THE INVESTMENT ASSOCIATION

# ANNUAL REPORT & ACCOUNTS

for the year ended 31 December 2023

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# CHAIR'S REVIEW
# GLOBAL COMPETITIVENESS REMAINS KEY

*Patrick Thomson*

AS FOR MANY INDUSTRIES, 2023 WAS A CHALLENGING YEAR FOR INVESTMENT MANAGEMENT, AS FIRMS AND CLIENTS CONTINUED TO GRAPPLE WITH ONGOING INFLATIONARY PRESSURES, THE IMPACT OF THE COST-OF-LIVING CRISIS AND A TURBULENT GEO-POLITICAL LANDSCAPE. DESPITE THIS, WE HAVE SEEN OUR INDUSTRY TACKLE THE ONGOING CHALLENGES WITH CLIENT OUTCOMES AT THE TOP OF MIND, HELPING INVESTORS MEET THEIR LONG-TERM FINANCIAL GOALS.

The Investment Association's (IA) most recent Investment Management Survey showed that assets under management stood at £8.8 trillion, this is down 12% year-on-year, but remains at a high level. 2024 has seen a relatively strong start to the year for both global equities and bonds. The UK remains a world leading centre for international investment management, second only in overall size to the US. Alongside the £4.6 trillion managed for UK investors, a further £4.2 trillion is managed on behalf of overseas investors – a testament to the internationally recognised expertise and high-quality service offered by the IA's members.

Competitiveness must remain a core priority for government, regulators and the industry if the UK is to retain this position – a message which the IA has strongly championed over the course of the past year. Getting the regulatory framework right is crucial if we are to see innovation and growth in the UK market, while at the same time continuing to balance strong investor protections and ensuring good consumer outcomes. The passing of the Financial Services and Markets Act last June was an important step forward in setting the foundations for a smarter regulatory framework fit for the modern economy. In particular, the creation of the secondary objective for the FCA to facilitate the international competitiveness of the UK economy will help focus attention on the promotion of innovation and economic growth.

Pension reform was a key policy focus for government in 2023 and will remain so as we head into this election year. The Mansion House reforms, set out by the Chancellor in July, further augmented by subsequent announcements at the Autumn Statement and Spring budget, included several important focus areas for our industry and demonstrated that investment is integral to the health of the economy. Our industry welcomed the increased focus on getting investment right in the UK pension system, to offer good returns for clients and unlock capital, through both defined benefit and defined contribution (DC) schemes, or a blend of the two. To achieve this, it is important that the value discussion for DC schemes is reframed to focus on long-term returns for savers. The Long-Term Asset Fund also has a part to play in providing both DC pension savers and retail investors with wider access to private markets, which is a central element of the Mansion House Reforms.

Technological innovation has once again been a central theme, with a notable shift towards collaborative efforts between regulators, government and the industry to establish a regulatory framework conducive to innovation. A year ago, the spotlight was on fund tokenisation as an emerging pivotal concept, which had the potential to improve efficiency, transparency and international competitiveness. Today it is a reality. Through the positive work of the Technology Working Group of the Government's Asset Management Taskforce, in November 2023, UK authorised funds were given the green light to develop the tokenisation of fund units. This was followed by a second report in March 2024 supporting the ability of funds to hold digital securities and the collateralisation of units of money market funds.

Building resilience and future-proofing the industry is also about creating an inclusive working culture. Last year marked the ten-year anniversary of Investment20/20, an IA initiative focused on creating a more diverse and inclusive investment industry. Over the past decade Investment20/20 has worked with over 60 member firms and supported more than 2,500 young people to start their careers in the industry – a truly fantastic result. There is always more that can be done, and the publication of the IA's EDI Data Survey last November highlighted the importance of gathering clear and consistent data to support firms to drive positive change and ensure diversity is embedded at all levels of their organisations.

