

CMI Chartered
Management
Institute

75

YEAR

1947-2022

ANNIVERSARY



ANNUAL REPORT & ACCOUNTS

2022



OUR MISSION

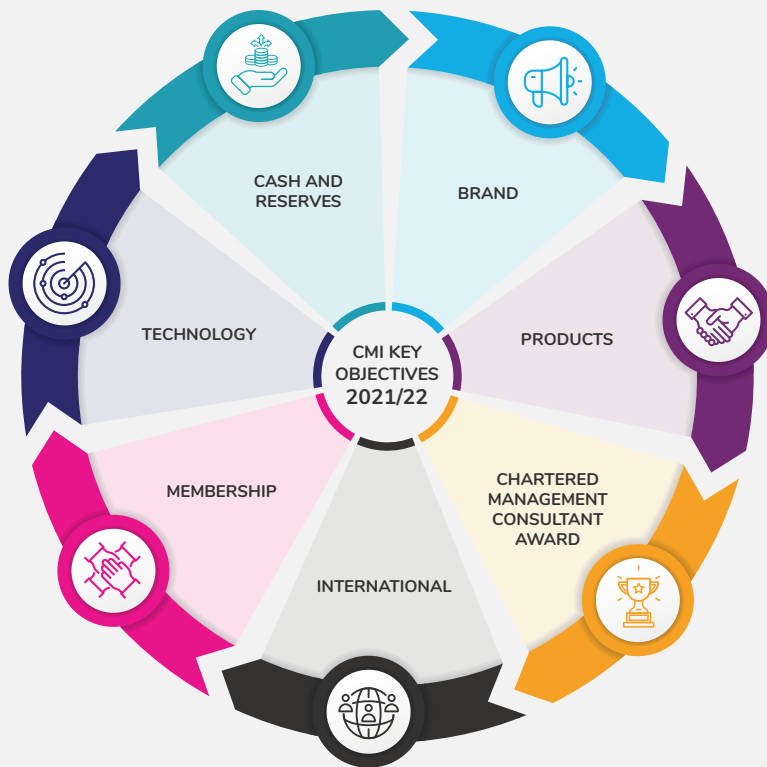
CMI's mission is to turn accidental managers into conscious, inclusive leaders. Good management and leadership drives results for individuals and organisations boosting productivity, engagement and wellbeing.

OUR 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.

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.



KEY STRATEGIC ACTIVITIES IN 2021/22



GROW BRAND

Increase our voice with Government and employers to underpin the importance of putting management and leadership skills at the heart of national rebuilding efforts post COVID-19 and Brexit, through CMI's 75th Anniversary research and involvement with the Help to Grow programme.



BUILD INTERNATIONAL

Accelerate our International presence in APAC and the Middle East regions through partnerships and working with the Department for International Trade.



EXPAND PRODUCTS

Launch new products based on partner needs and insight, including new bitesize programmes in EDI. Develop and launch tools to help our partners embed employability skills in all courses.



GROW MEMBERSHIP

Innovate in membership, using insight and technology to test new approaches to increase member retention and student conversion.



USE TECHNOLOGY

Enhance joined-up, digital-first approach to all services, using agile methodologies throughout tech and on organisation-wide projects.



SCALE CHARTERED MANAGEMENT CONSULTANT AWARD

Expand Chartered Management Consultant award to more UK firms and prepare for a scaling of the award in 2022/23 through CMI's partnership with the Management Consultancies Association.



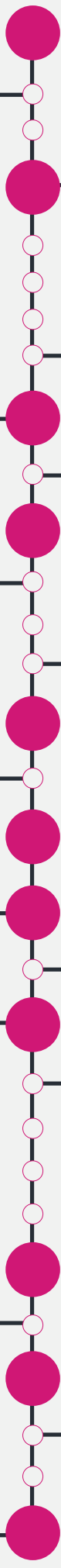
MANAGE CASH AND RESERVES

Manage cash and reserves to ensure CMI is able to invest for future growth.

PRESIDENT'S REPORT
Lord Mark Price CVO, CMgr, CCMI



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Ann Francke OBE, CMgr, CCMI, FIC

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CMI'S 2021/22 JOURNEY.

The Chartered Management Institute was originally formed in 1947. The world was recovering from the devastation of World War II. Our purpose ever since has been to improve productivity and the prospects of economic success by upskilling managers and leaders. In the 75 years that followed, CMI has met this objective in a number of ways and has positively impacted the lives of hundreds of thousands of people.

In 1951, the British Institute of Management (our original name) developed the very first diploma in management studies with the Ministry of Education. In 1969, under the leadership of Eleanor Macdonald, we formed the CMI Women network (then known as “Women in Management”). As long ago as 2008, underpinned by our Royal Charter, we established an action plan for diversity and in recent years CMI has successfully pioneered management apprenticeships.

This year I was delighted to chair CMI’s 75th anniversary commission looking into the challenges and opportunities facing managers and leaders today. I’d like to thank the many eminent leaders who contributed to the commission.

In our work, we looked at: the state of modern management; the role of managers and leaders in powering our economy forward; the continuing under-representation within management and leadership of women, people from ethnically diverse backgrounds, people with disabilities and people from socially deprived backgrounds.

Fundamentally, what has become clear is that we still have much to do to utilise the full talent in our economy and to create truly inclusive organisational leadership and cultures. Getting this right, however, represents a huge economic and societal opportunity. The outputs from the commission provide actionable and practical recommendations to help managers and leaders towards this goal.

In a similar vein, I’d like to highlight the importance of management and leadership apprenticeships in providing opportunities for people from all backgrounds to fulfil their talent and reach leadership positions. It is really encouraging to see a record number of people undertaking management apprenticeships this year, bucking the wider apprenticeships market. I have no doubt that these future leaders will make an important contribution to economic recovery and building back better.

Management consultants are another group who contribute to economic productivity. It is heartening to see so many now choosing to go the Chartered route and qualify as Chartered Management Consultants (ChMCs). The development of this award by CMI and the Management Consultancies Association has been an excellent innovation and has been welcomed by the industry.

Finally, I would like to pay tribute to Ann Francke OBE, CMI’s chief executive, for her outstanding leadership, and acknowledge the whole team at CMI for delivering an outstanding performance during a very challenging year.



Lord Mark Price CVO, CMgr, CCMi
President, CMI





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Now is the time for managers to focus their attention on what skills are needed as we emerge from the pandemic. Management will have to adapt to a new way of working with their teams to create stronger organisations.

Lord Mark Price CVO, CMgr, CCMI

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The world has changed but we are concerned that many organisations haven't yet adapted to this reality. We need a step-change in management and leadership that has inclusivity at its heart in order to better utilise talent and boost productivity.

Ann Francke OBE, CMgr, CCMI, FIC

“



Goodbye business as usual! As CMI entered its 75th anniversary year, the world entered a new era of management and leadership.

The new norms, accelerated by the Coronavirus pandemic, include a greater acceptance of flexible working, more voice for employees, and empathetic leadership. CMI is positive about many aspects of this changed landscape. We'll advocate for these and other new norms to become permanent fixtures.

But in other areas we are concerned that progress is too slow. Organisations continue to exclude and under-utilise talent. As a result, many economies continue to under-perform. CMI believes we need a step-change in management and leadership that has inclusivity at its heart.

To mark our 75th anniversary in 2022 and to bring to life the changing nature of management and leadership, in July 2021, CMI started an extensive programme of activity under the banner of "The Everyone Economy". We launched a 75th anniversary commission, consulted extensively with members, made 75 bursaries available to our community, and set about recruiting 75 new Companions. "The Everyone Economy" campaign is ongoing, and the outcomes and recommendations will inform CMI's products, services and agenda in the years to come.

We can pursue this strategy with confidence because we know that a focus on inclusivity and productivity increases CMI's relevance to today's managers and leaders. All our key metrics prove this. Through a period of continuing pandemic and economic adversity, CMI has seen strong growth in membership, learner registrations, partnerships with HE institutions and training providers, as well as in our key engagement and satisfaction metrics. CMI's financial performance continues to be strong as a consequence, and we are in a good position to invest in the resources that our members, learners and partners need.

Having set the scene, I am delighted to share some highlights from an exciting year.

A GROWING, ENGAGED MEMBERSHIP

For the first time since 2008, we saw a growth in the number of CMI's paying members, bucking the trend of many membership organisations. It has been fantastic to see both record levels of new members recruited to CMI, and record levels of student members converting to full membership at the completion of their studies – up 58% year on year. Our decision to move some CMI insight and content to publically available areas of the website has given us a pool of people to speak to on a regular basis about becoming a CMI member.

We are growing engagement as well as numbers. We delivered more than 200 events in 2021/22; most of these were digital, and 43 were delivered by regional and international volunteer boards. The audiences reached by these boards almost doubled over the course of the year. The net promoter score (NPS) amongst Asia-Pacific volunteers stands at +24, and amongst UK volunteers stands at a stunning +61, up 23 points on the previous year.

Many CMI members were heavily involved in the run-up to our 75th anniversary, taking part in polls and research, and providing expert witness in roundtables and discussions. Throughout the year, CMI Companions have been generous in giving freely of their time to help other members – mentoring, giving "Leading Lights" interviews, contributing to articles, sharing insights, and judging awards.

Digital engagement among the CMI membership community is already consistently high. Looking ahead, we have a clear strategy and investment plan that will enhance CMI members' and learners' digital journeys and their digital experience will increasingly be driven by data and insights.

GROWING THE WORLD'S LEADERSHIP CAPABILITY

As the world starts to rebuild after the Coronavirus pandemic, organisations need professionally qualified managers more than ever. In this context, it is so encouraging to see record numbers of learners registering on CMI accredited programmes, as well as record numbers of learner and apprenticeship completions, and Chartered Managers.

In total, 65,985 aspiring or established managers registered on a CMI accredited programme this year, whether that's through a university, college, independent provider or employer academy. This figure is up by 9% on the previous year. We saw 42,792 learner completions (people finishing their qualification), which is a 39% increase year on year.

Management and leadership apprenticeships will be a key ingredient in the "Build Back Better" process. This year CMI has completed 8,861 apprentice end point assessments, up 11% on the previous year. Anecdotally, we're seeing employers use the apprenticeship route as part of their succession planning and to re-equip their leadership in a changing marketplace.

