of impairment on an annual basis. Expenditure under £500 is written off in the year of purchase (2022: £500).

Accounting Policies**9 FINANCIAL INVESTMENTS**

Financial investments include investments in cash, equities, bonds and investment funds that are measured at fair value, using quoted market prices in active markets for identical instruments. Realised and unrealised gains and losses in the year are recognised in the Statement of Financial Activities.

Investments in subsidiary undertakings are stated at fair value with changes in fair value recognised in the Statement of Financial Activities.

10 TRADE DEBTORS

Trade debtors are recorded in the balance sheet at their recoverable value. Management establishes an allowance for doubtful debts of between 50% and 100% of any receivable that is over ninety days past due.

11 LEASED ASSETS

Rentals payable under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. The benefits of lease incentives are charged to the Statement of Financial Activities over the minimum lease period. No assets are held under finance leases.

12 FUNDS

The general and designated funds of the Group and Charity are unrestricted income funds. The purpose of the designated funds is outlined in note 28.

13 PENSION COSTS

The Charity's defined benefits pension scheme was closed to accrual from March 2013 and it is accounted for in accordance with FRS 102.

A net interest expense is computed on the net pension liability and included in the Statement of Financial Activities.

It is the policy of the Charity to allocate the cost of the defined benefits pension scheme to the Charity.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet.

The Charity also operates a stakeholder defined contribution pension scheme. Contributions to the Charity's stakeholder pension scheme are charged to the general fund in the year in which they become payable. Further information is provided in note 27.

14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group and Charity become a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group and Charity only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts. Creditors and provisions are recognised when the Group and Charity have a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts.

Cash and cash equivalents - Cash is represented by cash in hand and deposits with a financial institution repayable without penalty on notice of not more than twenty four hours. Where applicable, cash is revalued based on the relevant foreign exchange rates at the reporting date.

Statement of Financial Activities

	2023 £000	2022 £000
15 CHARTERED MANAGEMENT INSTITUTE		
Included in the Consolidated Statement of Financial Activities are the following amounts in respect of the Charity.		
Income	27,709	23,778
Expenditure	(25,754)	(21,566)
Net incoming resources	1,955	2,212
Losses on financial investments	(976)	(6)
Actuarial gains on defined benefits pension scheme	440	2,185
Net movement in funds	1,419	4,391
Assets	59,753	55,281
Liabilities	(53,856)	(50,803)
Net assets	5,897	4,478

	2023 £000	2022 £000
16 CMI ENTERPRISES LIMITED		
Income	252	241
Expenditure	(252)	(240)
Profit	0	1
Assets	212	238
Liabilities	(212)	(238)
Net assets	0	0

SHARE CAPITAL

1 Ordinary share of £1, authorised, allotted, called up and fully paid.

CMI Enterprises Limited, registered in England, company number 4373145, is a wholly owned trading subsidiary of the Charity offering commercial services. The ability of the subsidiary to continue as a going concern is reliant upon the continued financial support by the Charity as the parent undertaking. The Charity will continue to support the subsidiary financially for the foreseeable future.

Expenditure related to commercial activities of £252,000 (2022: £240,000) includes transactions with the Charity amounting to £26,000 (2022: £25,000). £141 has been donated to the Charity under gift aid for the financial year. Refer to note 20 for further information on related party transactions.

NOTES TO THE ACCOUNTS (CONTINUED)

Statement of Financial Activities

17 CMI MANAGEMENT AND LEADERSHIP SDN BHD

	2023 £000	2022 £000
Income	0	0
Expenditure	(368)	(174)
Net outgoing resources	(368)	(174)
Assets	2	2
Liabilities	(788)	(420)
Net liabilities	(786)	(418)

SHARE CAPITAL

1 Ordinary share of Malaysian Ringgit 1 authorised, allotted, called up.

CMI Management and Leadership Sdn Bhd was incorporated on 27 November 2019 under the Companies Act 2016 of Malaysia as a private company limited by shares, with the company number 201901042853 (1352183-H). It is a wholly owned subsidiary of the Charity undertaking activities in Malaysia. The Charity provides operational support to the Malaysian subsidiary, enabling it to conduct activities whilst developing its presence in the Asia Pacific region. Operational support includes sales contract management, centre approval services, marketing, finance and HR support. Sales from partners in Malaysia are contracted with the Charity in the UK. In 2022/23 income generated by the Malaysian activities was greater than the costs of providing operational support and funding to the Malaysian subsidiary.