Finally, I would like to thank Marie Dzanis, Hassan Elmasry, Chris Hill, Alexandra Altinger, Stephen Cohen, Nick Ring, and Nicolas Moreau, who have stepped down the from IA's Board, for their commitment and service, and to welcome our new Directors: Marcello Arona, CEO, AXA Investment Managers UK; Nasreen Kasenally-O'Driscoll, Global Chief Operating Officer and UK Country Head, UBS Asset Management; Euan Munro, Chief Executive Officer, Newton Investment Management; Joseph Pinto, Chief Executive Officer, M&G Investments; Mark FitzPatrick, Chief Executive Officer, St James's Place; John McCareins, Head of International, EMEA & Asia Pacific, Northern Trust Asset Management; and Ann Prendergast, Head of EMEA, State Street Global Advisor.

On behalf of all members of the IA, I would also like to thank Chris Cummings and the whole IA team for their dedication in representing the investment manager sector in the UK, across Europe and around the world.

**Patrick Thomson**
Chair, The Investment Association

14 June 2024

" BUILDING RESILIENCE AND FUTURE-PROOFING THE INDUSTRY IS ALSO ABOUT CREATING AN INCLUSIVE WORKING CULTURE. LAST YEAR MARKED THE TEN-YEAR ANNIVERSARY OF INVESTMENT20/20, AN IA INITIATIVE FOCUSED ON CREATING A MORE DIVERSE AND INCLUSIVE INVESTMENT INDUSTRY. "

# CHIEF EXECUTIVE'S REPORT
# SUPPORTING GROWTH AND BUILDING FINANCIAL RESILIENCE

*Chris Cummings*

2024 IS A PIVOTAL YEAR, AS COUNTRIES ACCOUNTING FOR HALF OF THE WORLD'S GDP HEAD TO THE BALLOT BOX, INCLUDING THE UNITED KINGDOM, UNITED STATES AND EUROPEAN PARLIAMENT. ACROSS THESE MAJOR MARKETS, UK INVESTMENT MANAGERS PLAY A KEY ROLE IN HELPING MILLIONS OF HOUSEHOLDS ACHIEVE THEIR LONG-TERM FINANCIAL GOALS. OUR MEMBERS ALSO HELP TO POWER ECONOMIC GROWTH BY PROVIDING RISK CAPITAL TO BUSINESSES AND INFRASTRUCTURE PROJECTS – IN THE UK ALONE THIS STANDS AT £1.4 TRILLION ACROSS EQUITIES, BONDS, INFRASTRUCTURE AND PROPERTY INVESTMENT.

Given the challenges of the past few years, investment managers will likely be asked by these new governments to play an increasing role in supporting economic growth and building the financial resilience of their citizens. The proximity of these elections also highlights the interconnectedness between markets, and as a global industry, we will need to help clients through this period of potential policy change.

Fundamental to the UK growth agenda is a continued focus on competitiveness and a recalibration of our attitude to risk. Prioritising these areas will ensure the UK can attract a new wave of both domestic and international investors, which will help reinvigorate the UK market and provide investment to innovative, high-growth companies. A strong regulatory framework is the backbone of competition in our industry, and we will continue to work closely with government, regulators and our members to make sure that investment management remains one of the UK's most successful global industries. This year, in particular, we will focus on bolstering cross border trade, the implementation of the Mansion House pension reforms, as well as continuing to support our members embed existing regulation, such as the Consumer Duty. By prioritizing customer outcomes, there is an opportunity to reevaluate and adjust specific regulations aimed at reducing risk to better serve those customers.

At the centre of our industry are our clients. With three-quarters of UK households using the services of an investment manager, securing their financial futures is our key purpose. However, we know that more can be done. Last year, an IA commissioned survey with Ipsos revealed only 39% of the UK adult population actively invest beyond their pension. With nearly 50% of that population under the age of 35, there is a significant opportunity to increase the number of people investing. This would improve their long-term financial resilience while also releasing more capital for investing productively in the economy. As part of this, it is important that we address the perception of risk, so that individuals, supported by appropriate advice, are taking the right level of risk for their time horizons and financial goals. As such, we will continue to call for reform of the advice-guidance boundary, which will increase the ability of financial services providers to improve customer outcomes. To broaden investment opportunities, we'd also like to see the inclusion of the Long-Term Asset Fund within the Stocks and Shares ISA wrapper.