In one specific development, CMI is building relationships with public sector bodies that want more of a framework for their management and leadership development backed up by a Professional Standard and underpinned by Chartered assessment. We will look to grow this line of activity in future.

Last but certainly not least, Chartered Manager (CMgr) is the highest status that can be achieved in the management and leadership profession, so it is highly encouraging that 14,070 CMgrs are now making a positive impact in organisations, a rise of 22% on the previous year. To build on this progress, we improved the CMgr assessment process this year in line with CMI's Professional Standard.

HELPING LEARNERS TO BECOME MORE EMPLOYABLE

According to research carried out this year by CMI, "Work-ready Graduates: Building Employability Skills for a Hybrid World", nearly 80% of employers say that graduates are arriving in the workplace without the skills that they need to be work-ready. Through this research CMI identified the 11 employability skills that are currently most critical for graduates; these include team-building, critical thinking and problem-solving and these are hard to master as a student without tools and support.

CMI's new diagnostics tool enables students to self-assess against the key employability skills, track their progress and, ultimately, gain digital certification. CMI's employability skills "bootcamps", which are in development, will enable us to scale our employability skills offering to many more students, universities and faculties. This strong focus on employability and, within that, the value of management skills in course content, has enabled CMI to grow its number of partnerships with higher education institutions. Across all sectors, this year we grew the number of new partners by 18% to 123.

In many instances we are developing relationships in new faculties beyond the business school.

We are also deepening our relationships with those HE partners. As an illustration, more than 400 organisations joined CMI for its 2021 Partner Conference which was also attended by Secretary of State for Education Nadhim Zahawi. He praised CMI's "purposeful contribution to a better UK plc". Responding to partner requests, and in order to deliver slicker services, we are transforming our processes. We also worked closely and flexibly with partners who were impacted by the Omicron variant in late 2021 and early 2022. As a consequence of all this work, I'm delighted to report that CMI hit a record partner satisfaction NPS of +58 this year, up 71% on the previous score of +34.

CMI's high quality delivery was recognised in a number of awards. CMI was awarded the Federation of Awarding Bodies (FAB) award for Apprentice End Point Assessment Innovation of the Year for its Interview 360 development in our Career Development Centre. We were shortlisted for the FAB end point assessment organisation of the year for the second year running.

CHARTERED MANAGEMENT CONSULTANT (ChMC)

The Chartered Management Consultant (ChMC) award is the highest status that can be achieved in the management consulting profession. The award was launched as a partnership between CMI and the Management Consultancies Association (MCA).

I am delighted to tell you that ChMC appears to be moving "from start-up to scale-up". By the end of 2021/22 the number of ChMCs stood at 585, with over 50 firms committed or interested in the award. PwC and EY have both made public commitments to chartering their UK staff, and they join other major firms IBM Consulting, KPMG, Arup and Arcadis that have adopted the new standards along with many other leading smaller consultancy firms.

While income from the ChMC initiative is still modest, it grew by 59% in this financial year, showing the potential for the future, and our partnership with the MCA goes from strength to strength.

GROWING AWARENESS OF CMI

CMI has grown its influence significantly this year. CMI has made decisive impacts on public debate and policy-making, as well as achieving high-profile media coverage.



I was personally delighted to be invited to write a regular management advisory column for The Times Enterprise Network.

In April 2021, I was invited to sit on the UK government's Help to Grow: Management advisory council. This is the government's flagship management development programme for small and medium-sized enterprises (SMEs). Over the course of 2021/22 CMI had 13 Ministerial engagements and made 11 submissions across written evidence and consultation responses.

CMI has been particularly persuasive in the arguments around new, flexible and hybrid ways of working. We developed the Hybrid Working Guidance with the Flexible Working Taskforce run by BEIS. CMI's research and thought leadership has helped employers navigating the "off ramp" of the pandemic; specifically, we have argued for the most appropriate return-to-work strategy for every individual, business and organisation. CMI's research and expertise has been deployed by high-calibre media such as the BBC, the Financial Times, The Economist, The Times and the Guardian.

Looking ahead, we are investing to grow awareness of CMI and its resources. CMI's 75th anniversary and work around "The Everyone Economy" will be important platforms. We have added economic analysis capability to our policy team, which has already produced an economic briefing on the Russian invasion of Ukraine, and will increase our capability to offer analysis on emerging issues.

INTERNATIONAL GROWTH

CMI continues to grow its international reach. We are working with more than 20 universities in Malaysia, which is the hub of CMI's APAC activity. As outlined in the "A growing, engaged membership" section above, our international boards are very active in delivering events. CMI now regularly communicates with its international communities through tailored newsletters.

The Middle East is becoming an important focus and in 2021/22 we signed a Memorandum of Understanding (MOU) in Saudi Arabia. I personally led a workshop on gender equality for senior public officials – men and women – working in the Saudi Arabian government. We also established new relationships in Cyprus and Bhutan. Overall, the number of CMI international partnerships has more than doubled.

ENHANCING OUR PRODUCTS AND SERVICES

CMI's mission is to drive up standards of management and leadership, and we are determined to live up to such standards in our own work.

The Professional Standard sets out best practice in management and leadership and underpins all CMI's products and services and our new diagnostic tools help our members and learners self-assess gaps against the standard and identifies CMI resources to help close those gaps. This year, in line with our 75th anniversary work, we have been updating the Professional Standard to make sure that it reflects modern management and embraces topics such as inclusivity, sustainability, hybrid working, digital skills, resilience and crisis management.

Within CMI, we are investing in and strengthening our agile ways of working. As a result, our technology team is able to increase the pace and effectiveness with which we innovate and deliver products and services to our members, learners and partners such as the CPD diagnostic tool and improved processes for moderation and mapping. In January 2022, we achieved Cyber Essentials Plus accreditation. This is a significant achievement that enables us to work with partners that demand certain security credentials.

OUR ENVIRONMENTAL AND SOCIAL IMPACT

CMI aspires to make a positive environmental and social impact. We have started collecting data on our carbon footprint, and we are working towards addressing our own gender pay gap and increasing the diversity of our workforce.

In recognition of the difficult financial circumstances in which many people find themselves, we were pleased to launch CMI's bursary scheme this year and award 75 management bursaries to aspiring, junior and middle managers. The bursaries are open to aspiring, junior and middle managers from across all backgrounds and are worth up to £1,000 each, running for up to three years. We believe this is a practical help that will drive social mobility.

FINANCIAL SUMMARY

As a result of the positive activities described here, CMI was able to grow strongly again through a period of adversity. Income for the financial year was £24.0m, up 11% on the previous year. This marks our third year of double-digit income growth, despite the pandemic.

It's important to state that CMI is a not-for-profit organisation and the resulting net contribution of £2.2m will enable us to make further investments into membership and partner services, building awareness of CMI, our ongoing digital transformation programme, as well as contributing to CMI's reserves.

A HUGE THANK YOU

I'd like to put on record my thanks to a number of important people and groups.

First, to CMI's growing roster of partners. It is wonderful to work with so many partners – existing and new – and fulfil our shared ambition of growing the capabilities of learners and managers. Thank you for your support.

A huge thank you to CMI's ever-growing membership community. Together, we are showing the incredible, positive difference that modern, inclusive management and leadership can make.

All around the world, CMI volunteers embody and spread the word of professional management and leadership. We are hugely grateful for your contribution.

And, of course, to the CMI team. Together we should be proud that we were again named No. 2 Best Companies not-for-profit organisation to work for in March 2022, and achieved gold in the WorkL Annual Workplace Awards. You have worked so hard and with such resilience and adaptability through a tumultuous time, and on-boarded over 80 people during 2021/22. Each of you should be very proud of your contribution to CMI's success.



Ann Francke OBE, CMgr, CCMI, FIC
Chief Executive, CMI



CEO'S REPORT.



I am delighted to receive the Lifetime Achievement Award from CMI and honoured that the Institute has recognised my work. Whilst I have seen much progress over the last 25 years in the advancement of women in the workplace, much remains to be done. I passionately believe that kindness and collaboration are now essential ingredients for business success.

LIFETIME ACHIEVEMENT AWARD

The Lifetime Achievement Award recognises the outstanding management and leadership of an individual throughout their career and is awarded only when a truly worthy candidate is identified.

LIFETIME ACHIEVEMENT WINNER 2021

Pinky Lilani, CBE, DL, CMgr, CCMI

Fellow of the GSA, Board Member of Global Diversity Practice, Associate, Fellow of Saïd Business School, Patron of DIL, The Westminster Society and Frank Water, Ambassador, Tiffany Circle of the Red Cross

GOLD MEDAL AWARD

The Gold Medal Award has been awarded since 1980 and is the award given by CMI for the recognition of outstanding management and leadership from an individual at the pinnacle of their career.

I am delighted to receive this award. It reinforces my belief that good leadership is about respecting individuality, recognising potential, and sharing a purpose. So many of my colleagues have taken these principles to heart, and they are creating a strong, sustainable business at this crucial time.



GOLD MEDAL WINNER 2021

Alison Rose, CMgr, CCMI
Chief Executive Officer, Natwest Group plc



AWARD WINNERS.

OUR ACHIEVEMENTS FOR 2021/22

Overall Sales*

£29.4m

* unaudited



Income

£24.0m

11% Increase



14,070

Chartered Managers up from 11,500
(22% Increase on the previous year)



182,641

Overall CMI community up
from 157,504 the previous year



65,985

New learner registrations
on management and
leadership programmes



8,861

End Point
Assessments
were signed off
this year up 11%



A social followers record of

26.3k
on Twitter

17.2k
on Facebook

86.8k
on LinkedIn

2,401

learners converted into
full paying membership



Best Companies 2022

Proud to have been awarded:

INVESTORS IN PEOPLE™
We invest in people Platinum

IIP Platinum award
renewed in August 2021



2 Star
Rating



#44
in the Top 50 mid-size
companies to work for



#2
not for profit
category



#17
Regional ranking in best mid-size company to
work for in both London and the Midlands



#20

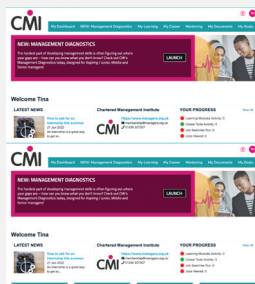


CMI Partner Conference: Learning Transformed

In November 2021, CMI held its annual Partner Conference in an online forum that was attended by over 400 representatives from universities, colleges, training providers and employers from around the world, to address key learning and management issues. Secretary of State for Education, Nadhim Zahawi, addressed the conference and praised CMI's "purposeful contribution to a better UK Plc". Panel discussions and debates focused on topics including international opportunities, examination of government policies and the case for management apprenticeships.