The ability of the subsidiary to continue as a going concern is reliant upon the continued financial support by the Charity as the parent undertaking. The Charity will continue to support the subsidiary financially for the foreseeable future. Expenditure of £368,000 (2022: £174,000) related to qualifications activities settled by the Charity for and on behalf of the subsidiary.

Refer to note 20 for further information on related party transactions.

	Direct Costs £000	Management & Administration £000	Total 2023 £000
18 EXPENDITURE			
Costs of generating funds			
Commercial	226	0	226
Charitable expenditure			
Membership	4,535	733	5,268
Qualifications	14,821	2,334	17,155
Thought leadership and research	2,807	454	3,261
Other	377	61	438
	22,766	3,582	26,348
Costs of generating funds			
Commercial	215	0	215
Charitable expenditure			
Membership	4,093	747	4,840
Qualifications	11,681	2,102	13,783
Thought leadership and research	2,347	429	2,776
Other	289	53	342
	18,625	3,331	21,956

Governance costs amounted to £352,000 (2022: £282,000).

Management and administration costs have been re-allocated using an appropriate basis, including staff headcount, usage and floor space occupied.

	2023 £000	2022 £000
Remuneration of the auditors		
Audit work	68	47
Tax advice	9	9
	77	56

The Group remuneration of the auditors for audit work was £68,000 (2022: £47,000).

Financials

NOTES TO THE ACCOUNTS (CONTINUED)

Statement of Financial Activities

	2023 £000	2022 £000
19 STAFF COSTS AND TRUSTEE EXPENSES		
Wages and salaries	12,446	9,660
Social security costs	1,354	1,043
Pensions and other post retirement benefits (note 27)	1,647	1,428
Benefits in kind	134	152
	15,581	12,283

Of the total pension contributions of £1,647,000 (2022: £1,428,000) stated above, £1,033,000 (2022: £855,000) was included in expenditure in the year, and £614,000 (2022: £573,000) was charged to the Pension Reserve. The average number of staff employed during the year was 265 (2022: 221).

Redundancy and related termination costs included in staff costs during the year amounted to £Nil (2022: £Nil). Ex-gratia payments included in staff costs during the year amounted to £18,000 (2022: £7,000). The number of staff who received emoluments (salary, bonuses paid in the year but not bonuses accrued at the year end, plus taxable benefits) over £60,000 during the year comprised of the following:

	2023	2022
£60,000 - £69,999	5	13
£70,000 - £79,999	10	8
£80,000 - £89,999	11	8
£90,000 - £99,999	6	4
£100,000 - £109,999	2	1
£110,000 - £119,999	2	0
£130,000 - £139,999	1	0
£150,000 - £159,999	1	2
£160,000 - £169,999	1	0
£170,000 - £179,999	2	2
£250,000 - £259,999	1	0
£260,000 - £269,999	0	1
£380,000 - £389,999	1	0
£390,000 - £399,999	0	1
	43	40

41 of the above staff (2022: 38) have retirement benefits accruing under defined contribution pension schemes at a cost to the Group of £82,000 (2022: £81,000).

Ann Francke was appointed as a Trustee on 12 June 2012 and, in accordance with the Royal Charter, received emoluments of £381,000 (2022: £395,000) in the year as Chief Executive of the Charity, including a bonus of £91,000 in respect of 2021/22 (2022: £119,000 in respect of 2020/21) and £25,400 (2022: £24,173) in lieu of a pension contribution. The Charity made contributions in the year of £Nil (2022: £Nil) to the defined contribution pension scheme on her behalf. The Executive Leadership team is considered to be the Key Management Personnel of the Charity. The emoluments of the Executive Leadership team, comprising of 9 staff during the year (2022: 8) including the Chief Executive, amounted to £1,565,000 (2022: £1,445,000) plus £208,000 (2022: £187,000) in social security costs. A further £21,000 (2022: £19,000) was paid into the defined contribution pension scheme on their behalf. No Trustees, other than the Chief Executive, received emoluments during the year. A total of £1,000 (2022: £1,000) was reimbursed to 15 (2022: 12) Trustees in respect of travel and subsistence expenses incurred.

20 RELATED PARTIES

The Charity trades with its wholly owned subsidiary CMI Enterprises Limited, selling student registrations on commercial terms. Any profits made by CMI Enterprises Limited are transferred to the Charity under the Gift Aid Scheme subject to sufficient distributable reserves. £141 has been donated to the Charity under gift aid for the financial year. During the year, CMI Enterprises Limited purchases from the Charity amounted to £26,000 (2022: £25,000). At 31 March 2023 the amount due by CMI Enterprises Limited to the Charity amounted to £Nil (2022: £Nil), as well as £100,000 (2022: £51,000) due by CMI Enterprises Limited in respect to a management recharge. The Charity conducts business with its wholly owned subsidiary CMI Management and Leadership Sdn Bhd. During the year, the Charity paid £368,000 (2022: £174,000) of expenses on behalf of CMI Management & Leadership Sdn Bhd. At 31 March 2023 the amount due by CMI Management & Leadership Sdn Bhd to the Charity was £788,000 (2022: £420,000). A provision for doubtful debts has been made against the entire balance owed.