Looking ahead, investment managers will continue to play an important role in delivering the transition to net zero by 2050. This year will see the implementation of SDR and the investment labels regime. We fully support the aim to bring greater transparency and comparability to sustainable investment, which will help investors make informed investment decisions. International consistency and collaboration are crucial to the success of any disclosure requirements, and we will also be closely monitoring the European Union's Sustainable Finance Disclosure Regulation and any potential changes under new leadership.

This year the pace of innovation and technological change is only looking to speed up, and we can expect to see significant progress in AI. Our industry is already exploring how best to utilise AI to improve the investment process, client experience and find more efficient ways of working. AI has the potential to benefit customers, firms and markets, and there are many areas to be explored here including robot advisory services, sales and distribution, portfolio management, trade execution or regulatory compliance. Building on last year's work, we'll also look forward to hearing from the Technology Working Group of the Government's Asset Management Taskforce on the final phase of its work on tokenisation, which is expected in the summer. We are also continuing to see our Engine Fintech Hub going from strength to strength, with a new Canadian partnership signed and the launch of an Advanced Access Initiative.

Finally, I want to the thank the IA Board and my colleagues at the IA for their commitment to guiding the industry through these challenging, but exciting times. Through working together with government and regulators we can help UK businesses and households succeed by ensuring a thriving future for our industry.

**Chris Cummings**
Chief Executive, The Investment Association

14 June 2024

> “A STRONG REGULATORY FRAMEWORK IS THE BACKBONE OF COMPETITION IN OUR INDUSTRY, AND WE WILL CONTINUE TO WORK CLOSELY WITH GOVERNMENT, REGULATORS AND OUR MEMBERS TO MAKE SURE THAT INVESTMENT MANAGEMENT REMAINS ONE OF THE UK'S MOST SUCCESSFUL GLOBAL INDUSTRIES.”

# STRATEGIC REPORT AT A GLANCE

## THE INVESTMENT ASSOCIATION (THE IA) IS THE TRADE BODY REPRESENTING UK INVESTMENT MANAGERS. ITS 244 FULL MEMBERS RANGE FROM SMALL, INDEPENDENT UK INVESTMENT FIRMS TO EUROPE-WIDE AND GLOBAL PLAYERS. COLLECTIVELY, THEY MANAGE OVER £8.8 TRILLION OF ASSETS ON BEHALF OF THEIR CLIENTS IN THE UK AND AROUND THE WORLD. WHILST THIS IS DOWN 12% YEAR-ON-YEAR, REFLECTING A YEAR WHERE MARKETS SAW AN UNUSUAL CORRELATED MOVE DOWNWARDS FOR BOTH GLOBAL EQUITIES AND BONDS, IT REMAINS AT A HISTORICALLY HIGH LEVEL WITH THE UK MAINTAINING ITS POSITION AS THE WORLD'S SECOND-LARGEST INVESTMENT MANAGEMENT CENTRE, OVERSEEING 11% OF GLOBAL ASSETS UNDER MANAGEMENT.

The UK investment management industry plays a major role in the economy, supporting millions of individuals and families in achieving their life goals by helping grow their investments (mainly through workplace pensions). In fact, 75% of UK households use an investment manager's services (knowingly or unknowingly). The industry also invests billions of pounds in companies and finances transport networks, hospitals, schools and housing projects. It supports approximately 126,400 jobs in the UK and is the largest industry of its kind in Europe, and the second largest in the world, after the US.

## THE IA'S VISION

The IA's vision guides all its work:

*"Championing investment for the benefit it brings to investors and the wider economy, in the UK and across the world."*

The IA acts as the investment management industry's voice, representing its interests to policymakers and regulators, and helping to explain to the wider world what the industry does. We want our members to achieve the best results for their customers, both in the UK and internationally. To help with this, we lead learning, training and development initiatives to support compliance with laws and regulations and promote best practice – all whilst attracting a more diverse workforce into the industry. We also consult widely with members on issues affecting the industry, such as market trends, new technology and data use.