Launch of the Management Diagnostic Tool

CMI members can now take advantage of a full in-depth diagnostic tool, to benchmark and continually improve their management and leadership skills. This allows them to measure and identify their skills gap, learn and develop to improve their expertise and to repeat and grow.



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!



FAB Awards Innovation of the year

The Federation of Awarding Body (FAB) Awards recognises the contributions made by awarding organisations and their employees to education and skills in the UK over the past year. We were absolutely thrilled to have been shortlisted in five categories and won two: Innovation of the Year and Learner of the Year.



Membership

CMI's membership experienced record levels of new members and subscribers, as well as students continuing their memberships after graduation. We witnessed record Chartered Manager and Chartered Management Consultant applications. Overall, we saw growth in paying members, learner member and in our Friends of CMI community.





The President's Dinner

On 11th November 2021, CMI held its annual President's Dinner at which CMI's President's Awards, including CMI's Gold Medal and Lifetime Achievement Awards were officially presented. The dinner, which was attended by CMI's patron, Her Royal Highness The Countess of Wessex, celebrates the positive social impact that management and leadership excellence makes.

The CMI Women Conference

May 2022 saw the inaugural CMI Women Conference, attended by nearly 2,000 people in a hybrid setting. The event explored how we can all work together to realise sustained disruption and change to see an equitable, inclusive, diverse and successful future. Through interactive workshops and expert panel discussions, CMI shed light on the barriers that female managers face, what are the opportunities for change, and how we can collectively support women across their careers.



Help to Grow

To support the government's commitment to supporting SMEs build back better after the Covid-19 pandemic, CMI pledged its support by working with Business Schools to offer free membership to Help to Grow learners for the duration of their programme and 6 months post-completion, but also preferential rates for Chartered Manager status assessment - the ultimate management accolade.



SUPPORTING BUSINESS SCHOOLS!

FREE MEMBERSHIP TO HELP TO GROW LEARNERS

Leading Lights

As part of CMI's ongoing 75th Anniversary celebrations throughout 2021/22, we launched the Leading Lights series. Ann Francke, CMI's CEO, was joined by senior leaders on a weekly live stream to talk about their experiences and their next priorities for workplace leadership. The series highlighted the new priorities for managers and leaders as we emerge from COVID, and the benefits to business from inclusive leadership.



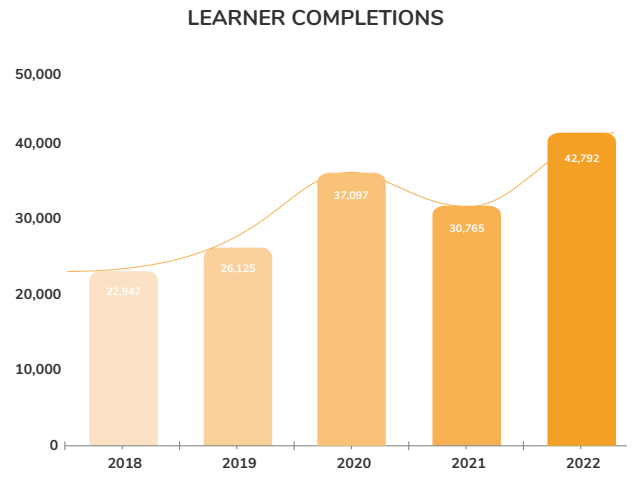
MEMBERSHIP COMMUNITY

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 58% year on year.



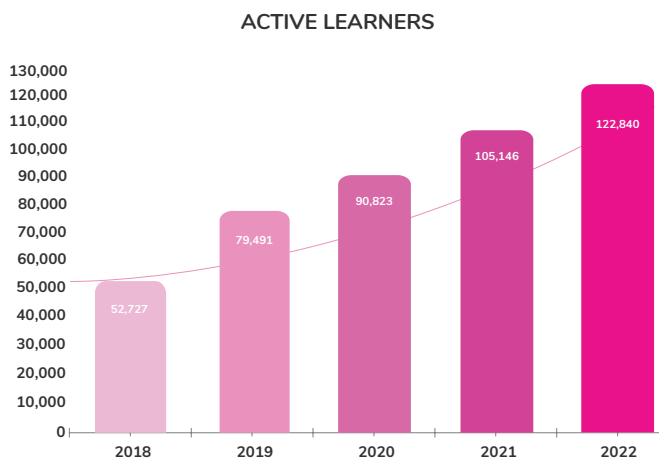
LEARNER COMPLETIONS

In 2022 we saw over 42,000 individuals complete a management and leadership qualification with CMI, including over 8,800 apprentices who completed their end point assessment in the year. This means there are 42,000 more individuals who have gained skills and expertise in management and leadership which will in turn boost productivity for organisations.



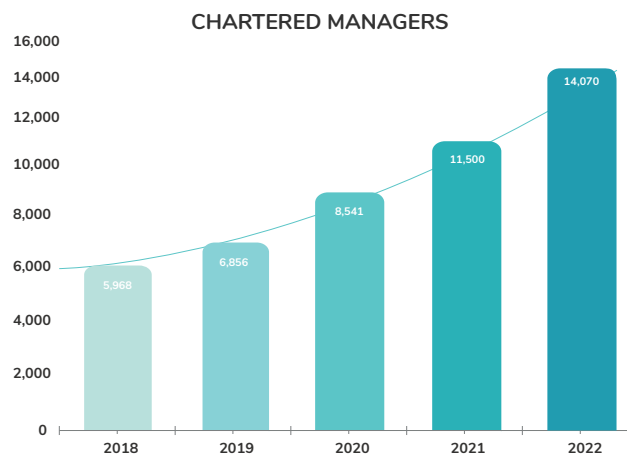
ACTIVE LEARNERS

The number of individuals registering on a CMI accredited course or apprenticeship has continued to increase year on year. In 2022 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 as they grapple with gaining the employability skills required by employers today.



CHARTERED MANAGERS

Our Chartered Manager community grew by 22% in 2021/22. Our research shows that as well as being more self-aware and self-confident as managers, Chartered Managers deliver additional value of £310,000 to their organisations. These attributes have never been more important across both the private and public sectors, and our 2021 outstanding Chartered Manager of the Year was an NHS Consultant showing the relevance of the award across all sectors and stages of career.

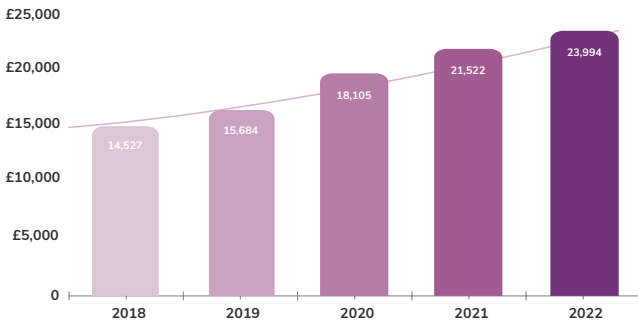




GROWING PARTNERSHIPS

Our partnership-based strategy continues to drive growth for CMI. In 2021/22 we achieved a further year of double digit income growth at 11%, despite uncertainty caused by Omicron and other macroeconomic concerns.

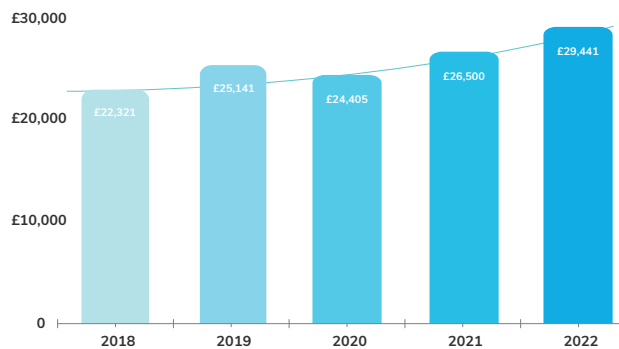
INCOME (CMI GROUP)



In 2021/22 we gained a further 123 new partners across Higher Education, Private Training providers, Further Education and employers from the private and public sectors, and our partner NPS score rose to +58. We also saw growth in the number of international partners, both in APAC and in the Middle East.

Our 11% growth in invoiced sales reflects increased sales across all revenue streams, membership, chartered awards, qualifications and end point assessments.

INVOICED SALES (CMI GROUP) - UNAUDITED



Having worked through the different competencies within the Chartered Management Consultant framework, I am continually challenging myself and striving to be a role model in everything I do.

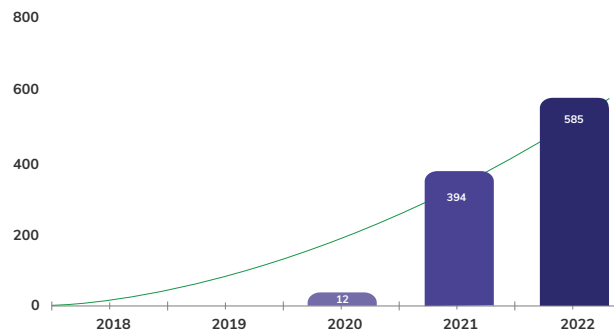
Cara Hilton,
Senior Manager, EY



CHARTERED MANAGEMENT CONSULTANTS

We launched the Chartered Management Consultant award in 2019/20 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 2021/22 almost 600 consultants have been awarded Chartered status.

CHARTERED MANAGEMENT CONSULTANTS



The Chartered Management Consultant (ChMC) award is the highest status you can achieve in the management consulting profession. It 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 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 those working independently can be assessed against the same standards and assure their clients of their commitment to ethical practice, professional competence and of course ongoing development.