During the year, the Charity paid £1,033,000 (2022: £955,000) to the CMI Retirement Benefit Scheme in respect of deficit funding contributions related to the recovery plan agreed with the scheme trustees in 2022 as detailed in note 27. During the year the Charity paid £1,000 (2022: £2,500) to WorkL, a company owned by Lord Mark Price, CMI's Trustee and President, for entry by CMI into workplace awards. The fee was an arms length fee payable by all organisations entering the awards. There were no other related party transactions requiring disclosure in either the current or prior financial year.

Balance Sheet

	Enhancements to Leased Property £000	Freehold Property £000	ICT and Other Equipment £000	Total £000
21 TANGIBLE FIXED ASSETS				
Cost at 1 April 2022	308	1,590	2,128	4,026
Additions during the year	0	0	125	125
Disposals during the year	0	0	(674)	(674)
Cost at 31 March 2023	308	1,590	1,579	3,477
Accumulated depreciation at 1 April 2022	144	174	1,632	1,950
Disposals during the year	0	0	(674)	(674)
Charge for the year	21	22	197	240
Accumulated depreciation at 31 March 2023	165	196	1,155	1,516
Net book value at 31 March 2023	143	1,394	424	1,961
Net book value at 31 March 2022	164	1,416	496	2,076

The Charity's freehold property was valued by Budworth Hardcastle, property consultants, at an open market value of £1,590,000, and an amount of £235,000 has been included in the Charity's reserves in respect of the property revaluation. In accordance with the SORP and FRS 102 this valuation has been adopted as the deemed cost at the transition date of 1 April 2014.

The trading subsidiary, CMI Enterprises Limited, also operates from the freehold property. However, an allocation of the property value cannot be measured reliably without undue effort or cost, and as such, and in accordance with the SORP and FRS 102 the freehold property is treated as a tangible fixed asset.

Included in the cost of freehold property is freehold land valued at £500,000 which is not being depreciated.

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
22 FINANCIAL INVESTMENTS				
Fair value at 1 April 2022	10,039	10,039	5,808	5,808
Additions during the year	2,102	2,102	6,740	6,740
Disposals during the year	(2,033)	(2,033)	(2,513)	(2,513)
Unrealised (losses)/gains on revaluation	(467)	(467)	4	4
Fair value at 31 March 2023	9,641	9,641	10,039	10,039

Financial investments comprised of £7,662,000 (2022: £7,937,000) of investments in equities including property, £1,464,000 (2022: £1,309,000) of investments in bonds, £231,000 (2022: £208,000) of investments in commodities, and £284,000 (2022: £585,000) in cash.

£3,154,000 (2022: £3,338,000) of financial investments were invested in UK investments which included underlying investments overseas.

Financial investments included investments listed on recognised stock exchanges or investment funds and unit trusts valued by reference to underlying investments, with the exception of £284,000 (2022: £585,000) held in cash.

The benchmark index of the investment portfolio is a composite of MSCI indices. The investment portfolio generated an annualised return since inception of 4.38% compared to the benchmark return of 5.60%.

The Group's losses on financial investments amounted to £(608,000) (2022: Gains of £168,000) and comprised of unrealised losses of £(467,000) (2022: Gains of £4,000), realised losses of £(130,000) (2022: Gains of £154,000), and other losses of £11,000 (2022: Gains £10,000).

The Charity made investments totalling £1 in the subsidiaries set out in notes 16 and 17.

NOTES TO THE ACCOUNTS (CONTINUED)

Balance Sheet

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
23 DEBTORS				
Trade debtors - amounts falling due within one year	16,727	16,622	14,211	14,134
Other debtors	119	119	119	119
Prepayments and accrued income	612	558	566	519
Amounts due by CMI Enterprises Limited	0	100	0	51
Amounts due by CMI Management and Leadership Sdn Bhd	0	0	0	0
	17,458	17,399	14,896	14,823
Debtors – amounts falling due after more than one year	17,485	17,485	14,625	14,598
	34,943	34,884	29,521	29,421

The Charity's debtors include amounts due by CMI Management and Leadership Sdn Bhd of £Nil (2022: £Nil) comprised of £788,000 of trade debtors (2022: £420,000) less a provision for doubtful debts of £788,000 (2022: £420,000) that reflects management's best estimate of its irrecoverability.