## THE IA'S VALUES

Since 2016, the IA's head count has increased dramatically, and it has merged other organisations into it. To ensure we maintain a cohesive culture, in 2021 the following values statement was developed

*"At the IA we are committed to serving our members, embracing new ideas and striving for excellence. We are inclusive, considerate and act with integrity in all we do."*

This is represented on a flower where each petal represents a value. The flower is promulgated throughout the IA.

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties the IA is exposed to are recorded in its risk register, which:

- Identifies and logs significant risks whether they be strategic, reputational, or operational.
- Manages and mitigates those risks. Each risk is assessed for likelihood and impact and given an overall score for both inherent risk – the likelihood and impact if no controls were in place, and residual risk – the position if all controls are in place and working as expected.

The risk register is reviewed annually by the Finance, Audit and Risk (FAR) Committee and the results are made available to the Board. As at the date of the last review in November 2023, there were thirty-four risks on the register. The highest risks and how they were/are managed are as follows:

### Loss of membership income

The IA proactively engages with members which includes scheduled visits to members, CEO lunches, meetings of the IA Business Council, a membership survey and meetings of the IA Advisory Council. There are regular meetings between the IA's CEO and Deputy Chief Executive regarding forecasted finances, including any memberships that are considered at risk to enable early intervention. This risk now includes the mitigations in the IA Business plan adopted by the IA Board in the autumn of 2023, along with increased scrutiny by the FAR Committee. Both inherent and residual risk are high.

### Cybersecurity – penetration of the computer system by hacking or virus

Avira and Mimecast intrusion prevention systems are monitored by the IA's IT provider and there are frequent backups both on and off site. There were IT upgrades during 2020 to ensure more up to date security features and a penetration test was run in April 2022. The IA maintains Cyber Essentials Plus certification 2018 – 2023 (next due July 2024), a cyber insurance policy and a continuous programme of cyber-related staff training. Both inherent and residual risk are high.

### Adverse publicity

The IA's media coverage is monitored and there are sign off procedures for comments to the media. A high inherent and medium residual risk.

### Breach of competition law

All staff members undergo training by a third party legally qualified instructor every two years, and they and all committee chairs are issued with a laminated summary of Competition Law guidance which is highlighted at the beginning of every meeting. A high inherent and medium residual risk.

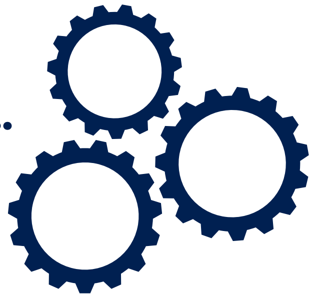
## THE IA'S STRATEGY AND DELIVERY OBJECTIVES

The IA's strategy was refreshed in 2020 when we established a new business plan for 2021 and thereafter. The business plan is frequently reviewed to address the changing political and economic environment. In particular, 2023 was a challenging year for retail and institutional investors, with increasing geopolitical risk, stubbornly high inflation rates, and rising regulatory costs. While showing signs of easing, the cost-of-living crisis and economic uncertainty continue to impact households across the UK as we move through 2024 amid a backdrop of ongoing conflicts in the Ukraine and Middle East which, tragically, don't seem close to resolution.

Moreover, countries that make up over half the global GDP will be holding major elections in 2024, including the UK, EU, US and India. The IA is undertaking a significant amount of engagement ahead of these, especially in the UK and Europe. We are reminding policymakers that, even in an election year, it remains vital that they focus on competitiveness while ensuring the UK remains a trusted and stable environment. Whichever party wins the UK election, the need for growth will remain paramount. Pension reform will continue to be a key issue for both parties, and one where we'll be pushing to ensure an attractive long-term investing system, and a modern capital market where those savings can be wisely invested.

For our industry, the focus must be on helping clients navigate a period of potential policy upheaval and uncertainty; and bringing insights to help governments understand the markets. We will be working with politicians across the spectrum so they recognise the importance of the industry and the role we can play in helping them meet their economic goals.

In this context, the IA has set itself delivery objectives, around which priorities and work plans have been formulated for 2023 and beyond. Some of the key highlights as to how we are delivering against those objectives are set out below.