THE AWARD BRINGS THREE MAIN BENEFITS TO CONSULTANCY ORGANISATIONS:



CLIENTS & PROCEDURES

Reassures clients that they are receiving services from experienced consultants whose quality is the best in the industry



RECRUIT TALENT

Offering Chartered status is already helping firms to attract and retain talent. It offers a clear career path with an award that differentiates the individual from the rest.



THE CONSULTANCY ORGANISATION

You are recognised as a leader in the market for the highest standards in training and development.

In April 2021, the award was formally launched after a two year pilot period involving leading management consultancy firms. The launch event was well supported by hundreds of virtual attendees from across both the consultancy and client sectors, including Government representatives from BEIS, the Cabinet Office and Crown Commercial Services.

During 2021/22 major efforts were made to engage not only with the consultancy community but also with the key buyers of consultancy services. The formation of a panel of consulting buyers to advise the ChMC Oversight Board was an important step and the multiple engagements with government through ministers such as Lord Grimstone, Minister of State for BEIS and more recently Lee Rowley MP, Minister for Industry, and via key government departments such as the Cabinet Office has helped to substantially raise awareness of the award.

By 31 March 2022, there were 585 ChMCs, 16 firms with accredited development programmes and a total of 50 partner firms with many more in discussion. There were a further 1,000 consultants already registered for assessment and another 3,000 on the journey to getting Chartered.

BASED ON 108 RESPONSES TO CHMC EVALUATION SURVEY:



86% believe Chartered Status has a positive impact on the reputation of their business



100% say ChMC demonstrates a level of excellence and credibility



100% say ChMC demonstrates their commitment to management consulting

In 2021/22 there was significant media interest in the award, and it was featured in both the Times newspaper supplement on the MCA Awards and the Financial Times report on UK Leading Management Consultants along with articles in City AM and Consultancy UK. These articles, along with CMI and MCA social media activity, helped us to reach over 78 million people via media activities throughout the year.

As awareness of and the number of consultants attaining the award grows so does the importance of how the industry views the Chartered award. MCA research in January 2022 revealed that 73% of consultancy leaders view it as a very positive initiative for the industry.

This was reinforced in March 2022 when two leading consultancy firms publicly committed to significantly scale-up the numbers of ChMCs and people working towards it within their firms. PwC announced that all of their consultants will be offered the opportunity to go for Chartered marking a major long-term commitment for the firm, while EY confirmed that all graduate recruits will be backed to do Chartered from this year onwards making hundreds of new people eligible for the award every year. PwC and EY joined other major firms IBM Consulting, KPMG, Arup and Arcadis that have adopted the new standards along with many other leading smaller consultancy firms.

“

Chartered accreditation is a significant milestone in the development of an industry. It is a milestone that denotes that an industry is mature enough to set the highest standards and hold itself accountable for maintaining them.

Lord Grimstone,
Minister of State for BEIS

”



“

The Chartered Management Consultant Award is a major positive step for the industry of management consulting, where I began my own professional development. I am confident that this award will continue to nurture talent and provide recognition for the highest of standards in years to come.

Lee Rowley MP,
Minister for Industry

”

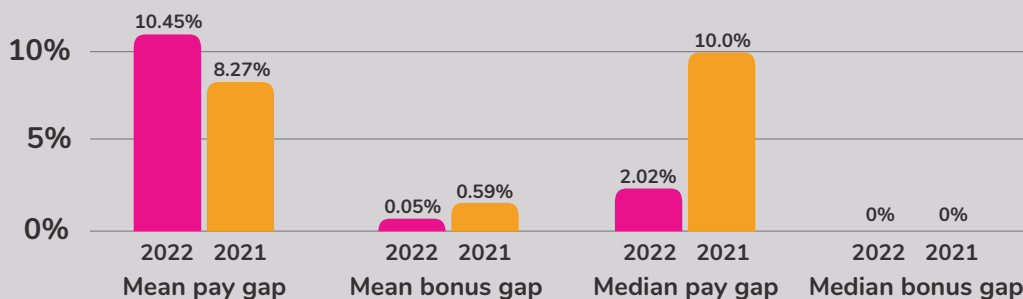


At CMI we believe that organisations with diverse and inclusive workforces outperform their peers and lead to improved business performance. CMI is committed to supporting diversity and inclusion both within CMI, from Board level through to all levels of staff, and within its membership community and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

GENDER PAY GAP

Organisations with 250 or more employees must publish specific data annually about their gender pay gap. 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. As an organisation with fewer than 250 employees, CMI has voluntarily disclosed its gender pay data at 5 April 2022.

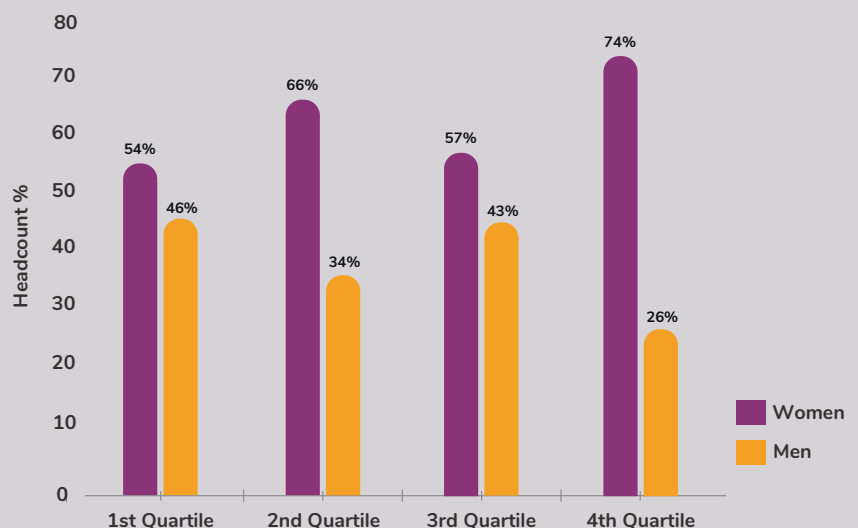
MEAN & MEDIAN



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 at 63% (2021: 66%), and this has the largest impact on pay gap data. This gender ratio is particularly apparent in the bottom quartiles of the organisation, i.e. CMI has more women than men in its lower pay bands, which has a direct impact on the mean and median pay gaps.

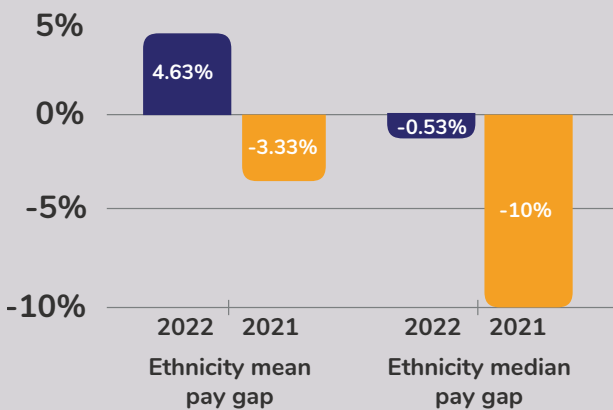


In 2021 CMI set a target of a 0% median gender pay gap by 31 March 2024. CMI is on track to achieve this target having reduced our Median gender pay gap from 10% in April 2021 to 2% in April 2022 through the use of balanced shortlists for roles, and transparency of data by quartile across the organisation.

ETHNICITY AND ETHNICITY PAY GAP



We are also choosing to voluntarily disclose our ethnicity pay gap at 5 April 2022.



Brave conversations followed up with robust actions are how we collectively better serve and benefit from the diverse society we live in.

**Pavita Cooper CMgr, CCMI
Chair CMI Race Equity
Committee**



CMI's median ethnicity pay gap is negative, which means that the median salary for staff from ethnically diverse backgrounds is higher than the median salary for white colleagues. The mean ethnicity pay gap is positive which means that CMI's average salary for ethnically diverse backgrounds is lower than the average salary for white colleagues. The movements between 2021 and 2022 reflect hiring more ethnically diverse staff in the lower quartiles of the organisation. CMI is committed to increasing the proportion of colleagues from ethnically diverse backgrounds at all levels of the organisation. In April 2021 only 9% of CMI's staff were from ethnically diverse backgrounds and as a result, in 2021 CMI set a target of 15% of staff being from ethnically diverse backgrounds by 31 March 2024. In April 2022 CMI has achieved this target. We will seek to at least maintain this percentage as the organisation continues to grow.

CMI's Board of Trustees and senior management team at April 2022 both comprised 50% women and 50% men, of which 25% and 10% were from ethnically diverse backgrounds respectively.

INCLUSIVITY AT CMI

In response to our 75th anniversary research findings in 'The Everyone Economy published in June 2022', we recognise that more can be done within CMI to ensure each and every CMI manager is aware, trained, and practising inclusive leadership every single day. In June 2022 we launched a reverse mentoring scheme, and created two employee representation groups, CMI LGBTQ+ and CMI Ethnicity inclusion hubs and we plan to extend these hubs to other under-represented groups in the months to come.

SUPPORT FOR OUR MEMBERSHIP COMMUNITY AND THE PUBLIC

The issues around gender equality and ethnicity at work have been key areas of focus for CMI's 75th anniversary research project across 2021/22. The full report 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 Race Equity Committee. 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.

In July 2021 we set out to gather evidence, data, insight and case studies over many months to understand how we can boost opportunities and business capabilities.

THE EVERYONE ECONOMY REPORT

To inform this 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 to disruptive start-ups; and from grass-roots projects.

Using the following themes, we completed research to understand the barriers that remain to create fair, inclusive workplaces, and the practical steps leaders can take for positive action:



Ethnicity



Age



Gender



Socio-Economic Background



Disability



LGBTQ+

Our report, *The Everyone Economy*, published in June 2022, has a simple message: **diversity and inclusion are key to securing sustained success in business, public services and all organisations, and we all have a long way to go.**

Our research recommends five steps for organisations to take to be a leader on this agenda:

- 1 **Ask challenging questions** and pay attention to the answers. Don't gloss over difficult facts and conversations.
- 2 **Put together a plan and track your progress.** Study data, improve it, share it, and hold organisations accountable.
- 3 **Embrace flexible working.** Even small degrees of flexibility increases the chance of attracting and retaining a diverse talent pool.
- 4 **Recognise the central role of all managers, not just Equality, Diversity and Inclusion (EDI) specialists.** Each and every manager should be aware, trained, and practise inclusive leadership every single day.
- 5 **Be a story-teller and a role model.** Encourage sharing of experiences and challenges. Say why diversity, inclusion and fairness matters.