The Charity's debtors - amounts falling due after more than one year include trade debtors of £17,485,000 (2022: £14,598,000) and prepayments of £Nil (2022: £Nil).

The carrying value of trade debtors and other debtors reflect fair value.

Impairment losses recognised by the Group in the Statement of Financial Activities for the year in respect of doubtful trade debtors was a loss of £290,000 (2022: Gain of £182,000).

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
24 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade creditors	370	370	803	801
Accruals	3,058	3,058	2,441	2,441
Amounts due and on behalf of CMI Enterprises Limited	0	0	0	0
Amounts due and on behalf of CMI Management and Leadership Sdn Bhd	0	0	0	0
Deferred income	15,902	15,793	16,103	15,983
	19,330	19,221	19,347	19,225

Trade creditors are unsecured and are usually paid within thirty days of recognition.

The carrying value of trade creditors reflects fair value due to their short-term nature.

In 2011 the Charity agreed a £2 million banking facility secured against the value of its financial investments. The overdraft carries an interest rate charge at 1.75% above the Bank of England base rate. The Charity had no requirement to use the overdraft facility during the current and previous financial year.

Deferred income due in less than one year represents income expected to be recognised for services delivered in the next twelve month period under multi-year contractual arrangements already in place with partners.

Balance Sheet

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
25 DEFERRED INCOME				
Balance at 1 April 2022	35,702	35,518	30,097	29,999
Invoiced in the year	27,455	27,323	25,133	24,861
Recognised as income in the year	(23,651)	(23,448)	(19,528)	(19,342)
Balance at 31 March 2023	39,506	39,393	35,702	35,518
Allocated between				
Due within one year (see note 24)	15,902	15,793	16,103	15,983
Due after more than one year	23,604	23,600	19,599	19,535
	39,506	39,393	35,702	35,518

Deferred income due after more than one year represents income expected to be recognised for services delivered beyond the next twelve month period under multi-year contractual arrangements already in place with partners.

	Group 2023 £000	Charity 2023 £000	Group 2022 £000	Charity 2022 £000
26 OBLIGATIONS UNDER OPERATING LEASES				
Land and buildings				
– within one year	299	299	299	299
– in the second to fifth years inclusive	349	349	647	647
– more than five years	0	0	0	0
	648	648	946	946
Motor vehicles				
– within one year	25	25	35	35
– in the second to fifth years inclusive	0	0	0	0
	25	25	35	35

The table presents the Group's minimum lease payments under non-cancellable operating leases.

During the year £353,000 (2022: £390,000) was charged to the Statement of Financial Activities in respect of rental payments under operating leases.

Balance Sheet
27 PENSION BENEFITS
Defined benefits pension scheme

The Charity operates a defined benefits pension scheme which is controlled by five trustees and the assets of which are held separately from the Charity.

At 31 March 2023 the pension scheme held assets with a fair value of £24,290,000 (2022: £33,277,000) and had funded obligations of £(33,560,000) (2022: £(43,601,000)) resulting in a net deficit of £(9,270,000) (2022: £(10,324,000)).

On 15 April 2013 a Deed of Amendment was signed giving rise to a cessation of accrual with effect from March 2013.

The pension scheme is subject to triennial valuation by independent actuaries, with the last valuation being carried out as at 1 April 2022. The following actuarial assumptions were applied:

Investment returns	3.66%
Pension increase (pre 2000 Pension)	5.00%
Pension increase (post 2000 Pension)	2.90%
Rate of inflation (CPI)	2.97%

At the 1 April 2022 valuation date the market value of the pension scheme's assets amounted to £33,062,000 and the actuarial value was sufficient to cover 77% of the benefits which have accrued to members after allowing for future increases in earnings. The Charity's contribution rate takes account of the deficit disclosed by the valuation.

For the year ended 31 March 2023 the total pension contributions by the Charity to the defined benefits pension scheme was £1,033,000 (2022: £955,000).

The pension scheme assets are invested in funds managed by Legal & General Investment Management and BlackRock Investment Management.