## Shaping regulatory reform

In 2023 a key focus for the IA's work was the **Chancellor's Mansion House Speech** in July which had wide ranging implications for the industry. It set out a series of reforms aimed at encouraging UK pension schemes to provide more risk capital to the UK economy. In our responses to the various related consultations, we adopted pragmatic positions to enhance both investment flows and the investment experience of scheme members, especially in the DC market. We sought to ensure that the value of investing (considering returns and not just cost) is prominent in the discussions about the future of long-term investing. We sought to advance the agenda in the retail area (notably in the FCA looking at advice/guidance – see below) and in new areas where we can make a difference, particularly in the area of retirement income, where we have created a new member committee to help advance the role that the investment management industry plays in the provision of retirement income. Our common theme remains moving away from a perceived culture of 'safetyism' towards a more participative and rewarding long-term investment experience.

A major new requirement for the industry which is now in force was the **Consumer Duty**, and we are seeing continuous improvement in implementation and embedding the requirements as part of a business-as-usual process. A key focus for firms is preparing for the first annual Board report and our Working Group on Governance developed guidance to help them with practical steps to shape their approach to and design of the Board report, including considerations for outlining firms' findings and recommendations. We also continue our work on Consumer Understanding, including updating our Fund Communication Guidance from 2019 with a Consumer Duty lens, as well as publishing our final research with the Wisdom Council on communications.

Ahead of the FCA's consultation on reforming the retail disclosure regime, we set up a new **'Future of Disclosure'** Working Group to aid the IA with policy development. Overall, we are encouraged by the direction of travel by the FCA.  Nonetheless, there are significant considerations in what is shaping up to be a decisive move away from the world of UCITS, PRIIP and MiFID disclosure requirements. We believe a new digital disclosure framework could allow us to communicate in a clearer, more customer focused way, while continuing to be fully transparent in important areas such as costs, where there is a pressing need for reforms to ensure more decision-useful information is available.

In December 2023, after considerable work by the IA, alongside other trade bodes, throughout 2022 and 2023, HM Treasury and the FCA published a joint discussion paper with proposals to **reform both financial advice and guidance**. We engaged with members to ensure we delivered a comprehensive response and facilitated a joined-up approach with other bodies where possible. Our response supported a new targeted support regime for financial guidance, as well as a new simplified advice regime. We also provided recommendations for enhancing the proposed measures to serve consumers better.

The last two years have been a busy period in the area of **financial stability**, with the LDI episode adding a further dimension to the UK regulatory debate alongside the broader global agenda being steered by the Financial Stability Board and International Organization of Securities Commissions. The IA continues to call for a proportionate approach that recognises the importance of incremental improvement in the liquidity management toolkit for investment funds. However, our view remains that financial stability ultimately depends upon well-functioning underlying markets in which funds play an important positive role as vehicles for collective investment decisions by a range of individuals and institutions. Rather than focusing specifically on the investment management sector, we are encouraging regulators to consider how underlying markets can be improved to reduce the periodic bouts of liquidity stress that have been seen in recent years.

On the **Financial Services Compensation Scheme** (FSCS), we responded to the FCA's Consultation Paper (CP) on strengthening the financial resilience of Personal Investment Firms (PIFs) in March supporting the FCA's efforts to uphold the 'polluter pays' principle that we have long advocated for. Our response highlighted that while the CP is a step in the right direction, it does not negate the need for an FSCS review and in fact provides the ideal opportunity for a more comprehensive review following the introduction of the Consumer Duty and the ongoing evaluation of the financial advice/guidance boundary. Separately, we continue to work with members to build a robust evidence-based case advocating that the levy remains proportionate to the risks that businesses pose to the system.

**Taxation** is expected to be at the heart of discussions in 2024 with elections in many jurisdictions. We continue to encourage HM Treasury and HMRC for a tax regime that makes the UK a competitive location for fund domicile and investment management. On the **VAT in fund management review**, a written ministerial statement in December 2023 brought it to a close, reverting to the current system of a whitelist of activities. Ahead of this announcement the industry, led by the IA's advocacy efforts, successfully articulated how disruptive and unnecessary some of these changes would be and convinced both HM Treasury and HMRC that the existing VAT exempt whitelists needed to be maintained.