Promoting true diversity and being genuinely inclusive is important in its own right, for organisational success. It is also a fundamental part of creating a sustainable culture and embedding sustainability in the heart of an organisation. Put simply, that has to be the way of the future.

Professor David Grayson,
75th Advisory Council

75TH ANNIVERSARY BURSARY SCHEME

We believe that everyone, irrespective of their background, identity or circumstances, should have the opportunity to achieve their full career potential.

In March 2022 we launched a bursary scheme for 75 aspiring managers, whose financial circumstances may otherwise prevent them from having the opportunity to develop their management and leadership skills and achieve their professional goals.

EMPLOYEE WELLBEING

Throughout the COVID-19 pandemic, and as we emerge from it, employee wellbeing has remained a key priority at CMI. CMI has a Wellness and Wellbeing Charter for employees and some of the activities which have taken place under the Charter included:

- 1 Trained and appointed two additional mental health first aiders, bringing the total to three
- 2 Introduced counselling services to the Employee Assistance Programme and provided free access to Kooth, an anonymous mental health platform to all of our employees
- 3 Introduced a meeting-free walk and talk hour in the work day to encourage colleagues to take a daily walk
- 4 Provided weekly online pilates class (chair-based and non chair-based) and a recently introduced karate class
- 5 Provided periodic wellbeing days at the CEO's discretion allowing the entire organisation to benefit from a short notice office closure for a day.



In addition, CMI Voice, our employee forum, conducted regular polls on colleagues wellbeing, and provides regular social and wellbeing activities such as, baking boxes, quizzes and walking challenges throughout 2021/22 to keep colleagues connected and engaged with each other.

HYBRID WORKING

CMI's offices are fully open post the COVID-19 pandemic, and whilst we encourage colleagues to come into the offices to benefit from the positive effects that being co-located brings a team, having taken feedback from our colleagues, we have not mandated a minimum number of days in the office at this time. We believe in the benefit to the organisation of allowing flexible working, and we will continue to operate in a hybrid way for the foreseeable future.

At CMI we focus on delivery rather than hours worked, and in 2021 CMI trialled 'summer Fridays', which reduced the working week to end at 2pm on Friday for all colleagues over the summer months to improve their wellbeing from enjoying a longer weekend, with no loss of pay. We have been pleased to be able to extend this shorter working week throughout 2021/22 and it remains in place for summer 2022.

ENVIRONMENTAL IMPACT

We are committed to reducing the impact on our environment. During 2021/22 we started detailed data collection of our greenhouse gas equivalents (GHG) in line with the GHG protocol, and we formed CMI Voice - Environmental Group, an employee led group focusing on identifying ways to reduce both our direct consumption of greenhouse gases, and to identify ways in which we can offset our residual impact to achieve net zero.

ETHICAL INVESTMENTS

At 31 March 2022, CMI held £10.04m in an 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 (e.g. environmental). At 31 March 2022 the portfolio achieved a AAA MSCI ESG Rating, above the minimum level of AA set by CMI's Board of Trustees.



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, input to and share our policy and research work and promote the benefits of becoming Chartered.

In 2021/22 the regional boards delivered over 50 events across the UK and APAC, which engaged over 25,000 delegates, an increase of nearly 50% on 2020/21. We were pleased to return to some in-person events both in the UK and APAC but the majority of events continued to be delivered virtually, allowing both live and on-demand access.

The net promoter score (NPS) among UK volunteers is now at a stunning +61, up 23 points on the previous year; the NPS improvement rate is even higher among Asia-Pacific volunteers and stands at +24.

 **50** Events delivered across UK & APAC



100

Volunteers across the UK



25,000

+50% Engaged delegates

MEET SOME OF OUR VOLUNTEERS



Dr Paulina Chan
CMgr, CCMi



Taranjeet Singh
CMgr, FCMI



Catherine Myszka
CMgr, MCMI



Gary Metcalfe
CMgr, FCMI, FIC

COMPANIONS

The Board Committees are augmented by an increasingly active network of Chartered Companions, 160 of whom have been actively involved with us over the last twelve months.

Our Chartered Companions are senior leaders from all sectors, some hold voluntary roles on our Board and its Committees, and many others volunteer their time to help us to amplify our message through interviews, videos and magazine features, input to the development of new products and services, mentor others across our community and champion our values and outputs through their own networks. CMI's CEO interviewed over 40 Chartered Companions as part of CMI's weekly Leading Lights interviews, covering important topics such as inclusion and the importance of ethics and values in leadership, mental health, decision making in uncertain times and balancing responsibilities in a hybrid world.

75TH ANNIVERSARY VOLUNTEER ACTIVITIES



A key area of focus by our volunteers in 2021/22 has been contributing to CMI's 75th Anniversary project, both in providing insights as expert witnesses in roundtables and discussions and through taking part in polls and research.

As part of our 75th Anniversary activities, we are recruiting a further 75 Chartered Companions and we have introduced a CMI Bursary Scheme where 75 people will receive financial support towards their management education where access would have been impossible due to financial constraints. The scheme launched in February 2022 and was immediately greeted with great positivity from our members and partners, and our Companions participated in judging hundreds of entries.



“

I really love CMI and the impact that it has on aspiring managers and leaders, so it's fantastic to be shortlisted for something that I really enjoy doing. It is a great achievement for me, and I am so pleased to have my work, and the work of the CMI Women Hub recognised like this.

”

VOLUNTEER OF THE YEAR WINNER 2021

Katie Kelly, MCMi

Events Lead and London CMI Women Hub Leader on the CMI London Board

VOLUNTEER OF THE YEAR AWARD

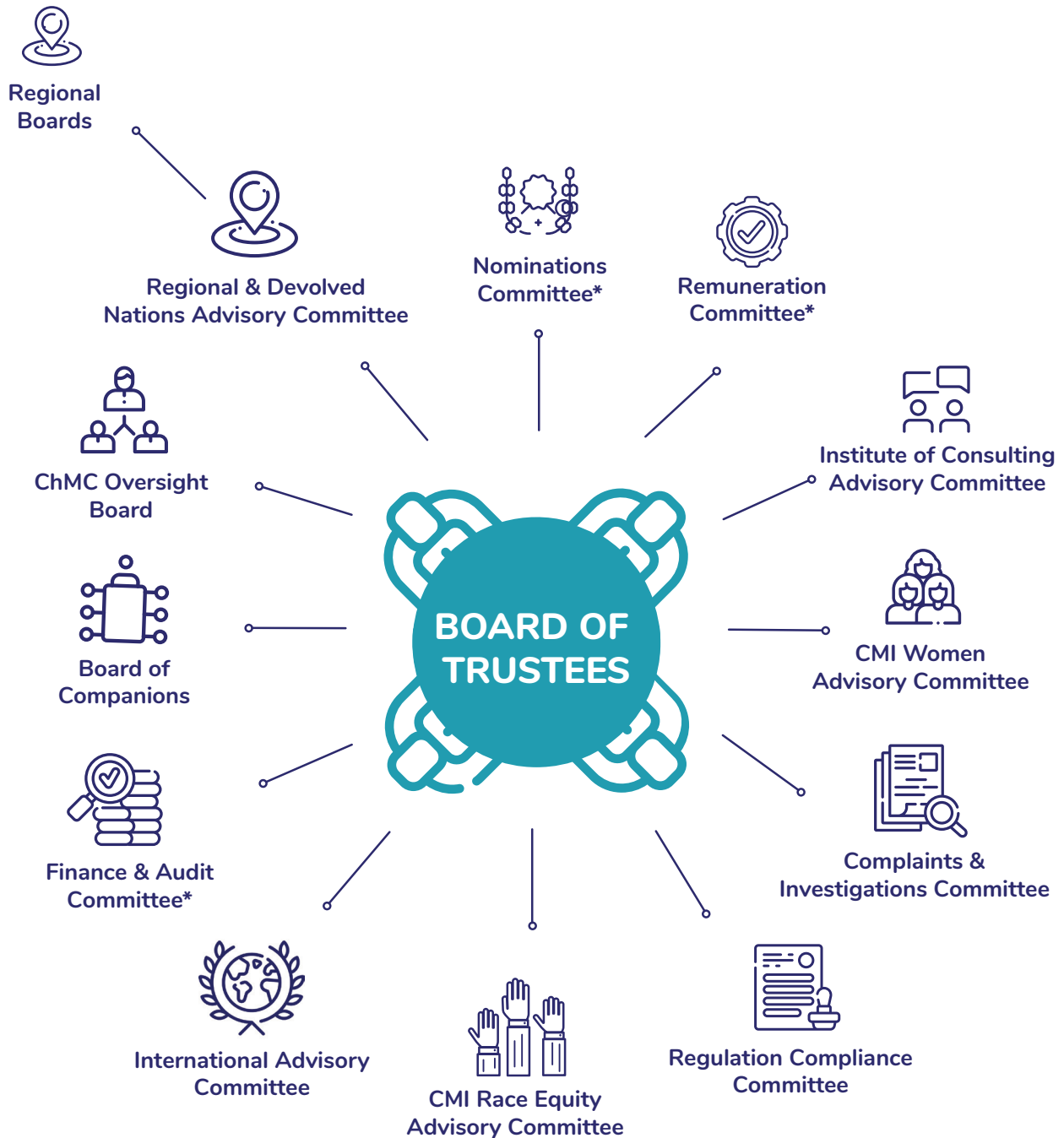
The Volunteer of the Year Award recognises outstanding contribution and impact from our community of Board and Committee volunteers. The winner demonstrates CMI's values, and delivers benefits for the wider community in line with CMI's mission.



VOLUNTEER ACTIVITIES.



BOARD OF TRUSTEES AND INSTITUTE GOVERNANCE



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



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 2021, we convened a unique 75th Anniversary Advisory Council to explore the skills and capabilities that managers and leaders will need to navigate the post-pandemic era and drive their organisations to sustained success.