The Actuary has computed the following information regarding the financial position of the pension scheme at 31 March 2023:

	Group & Charity 2023 £000	Group & Charity 2022 £000
Fair value of scheme assets	24,290	33,277
Value of funded obligations	(33,560)	(43,601)
Net deficit	(9,270)	(10,324)
Changes in fair value of scheme assets during the year:		
At 1 April 2022	33,277	34,959
Interest income	932	740
Actual return on scheme assets - losses	(9,217)	(1,989)
Contributions	1,033	955
Benefits paid	(1,593)	(1,274)
Administration costs	(142)	(114)
At 31 March 2023	24,290	33,277
Changes in value of funded obligations during the year:		
At 1 April 2022	(43,601)	(48,041)
Interest cost	(1,351)	(1,122)
Actuarial gains	9,657	4,174
Benefits paid	1,593	1,274
Charges paid	142	114
Allowance for GMP equalisation	0	0
At 31 March 2023	(33,560)	(43,601)

The contributions to the defined benefits pension scheme in the year to 31 March 2024 are expected to be £1,176,000.

Balance Sheet

27 PENSION BENEFITS (CONTINUED)

Analysis of pension scheme assets at 31 March 2023:

	Group & Charity 2023 £000	%	Group & Charity 2022 £000	%
Equities (including property)	5,241	22%	8,320	25%
Bonds	14,447	59%	19,405	58%
Cash	823	3%	1,226	4%
Insured pensioners	3,779	16%	4,326	13%
	24,290	100%	33,277	100%

	Group & Charity 2023 %	Group & Charity 2022 %
Principal actuarial assumptions at 31 March 2023:		
Discount rate	4.70%	2.83%
Retail price inflation	3.32%	3.97%
Consumer price inflation	2.72%	3.27%
Pension increase (limited price index)	1.98%	2.17%
Deferred pension revaluation	2.50%	2.50%
GMP equalisation reserve	N/A calculations based on equalised data	0.50%

Mortality follows the standard tables known as S3PMA and S3PFA with long term future improvement rates of 1.25% per annum.

The mortality assumptions correspond to the following life expectancies from age 65:

	Group & Charity 2023 Years	Group & Charity 2022 Years
For a male aged 65 now	22.0	21.7
At 65 for a male member aged 45 now	23.3	23.0
For a female aged 65 now	24.4	23.7
At 65 for a female member aged 45 now	25.8	25.2

The following components of the pension charge have been recognised in the Statement of Financial Activities:

	Group & Charity 2023 £000	Group & Charity 2022 £000
Interest income	932	740
Interest cost	(1,351)	(1,122)
Net finance charge and total operating charge	(419)	(382)
Actual return on scheme assets	(8,285)	(1,249)

It is the policy of the Charity to allocate the costs of the pension scheme to itself.

Financials

Balance Sheet

27 PENSION BENEFITS (CONTINUED)

	Charity 2023 £000	Charity 2022 £000	Charity 2021 £000	Charity 2020 £000	Charity 2019 £000
Fair value of scheme assets	24,290	33,277	34,959	33,853	35,235
Value of funded obligations	(33,560)	(43,601)	(48,041)	(45,418)	(47,567)
Net deficit	(9,270)	(10,324)	(13,082)	(11,565)	(12,332)
Experience adjustments on scheme assets	(9,217)	(1,989)	1,019	(761)	1,811
Experience adjustments on scheme liabilities	9,657	4,174	(3,077)	1,016	(1,605)
Actuarial gains/(losses)	440	2,185	(2,058)	255	206

The results are sensitive to the assumptions made. The most critical assumptions in the calculation of the defined benefits obligations (DBO) are:

- The rate of interest;
- The rate of inflation assumed; and
- Changes in future mortality rates.

The table below sets out the impact on the results of changing these assumptions:

Assumptions	DBO Change 2023 %	DBO Change 2022 %
0.5% reduction in discount rate	6.1%	7.4%
0.5% increase in inflation rate	1.4%	2.2%
Pensions paid for one year longer	4.3%	4.9%

Defined contribution pension schemes

For the year ended 31 March 2023, the total contributions paid by the Charity to defined contribution pension schemes was £614,000 (2022: £473,000).

	Property Reserve £000	Development Reserve £000	Total 2023 £000	Property Reserve £000	Development Reserve £000	Total 2022 £000
28 DESIGNATED FUNDS						
Balance at 1 April 2022	175	75	250	175	75	250
Resources expended	0	0	0	0	0	0
	175	75	250	175	75	250
Transfer from general fund	0	0	0	0	0	0
Balance at 31 March 2023	175	75	250	175	75	250

The Property Reserve has been set aside to provide for the ongoing maintenance of the freehold premises. The Development Reserve is to fund significant future projects, including the development of the Charity's products and information systems. The funds are represented by current assets.

29 POST REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the 31 March 2023 reporting date and the date of approval of the report and accounts.



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