## Modernising capital markets

Capital market reform continues to be a central topic and we are supporting and promoting the opportunities it can bring.

We responded to the FCA's proposals to **reform the UK's listings regime** published before Christmas. Whilst we want the UK to be a globally attractive place for companies to list, invest and do business and support the FCA's ambition to achieve this, it is important that the reforms strike the right balance between global attractiveness and investor protections. We were concerned that the consultation removed certain protections such as a shareholder vote on significant and related party transactions, as well as restrictions around dual class share structures. For our response, we gathered data to provide an evidence base for these concerns and explored comparisons with other jurisdictions.

Since the publication of the **Investment Research Review** in the summer of 2023, we have engaged with policy makers and key stakeholders, including the Review's Chair, Rachel Kent, as she takes forward the recommendations. We published a buy-side position on the features a research payment optionality regime should have, including details on disclosure requirements and payment mechanisms. We also engaged with TheCityUK as its cross-industry Capital Markets Working Group looks to develop a coordinated industry response to the Review where there is support for research payment optionality.

We worked to support members with the North American transition to a **T+1 settlement cycle**, by 28 May 2024, to understand the impact on EMEA firms and learn any lessons that may apply to transition in the UK and Europe. In the UK, the Government created the Accelerated Settlement Taskforce to look at shortening the UK settlement cycle. The IA was heavily involved with both the Taskforce and the technical groups supporting its work, and the recommendations of this Taskforce were published on 28 March 2024. The European Commission tasked ESMA to report on the shortening of the settlement cycle in Europe by January 2025. We are working with EFAMA to support our developing positions and ensure the investment management industry's views are consistently represented. We also worked with it in preparing for the North American go-live date and are feeding our members' views into EFAMA's EU positioning.

In the summer of 2023, the FRC consulted on significant changes to the **UK Corporate Governance Code** to which we responded. However, in November it announced that taking into account its role to enhance trust and confidence in governance whilst supporting UK economic growth and competitiveness, the changes would be limited and predominately be around internal controls. In January 2024, the FRC published the updated Code and announced that it is to review the **Stewardship Code** in 2024. The IA is hosting roundtables involving members and the FRC to facilitate direct engagement to help shape a code that delivers better stewardship outcomes.

The IA's annual **Investment Management Survey**, last published in October 2023, provided a snapshot of the UK industry and showed that IA members' total assets under management (AUM) fell to £8.8 trillion at the end of 2022, a 12% decrease on the previous year. After strong growth in AUM for the past decade, a broad-based market correction was the main driver of this fall, reflecting monetary policy regime change, the war in Ukraine and a range of economic, political and security uncertainties internationally. As well as being a comprehensive source of data on assets and funds under management, the Survey included a detailed assessment of the challenges faced by the industry. It was again well received both by members and wider stakeholders.

Lastly, the IA continues to support the industry in providing detailed fund statistics on its sectors, helping retail savers navigate the fund market.

## Enhancing Sustainability and Responsible Investment

Sustainability and responsible investment remains the stand-out issue for the industry with attention focused on working towards an economy, society and planet fit for the future.

In enhancing sustainability and responsible investment, a key deliverable for 2024 is ensuring we run a comprehensive programme to support members with the implementation of the new **Sustainability Disclosure Requirements (SDR) and investment labels**. The FCA published its long-awaited rules in late November, finally bringing clarity on its expectations. While we fully support its aim of bringing greater transparency and comparability to sustainable investment, which will help investors make informed decisions, implementation may be a challenge for firms. We are focused on assisting members with implementation issues, have created an SDR Implementation Forum to guide members on the challenges, are continuing to engage with the FCA and plan to undertake further consumer testing.

In mid-December, the **UK ESG Data and Ratings Providers Code of Conduct** Working Group, of which the IA is a member, launched its voluntary Code. In addition, the UK's **Transition Plan Taskforce** (TPT) announced in January 2024 that its remit was being extended until July 2024 to allow it to contribute to the Transition Finance Market Review. The IA has been a member of the TPT Delivery Group since it was established in 2022 to develop a "gold standard" for private sector climate transition plans in the UK. More recently, we participated in a working group producing guidance on transition plans for the investment management sector.