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.

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 Committees structure aligns with business priorities. CMI's Advisory Committees are the Regulation Compliance Committee, Regional and Devolved Nations Advisory Committee, Institute of Consulting Advisory Committee, International Advisory Committee, CMI Women Advisory Committee, CMI Race Equity Advisory Committee and Complaints and Investigations 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 speaking to those reports and ensuring a two-way flow of information and feedback.



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.



CMI Race Equity Advisory Committee

The Committee provides thought leadership and regularly reviews and shapes the Institute's policy work, for example our 75th Anniversary Council activities.



CMI Women Advisory Committee

Supported the Institute's successful campaign on gender pay gap reporting enforcement; led CMI's International Women's Day campaign and continues to bring together leaders and managers to share best practice and build a strong network.



Chartered Management Consultant (ChMC) Oversight Board

Oversaw the development and launch of the Chartered award for Management Consultants and continues to support plans to scale up the award following its successful pilot.



Complaints and Investigations Committee

Reviewed and determined all complaints received by the Institute.



International Advisory Committee

A new Committee set up to advise the Board of Trustees on international commercial strategy to support CMI's International expansion.



Institute of Consulting (IC) Advisory Committee

Represented the views of IC members and provided support on the delivery of new membership engagement opportunities and views on aspects of the development of the ChMC award.



Regional and Devolved Nations Advisory Committee

Ensured the sharing of good practice across the nine UK regions/devolved nations plus our four overseas Boards and informed, added input to and helped socialise CMI policy and research. The Committee also facilitated member engagement through digital events and encouraged more people to become Chartered Managers.

Regional Boards

Delivered a programme of digital and hybrid events; for members in their regions. Shared CMI strategy; amplified CMI thought leadership and pathways to Chartered status to regional members and non members.



Regulation Compliance Committee

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

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.

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.

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.

President

Lord Mark Price CVO CMgr CCMI

Immediate Past President

Bruce Carnegie-Brown CMgr CCMI

Board of Trustees (as at 31 March 2022)

(The number of Board meetings attended during the period April 2021 to March 2022 is indicated alongside the name of each member.)

Lord Mark Price CVO CMgr CCMI	6/6
Paul Bennett FCMI	6/6
Tamara Box CMgr CCMI	1/4
Pavita Cooper CMgr CCMI	4/6
Bob Cryan CBE DL CMgr CCMI	6/6
Patrick Dunne CMgr CCMI	6/6
Ann Francke OBE CMgr CCMI FIC	6/6
Kate Grussing CBE CMgr CCMI	6/6
Liz Hoskin CMgr FCMI	6/6
Heather Melville OBE CMgr CCMI	6/6
Teddy Nyahasha CMgr CCMI	3/4
Tim Stewart CMgr CCMI	4/4
Bruce Carnegie-Brown CMgr CCMI (until 29 September 2021)	2/2
Valerie Dias CMgr CCMI (until 29 September 2021)	2/2
Dr Paulina Chan CMgr CCMI (until 29 September 2021)	2/2
Liz White FCMI (until 29 September 2021)	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 29 September 2021 (or as otherwise indicated):

Elected members

Tamara Box CMgr CCMI
Teddy Nyahasha CMgr CCMI

Co-opted member

Tim Stewart CMgr CCMI (co-opted as Chair of the Finance and Audit Committee from 29 September 2021)

Member of the Board of CMI Enterprises Limited
(as at 31 March 2022)

Ann Francke OBE CMgr CCMI FIC

Members of Committees of the Board
(as at 31 March 2022)

Finance and Audit Committee

Tim Stewart CMgr CCMI – Chair
Bridget Ogunjuyigbe FCMI
Phil Spence CMgr CCMI
Tim Steel FCMI
Valerie Dias CMgr CCMI (until 29 September 2021)

Nominations Committee

Lord Mark Price CVO CMgr CCMI - Chair
Paul Bennett FCMI
Kate Grussing CBE CMgr CCMI
Bruce Carnegie-Brown CMgr CCMI (until 29 September 2021)

Remuneration Committee

Kate Grussing CBE CMgr CCMI - Chair
Lord Mark Price CVO CMgr CCMI
Paul Bennett FCMI
Bruce Carnegie-Brown CMgr CCMI (until 29 September 2021)

Board of Companions

Bob Cryan CBE DL CMgr CCMI - Chair
Lord Mark Price CVO CMgr CCMI
Fola Komolafe MBE DL CMgr CCMI
Duncan Cheatle CMgr CCMI
Matthew Elliott CMgr CCMI
Tamara Box CMgr CCMI (last meeting - 9 February 2022)
John Jeffcock CMgr CCMI
Karamjit Singh CBE CMgr CCMI
Sally Penni CMgr CCMI
Samantha Allen CMgr CCMI
Byron Dixon OBE CMgr CCMI
Rupert McNeil CMgr CCMI
Stephen Pierce CMgr CCMI

CMI Women Advisory Committee

Heather Melville OBE CMgr CCMI – Chair
Jo Moffatt CMgr CCMI
Dr Jummy Okoya FCMI
Angela Owen CMgr CCMI
Gideon Franklin CMgr CCMI
Patrick Macdonald CMgr CCMI
Anna Price CMgr CCMI
Carol Ann Whitehead CMgr CCMI

Complaints and Investigations Committee

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

Institute of Consulting Advisory Committee

Scott Rodham-Boyd CMgr MCMCI CMC ChMC MIC - Chair
Zarina Naqvi ChMC FIC
Keith Rushton CMC FIC
Nicholas Warn CMC FIC
Jeremy Webster CMC MCMCI FIC
Peter Johnson CMgr FCMI CMC ChMC FIC



Tom Spence MCMI ChMC
John Tibble CMgr FCMI ChMC FIC
Simon Haslam FIC CMC

Regional and Devolved Nations Advisory Committee

Liz Hoskin CMgr FCMI - Chair
Delroy Beverley CMgr CCMI
Terry Corby CMgr CCMI
Gemma Jordan MCMI
Dilshad Sheikh CMgr CCMI
Alistair Roman CMgr FCMI
Kathryn Austin CMgr CCMI
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

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

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
Aquilla 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 CMgr CCMI - Chair
Gareth Clarke
Ann Francke OBE CMgr CCMI
Lucy Greggains FCMI
Nick Griffin
Tamzen Isacsson CMgr CCMI
Lucy Jeffreys
Charles Newhouse ChMC
Matt Roberts CMgr FCMI
Scott Rodham-Boyd CMgr MCMI CMC ChMC MIC
Alwin Swales
Steve Watmough
Gerry Pennell OBE (until 11 March 2021)

International Advisory Committee

Lucy Greggains FCMI - Chair
Ann Francke OBE CMgr CCMI FIC
Maggie Buggie CMgr CCMI
Dr Paulina Chan CMgr CCMI
Sarah Chidgey
Jim Islam CMgr CCMI
Cindy Rampersaud CMgr CCMI
Indhra Kaushal Rajapaksa FCMI
Professor Rebecca Taylor CMgr CCMI
Taranjeet Singh CMgr FCMI
Tay Woon Teck CMgr CCMI

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 24. 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 £1,000 (2021: Operating loss of £1,000) 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 £174,000 (2021: Operating loss of £170,000) reflecting the early stages in the development of operations in Malaysia and the impact of the COVID-19 pandemic in the region.

The Group generates income from sales of its services and does not receive gifts or donations. Group income for the year amounted to £23.99m (2021: £21.52m) reflecting strong demand for apprenticeships and dual accreditation services. Net income amounted to £2.21m (2021: £5.02m) with the decrease due to investments in: social media marketing activities, digital capabilities to support our members, and expansion into international markets. The net cash outflows from all activities of £(1.05m) (2021: Net cash inflow of £7.84m) is stated after paying £0.96m (2021: £0.94m) 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 £23.87m (2021: £20.69m) at the end of the year. The Group generated a net surplus on General Funds of £4.39m (2020: £2.96m) from operational activities in the year.

The demand for apprenticeship and dual accreditation activities has resulted in multi-year sales contracts being entered into by the Charity. 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 £28.84m (2021: £24.55m) and deferred income stood at £35.70m (2021: £30.10m).

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 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 £1.52m to £12.48m (2021: £10.96m). The Charity built up reserves in 2021/22 in order to protect itself from any delayed negative impact from the COVID-19 pandemic. Charitable expenditure incurred by the Charity in the year of £21.57m (2021: £16.98m) equates to a reserves minimum of £5.39m (2021: £4.25m). The Charity’s free reserves of £12.48m (2021: £10.96m) plus deferred membership subscription income of £1.72m (2021:

£1.72m) totalled £14.20m at 31 March 2022 (2021: £12.68m), equivalent to 263% of the reserves minimum (2021: 298% of the reserves target). The Board expects to utilise reserves in 2022/23 to support existing services and develop new opportunities including:

- growth in brand awareness across key audiences;
- increase in new member recruitment and student conversion;
- focus on management skills at the heart of national rebuild efforts;
- development of agile technology and digital capabilities to drive innovation;
- growth in revenue from higher education and employer provider partners;
- growth in international markets; and
- scaling up of Chartered Management Consultant.

The Board has considered a number of down side scenarios for 2022/23 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. During the COVID-19 crisis the Board also ensured that liquidity and cash and investments were monitored closely alongside reserves.

At 31 March 2022 the FRS 102 valuation of the defined benefits pension scheme deficit stood at £10.32m (2021: £13.08m). The Charity’s net assets after inclusion of the pension scheme deficit amounted to £4.48m (2021: Net assets of £0.09m). The pension scheme is closed to accrual and a new recovery plan was agreed in May 2020, under which the deficit contributions increased to £0.94m in 2020/21, increased 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 £14.80m at 31 March 2022 (2021: £13.17m) 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 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 be appropriate to the size and nature of the Group and Charity's operations and will continue to keep them under review. The Board is satisfied the requirement for the organisation to work remotely during the COVID-19 crisis has not impacted the control environment adversely.