The IA published its joint report with PwC in March 2024 on the key themes seen in the first round of reporting against the FCA's rules on **TCFD for asset managers**. The report should be a helpful resource for members reporting in the future.

Looking internationally, just before Christmas we responded to the **European Commission's consultation on the Sustainable Finance Disclosure Regulation**. We supported a voluntary retail labelling system and a clear disclosure regime. Our response highlighted a number of areas where we believe the Regulation could be improved, including product level disclosure and categorisation.

Lastly, a small IA team attended **COP28** in the UAE last December with observer status for the first time, and engaged with policymakers and other stakeholders.

## Promoting innovation

The drive to boost innovation is another important area where we want to see the Government continue to take action to ensure that the UK remains a competitive global financial centre. In particular, the publication of the Phase One Report last November from the Asset Management Taskforce's Technology Working Group (WG), which is chaired by an IA Board member, marked a major step forward for UK **fund tokenisation**, with the FCA's confirmation that fund tokenisation is now permitted. The second report from the WG published in March 2024 focused again on fund tokenisation but provided more concrete use cases and ways of bringing efficiencies in the UK investment market.

The IA is helping to facilitate tokenisation use case activity across the industry, focusing initially on money market funds and possibly, the issuance of digital gilts. With HM Treasury and regulators keen to be engaged, this is an important window of opportunity. The WG is now moving to a third phase looking at **Artificial Intelligence** which is likely to centre on the development of a discussion paper to inform regulators and HM Treasury on how AI is being used.

Lastly, our Fintech hub, **Engine**, onboarded 32 new firms in 2023 and launched its first cohort of the **Advanced Access Initiative** with OpenFin and Finbourne. **The EmTech Global 2024 conference** was held on 7 March 2024 in London. This was a showcase for the Global Investment Futures campaign and was run in partnership with the City of London Corporation and the Department for Business and Trade. There was standing room only as 388 delegates attended the one-day event that welcomed 50 speakers to over 20 sessions. It was fast paced with content covering AI, tokenisation, quantum computing, SpaceTech and the metaverse, as well as discussions around FinTech best practice. At the event, Engine launched the revised Best Practice Paper – A Blueprint for FinTech Engagement and Onboarding in Investment Management, derived from a collaborative effort involving 25 investment management firms as well as FinTech firms from Engine's FinTech Growth Panel. It drew on the real-world experiences of those at the forefront of the investment management and FinTech sectors.

## Enabling cross border business

Upcoming elections continue to dominate the political agenda globally. With **European elections** in June 2024, the Belgian Council Presidency closed all remaining trilogue negotiations by the end of April. Based on our '**Making Investing Better for All**' report published in September, we briefed 32 Commission officials, 12 Member States, and all leading party policy advisors on our vision for 2024-2029. We also provided specific briefings at the request of the Commission, for example, on the implementation of Consumer Duty in the UK.

The UK and EU held their second **Joint Forum dialogue on financial services regulation** in May 2024. Our input into the EU and UK teams for the first Forum had been well received, and we again provided input for the second dialogue. This centred on the core themes of financial stability, sustainability, efficient markets and innovation.

Internationally, the IA participated in the annual **IOSCO** stakeholder meeting in Madrid and its Affiliate Member Consultative Committee in February 2024. Index providers, voluntary carbon markets, settlement cycles, and a new workstream on the 2025/26 risk outlook were discussed, in addition to fund liquidity and financial stability matters.

On policy matters, we broadly welcomed the Government's announcement on 30 January 2024 on the **Overseas Fund Regime (OFR)** which confirmed that the EEA had been found to be equivalent to the UK for the purposes of the UCITS regime. However, the lack of any additional requirements for overseas funds was unexpected and raised concerns for some UK fund managers who perceive a competitive disadvantage for UK funds, for example, in relation to the UK's sustainability disclosure requirements, the value assessment and the FCA's proposed reforms to UK Money Market Funds. This speaks to the need for us to undertake further work especially on the UK's expectations and we remain engaged.