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 the MSCI World Index, FTSE All Share Index and Barclays Capital Global Aggregate Index. The investment portfolio generated an annualised return since inception of 4.79% compared to the benchmark return of 5.98%. 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 2022/23 in March 2022, as part of the normal annual review. The Budget covered the year to 31 March 2023, and the planning period was extended to 31 March 2024 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 2023, the most significant areas that are likely to affect the Group and Charity's net assets are the ongoing risk from COVID-19 on the financial sustainability of our partners which could impact the forecast recognition of income under existing multi-year contracts, and could impact in-year sales, the UK Government review of tuition fees in England and Wales which could impact the affordability of the Charity's undergraduate dual accreditation services, 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 30 to 45 of this report, were approved by the Board on 7 July 2022.

Approved on behalf of the Board



Lord Mark Price CVO, CMgr, CCMi
President, CMI
7 July 2022

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; and
- 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.

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 2022 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 2022 which comprise the consolidated statement of financial activities, the consolidated and parent 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, CMI's 75th Anniversary, People & Environment, 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 Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 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
- 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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14 July 2022

**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 2022

	Note No	Total Funds 2022 £000	Total Funds 2021 £000
INCOME			
Charitable activities	15/17		
Membership		4,831	4,802
Qualifications		18,808	16,366
Trading activities			
Commercial	16	241	244
Investment income			
Investment income		114	110
		23,994	21,522
EXPENDITURE			
Charitable activities	15/17		
Membership		4,840	3,610
Qualifications		13,783	10,813
Thought leadership and research		2,776	2,362
Other		342	364
Trading activities			
Commercial	16	215	245
		21,956	17,394
Net income before gains on financial investments		2,038	4,128
Gains on financial investments	22	168	893
		2,206	5,021
NET INCOME			
Defined benefits pension scheme			
Actuarial gains/(losses)	27	2,185	(2,058)
		4,391	2,963
NET MOVEMENT IN FUNDS			
FUND BALANCES AT 1 APRIL 2021		87	(2,876)
FUND BALANCES AT 31 MARCH 2022		4,478	87

All activities relate to unrestricted continuing operations.

CONSOLIDATED AND CHARITY BALANCE SHEETS

as at 31 March 2022

	Note No	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
FIXED ASSETS					
Tangible fixed assets	21	2,076	2,076	1,964	1,964
Financial investments	22	10,039	10,039	5,808	5,808
		12,115	12,115	7,772	7,772
CURRENT ASSETS					
Debtors – amounts falling due within one year	23	14,896	14,823	13,557	13,467
Cash and cash equivalents		13,831	13,745	14,884	14,876
		28,727	28,568	28,441	28,343
Debtors – amounts falling due after more than one year	23	14,625	14,598	11,617	11,617
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	24	(19,347)	(19,225)	(16,079)	(15,981)
Deferred subscription income		(1,719)	(1,719)	(1,723)	(1,723)
		(21,066)	(20,944)	(17,802)	(17,704)
NET CURRENT ASSETS					
		7,661	7,624	10,639	10,639
TOTAL ASSETS LESS CURRENT LIABILITIES					
		34,401	34,337	30,028	30,028
Creditors – amounts falling due after more than one year	25	(19,599)	(19,535)	(16,859)	(16,859)
NET ASSETS EXCLUDING PENSION LIABILITY					
		14,802	14,802	13,169	13,169
Pension scheme funding liability	27	(10,324)	(10,324)	(13,082)	(13,082)
NET ASSETS					
		4,478	4,478	87	87
THE FUNDS OF THE GROUP AND CHARITY:					
General Funds					
Tangible fixed assets	21	2,076	2,076	1,964	1,964
Free reserves		12,476	12,476	10,955	10,955
		14,552	14,552	12,919	12,919
Designated Funds	28	250	250	250	250
TOTAL UNRESTRICTED FUNDS					
		14,802	14,802	13,169	13,169
PENSION RESERVE					
		(10,324)	(10,324)	(13,082)	(13,082)
TOTAL GROUP AND CHARITY FUNDS					
		4,478	4,478	87	87

Approved by the Board of Trustees on 7 July 2022 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 2022

				Group 2022 £000	Group 2021 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES					
NET CASH OUTFLOW FROM INVESTING ACTIVITIES					
Investment income				114	110
Purchase of financial investments				(6,740)	(2,207)
Disposal of financial investments				2,513	1,917
Purchase of tangible fixed assets				(311)	(131)
				(4,424)	(311)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
				(1,053)	7,836
NOTES TO THE CONSOLIDATED STATEMENT OF CASHFLOWS					
RECONCILIATION OF NET INCOME TO					
NET CASH INFLOW FROM OPERATING ACTIVITIES					
Net income				2,206	5,021
Depreciation charges				199	171
Investment income				(114)	(110)
Adjustment for pension scheme funding				(573)	(541)
Unrealised gains on financial investments				(4)	(682)
(Increase)/decrease in debtors				(4,347)	1,846
Increase in creditors				6,008	2,421
(Decrease)/increase in value of subscriptions received relating to a future period				(4)	21
NET CASH INFLOW FROM OPERATING ACTIVITIES					
				3,371	8,147
MOVEMENT IN CASH AND CASH EQUIVALENTS IN THE YEAR					
(Decrease)/increase in cash and cash equivalents				(1,053)	7,836
Cash and cash equivalents at 31 March 2021				14,884	7,048
Cash and cash equivalents at 31 March 2022				13,831	14,884
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Cash at bank and in hand				13,831	14,884
Cash and cash equivalents at 31 March 2022				13,831	14,884
ANALYSIS OF CHANGES IN NET DEBT					
	Group 2021 £000	Cash flows £000	Other non-cash changes £000	Group 2022 £000	Group 2021 £000
Cash and cash equivalents	14,884	(1,053)	0	13,831	14,884
Borrowings	0	0	0	0	0
Total	14,884	(1,053)	0	13,831	14,884

NOTES TO THE ACCOUNTS

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 2022 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.

NOTES TO THE ACCOUNTS CONTINUED

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.

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 reviews. 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, socioeconomic 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.

NOTES TO THE ACCOUNTS CONTINUED

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 (2021: £500).

NOTES TO THE ACCOUNTS CONTINUED

Accounting Policies

9 FINANCIAL INVESTMENTS

Financial investments include investments in 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 90 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 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.

NOTES TO THE ACCOUNTS CONTINUED

Statement of Financial Activities

	2022 £000	2021 £000
15 CHARTERED MANAGEMENT INSTITUTE		
Included in the Consolidated Statement of Financial Activities are the following amounts in respect of the Charity.		
Income	23,778	21,278
Expenditure	(21,566)	(16,979)
Net incoming resources	2,212	4,299
(Losses)/gains on financial investments	(6)	722
Actuarial gains/(losses) on defined benefits pension scheme	2,185	(2,058)
Net movement in funds	4,391	2,963
Assets	55,281	47,732
Liabilities	(50,803)	(47,645)
Net assets	4,478	87
	2022 £000	2021 £000
16 CMI ENTERPRISES LIMITED		
Income	241	304
Expenditure	(240)	(305)
Operating profit/(loss)	1	(1)
Assets	238	194
Liabilities	(238)	(195)
Net assets/(liabilities)	0	(1)

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 £240,000 (2021: £305,000) includes transactions with the Charity amounting to £25,000 (2021: £60,000). Refer to note 20 for further information on related party transactions.

NOTES TO THE ACCOUNTS CONTINUED

Statement of Financial Activities

	2022 £000	2021 £000
17 CMI MANAGEMENT AND LEADERSHIP SDN BHD		
Income	0	0
Expenditure	(174)	(170)
Net outgoing resources	(174)	(170)
Assets	2	2
Liabilities	(420)	(246)
Net liabilities	(418)	(244)

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 2021/22 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 £174,000 (2021: £170,000) 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 2022 £000
18 EXPENDITURE			
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
	Direct Costs £000	Management & Administration £000	Total 2021 £000
Costs of generating funds			
Commercial	245	0	245
Charitable expenditure			
Membership	3,045	565	3,610
Qualifications	9,146	1,667	10,813
Thought leadership and research	1,992	370	2,362
Other	307	57	364
	14,735	2,659	17,394

Governance costs amounted to £282,000 (2021: £259,000).

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

	2022 £000	2021 £000
Remuneration of the auditors		
Audit work	47	43
Tax advice	9	8
	56	51

The Group remuneration of the auditors for audit work was £47,000 (2021: £43,000).

NOTES TO THE ACCOUNTS CONTINUED

Statement of Financial Activities

	2022 £000	2021 £000
19 STAFF COSTS AND TRUSTEE EXPENSES		
Wages and salaries	9,660	7,979
Social security costs	1,043	774
Pensions and other post retirement benefits (note 27)	1,428	1,334
Benefits in kind	152	214
	12,283	10,301

Of the total pension contributions of £1,428,000 (2021: £1,334,000) stated above, £855,000 (2021: £793,000) was included in expenditure in the year, and £573,000 (2021: £541,000) was charged to the Pension Reserve. The average number of staff employed during the year was 221 (2021: 165).

Redundancy and related termination costs included in staff costs during the year amounted to £Nil (2021: £8,000).

Ex-gratia payments included in staff costs during the year amounted to £7,000 (2021: £Nil). 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:

	2022	2021
£60,000 - £69,999	13	7
£70,000 - £79,999	8	7
£80,000 - £89,999	8	7
£90,000 - £99,999	4	0
£100,000 - £109,999	1	1
£110,000 - £119,999	0	1
£120,000 - £129,999	0	2
£130,000 - £139,999	0	1
£150,000 - £159,999	2	2
£170,000 - £179,999	2	0
£230,000 - £239,999	0	1
£260,000 - £269,999	1	0
£340,000 - £349,999	0	1
£390,000 - £399,999	1	0
	40	30

38 of the above staff (2021: 29) have retirement benefits accruing under defined contribution pension schemes at a cost to the Group of £81,000 (2021: £72,000).

Ann Francke was appointed as a Trustee on 12 June 2012 and, in accordance with the Royal Charter, received emoluments of £395,000 (2021: £348,000) in the year as Chief Executive of the Charity, including a bonus of £119,000 in respect of 2020/2021 (2021: £75,000 in respect of 2019/2020) and including £24,173 (2021: £23,929) in lieu of a pension contribution. The Charity made contributions in the year of £Nil (2021: £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 8 staff during the year (2021: 7) including the Chief Executive, amounted to £1,445,000 (2021: £1,280,000) plus £187,000 (2021: £164,000) in social security costs. A further £19,000 (2021: £23,000) was paid into the defined contribution pension schemes on their behalf.

No Trustees, other than the Chief Executive, received emoluments during the year. A total of £1,000 (2021: £1,000) was reimbursed to 12 (2021: 13) 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. During the year, CMI Enterprises Limited purchases from the Charity amounted to £25,000 (2021: £60,000). At 31 March 2022 the amount due by CMI Enterprises Limited to the Charity amounted to £Nil (2021: £425), as well as £51,000 (2021: £96,000) 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 £174,000 (2021: £170,000) of expenses on behalf of CMI Management & Leadership Sdn Bhd. At 31 March 2022 the amount due by CMI Management & Leadership Sdn Bhd to the Charity was £420,000 (2021: £246,000). A provision for doubtful debts has been made against the entire balance owed. During the year, the Charity paid £955,000 (2021: £941,000) to the CMI Retirement Benefit Scheme in respect of deficit funding contributions related to the recovery plan agreed with the scheme trustees in 2020 as detailed in note 27. During the year, the Charity paid £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 year or prior year.

NOTES TO THE ACCOUNTS CONTINUED

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 2021	308	1,590	1,821	3,719
Additions during the year	0	0	311	311
Disposals during the year	0	0	(4)	(4)
Cost at 31 March 2022	308	1,590	2,128	4,026
Accumulated depreciation at 1 April 2021	122	153	1,480	1,755
Disposals during the year	0	0	(4)	(4)
Charge for the year	22	21	156	199
Accumulated depreciation at 31 March 2022	144	174	1,632	1,950
Net book value at 31 March 2022	164	1,416	496	2,076
Net book value at 31 March 2021	186	1,437	341	1,964

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 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
22 FINANCIAL INVESTMENTS				
Fair value at 1 April 2021	5,808	5,808	4,836	4,836
Additions during the year	6,740	6,740	2,207	2,207
Disposals during the year	(2,513)	(2,513)	(1,917)	(1,917)
Unrealised gains on revaluation	4	4	682	682
Fair value at 31 March 2022	10,039	10,039	5,808	5,808

Financial investments comprised of £7,937,000 (2021: £4,052,000) of investments in equities including property, £1,309,000 (2021: £870,000) of investments in bonds, £208,000 (2021: £678,000) of investments in commodities, and £585,000 (2021: £208,000) in cash.

£3,338,000 of financial investments (2021: £2,951,000) 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 £585,000 (2021: £208,000) held in cash.

The benchmark index of the investment portfolio is a composite including the MSCI World Index, FTSE All Share Index and Barclays Capital Global Aggregate Index. The investment portfolio generated an annualised return since inception of 4.79% compared to the benchmark return of 5.98%.

The Group's gains on financial investments amounted to £168,000 (2021: £893,000), comprised of unrealised gains of £4,000 (2021: £682,000), realised gains of £154,000 (2021: £211,000) and other gains of £10,000 (2021: £ Nil).

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

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
23 DEBTORS				
Trade debtors - amounts falling due within one year	14,211	14,134	12,933	12,801
Other debtors	119	119	119	119
Prepayments and accrued income	566	519	505	451
Amounts due by CMI Enterprises Limited	0	51	0	96
Amounts due by CMI Management and Leadership Sdn Bhd	0	0	0	0
	14,896	14,823	13,557	13,467
Debtors – amounts falling due after more than one year	14,625	14,598	11,617	11,617
	29,521	29,421	25,174	25,084

The Charity's debtors include amounts due by CMI Management and Leadership Sdn Bhd of £Nil (2021: £Nil) comprised of £420,000 of trade debtors (2021: £230,000) less a provision for doubtful debts of £420,000 (2021: £230,000) that reflects management's estimate of its irrecoverability.

The Charity's debtors - amounts falling due after more than one year include trade debtors of £14,598,000 (2021: £11,617,000) and prepayments of £Nil (2021: £Nil).

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

Impairment gains recognised by the Group in the Statement of Financial Activities for the year in respect of doubtful trade debtors was a gain of £182,000 (2021: Gain of £540,000).

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
24 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade creditors	803	801	570	570
Accruals	2,441	2,441	2,271	2,256
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	15
Deferred income	16,103	15,983	13,238	13,140
	19,347	19,225	16,079	15,981

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.

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Group 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
25 DEFERRED INCOME				
Balance at 1 April 2021	30,097	29,999	28,089	27,910
Invoiced in the year	25,133	24,861	18,648	18,556
Recognised as income in the year	(19,528)	(19,342)	(16,640)	(16,467)
Balance at 31 March 2022	35,702	35,518	30,097	29,999
Allocated between				
Due within one year (see note 24)	16,103	15,983	13,238	13,140
Due after more than one year	19,599	19,535	16,859	16,859
	35,702	35,518	30,097	29,999

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 2022 £000	Charity 2022 £000	Group 2021 £000	Charity 2021 £000
26 OBLIGATIONS UNDER OPERATING LEASES				
Land and buildings				
– within one year	299	299	299	299
– in the second to fifth years inclusive	647	647	946	946
– more than five years	0	0	0	0
	946	946	1,245	1,245
Motor vehicles				
– within one year	35	35	23	23
– in the second to fifth years inclusive	0	0	0	0
	35	35	23	23

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

During the year £390,000 (2021: £444,000) was charged to the Statement of Financial Activities in respect of rental payments under operating leases.

NOTES TO THE ACCOUNTS CONTINUED

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 2022 the pension scheme held assets with a fair value of £33,277,000 (2021: £34,959,000) and had funded obligations of £(43,601,000) (2021: £(48,041,000)) resulting in a net deficit of £(10,324,000) (2021: £(13,082,000)).

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 2019. The following actuarial assumptions were applied:

Investment returns	3.50%
Pension increase (pre 2000 Pension)	5.00%
Pension increase (post 2000 Pension)	2.33%
Rate of inflation (CPI)	2.43%

At the 1 April 2019 valuation date the market value of the pension scheme's assets amounted to £34,615,000 and the actuarial value was sufficient to cover 75% 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 2022 the total pension contributions by the Charity to the defined benefits pension scheme was £955,000 (2021: £941,000).

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

The Actuary has computed the following information regarding the financial position of the pension scheme at 31 March 2022:

	Group & Charity 2022 £000	Group & Charity 2021 £000
Fair value of scheme assets	33,277	34,959
Value of funded obligations	(43,601)	(48,041)
Net deficit	(10,324)	(13,082)
Changes in fair value of scheme assets during the year:		
At 1 April 2021	34,959	33,853
Interest income	740	807
Actual return on scheme assets - (losses)/gains	(1,989)	1,019
Contributions	955	941
Benefits paid	(1,274)	(1,531)
Administration costs	(114)	(130)
At 31 March 2022	33,277	34,959
Changes in value of funded obligations during the year:		
At 1 April 2021	(48,041)	(45,418)
Interest cost	(1,122)	(1,207)
Actuarial gains/(losses)	4,174	(3,077)
Benefits paid	1,274	1,531
Charges paid	114	130
Allowance for GMP equalisation	0	0
At 31 March 2022	(43,601)	(48,041)

The contributions to the defined benefits pension scheme in the year to 31 March 2023 are expected to be £1,033,000.

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

	Group & Charity 2022		Group & Charity 2021	
	£000	%	£000	%
27 PENSION BENEFITS CONTINUED				
Analysis of pension scheme assets at 31 March 2022:				
Equities (including property)	8,320	25%	8,705	25%
Bonds	19,405	58%	20,259	58%
Cash	1,226	4%	638	2%
Insured pensioners	4,326	13%	5,357	15%
	33,277	100%	34,959	100%

	Group & Charity 2022		Group & Charity 2021	
	%		%	
Principal actuarial assumptions at 31 March 2022:				
Discount rate		2.83%		2.13%
Retail price inflation		3.97%		3.44%
Consumer price inflation		3.27%		2.69%
Pension increase (limited price index)		2.17%		2.69%
Deferred pension revaluation		2.50%		2.50%
GMP equalisation reserve		0.50%		0.50%

Mortality follows the standard tables known as S2PMA and S2PFA 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 2022		Group & Charity 2021	
	Years		Years	
For a male aged 65 now		21.7		21.6
At 65 for a male member aged 45 now		23.0		22.9
For a female aged 65 now		23.7		23.6
At 65 for a female member aged 45 now		25.2		25.2

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

	Group & Charity 2022		Group & Charity 2021	
	£000		£000	
Interest income		740		807
Interest cost		(1,122)		(1,207)
Net finance charge and total operating charge		(382)		(400)
Actual return on scheme assets		(1,249)		1,826

NOTES TO THE ACCOUNTS CONTINUED

Balance Sheet

27 PENSION BENEFITS CONTINUED

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

	Charity 2022 £000	Charity 2021 £000	Charity 2020 £000	Charity 2019 £000	Charity 2018 £000
Fair value of scheme assets	33,277	34,959	33,853	35,235	33,324
Value of funded obligations	(43,601)	(48,041)	(45,418)	(47,567)	(45,826)
Net deficit	(10,324)	(13,082)	(11,565)	(12,332)	(12,502)
Experience adjustments on scheme assets	(1,989)	1,019	(761)	1,811	124
Experience adjustments on scheme liabilities	4,174	(3,077)	1,016	(1,605)	(220)
Actuarial gains/(losses)	2,185	(2,058)	255	206	(96)

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 2022 %	DBO Change 2021 %
0.5% reduction in discount rate	7.4%	7.9%
0.5% increase in inflation rate	2.2%	1.9%
Pensions paid for one year longer	4.9%	5.3%

Defined contribution pension schemes

For the year ended 31 March 2022, the total contributions paid by the Charity to defined contribution pension schemes was £473,000 (2021: £393,000).

	Property Reserve £000	Development Reserve £000	Total 2022 £000	Property Reserve £000	Development Reserve £000	Total 2021 £000
Balance at 1 April 2021	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 2022	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 2022 reporting date and the date of approval of the report and accounts.

Chartered Management Institute (CMI)


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