## Fostering equity, diversity and inclusion

Equity, diversity & inclusion (EDI) continues to be a priority for both the industry and the regulator. In November we published a **comprehensive dataset on EDI in UK investment management**, in partnership with WTW's Thinking Ahead Institute. The survey captured demographic data of those directly employed in the UK investment management industry, as well as information on the initiatives, processes and policies being implemented by members to promote inclusive workplaces, and attract and retain diverse talent.

At the end of last year, we responded to the FCA's and PRA's consultations on **diversity and inclusion in the financial sector**. The regulators proposed new rules to drive improved diversity and inclusion, as well as changes to the way in which non-financial misconduct will need to be treated under the Conduct Rules. In addition to extensive industry-wide consultation, our response was informed by our industry-wide EDI survey providing valuable data-driven evidence.

While we supported the regulators' intentions to enhance diversity and inclusion, our response highlighted concerns about the prescriptive nature of the proposals and their potential to achieve the intended outcomes. We set out three guiding principles to be applied when assessing the merits of the proposals: 1) the focus should be on outcomes rather than a prescriptive approach; 2) data should only be collected to fulfil a clear and defined purpose; and 3) any measures should be able to be implemented in a proportionate and effective way. We have a programme of work to support members in implementing forthcoming regulations and are developing a Diversity Data Guide to help achieve greater data integrity for reporting purposes.

The IA responded to the **Treasury Select Committee's 'Sexism in the City Report'**, which aimed to assess the progress made since the publication of the 2018 report. Our response highlighted the industry's efforts in addressing barriers faced by women in recruitment, advancement and pay parity. While acknowledging the progress made, we emphasised the need for sustained efforts to achieve lasting and widespread impact. This was followed by a call for oral evidence, where MPs questioned representatives from advocacy groups, industry bodies, including the IA, and regulators to gather perspectives on improvements in representation and culture in the financial services sector since 2018. The Committee released its report on International Women's Day, noting slow progress since 2018. Its recommendations are broad in scope, with many of the areas already being addressed through the IA's ongoing programme of work.

The IA is facilitating the development of a sustainable and diverse talent pipeline through the delivery of two industry-wide programmes: the Black Leaders Mentoring and Reverse-Mentoring Programme and Investment20/20.

The IA, in collaboration with #TalkAboutBlack, launched its third cohort of the **Black Leaders Mentoring and Reverse-Mentoring Programme** in March 2024, bringing together 14 senior black professionals with industry leaders from the IA Board, CIO Committee, and Advisory Council, among others. This aims to combat the underrepresentation of black professionals in senior industry roles. So far, 30 mentees have successfully completed the programme, with a notable portion making significant advancements in their careers. Moreover, mentors themselves benefit from gaining invaluable insights into the experiences of black professionals, fostering change at senior levels.

2023 marked the 10-year anniversary of **Investment20/20** and its impact in driving a forward thinking, responsible and inclusive investment industry where members attract, develop and retain talented people from all backgrounds. Over 2,800 people from a diversity of backgrounds have started their industry careers through Investment20/20 and members benefit from accessing broader communities of people supporting not only their talent but also their diversity and inclusion goals.

Investment20/20's **extensive student engagement** and outreach provides an industry platform to engage with future talent, as well as future investors and reinforce our industry's reputation with a diverse talent base. In the past 12 months, we delivered almost 300 engagement activities, reaching over 18,000 students who benefit from the provision of high-quality industry careers information and are signposted to entry jobs. Members are invited to participate as Investment Ambassadors, supporting the delivery of our student workshops. In the past year, we've provided opportunities for members to contribute over 900 volunteering hours. Additionally, in the last 12 months, members of Investment20/20 have recruited nearly 300 trainees into entry level jobs.

## FUTURE DEVELOPMENTS

As noted in this strategic report, since 2016 the IA has grown. This is reflected both in the increased head count and the fact that other organisations have merged into it. As regards the current year, the Directors have reviewed the business and consider the IA's performance to be in line with their expectations. They consider that the IA's position at the end of the period is consistent with the size and nature of its business. The Directors are cautiously optimistic that in the medium term, the IA will continue to grow organically through its core and ancillary businesses.

This report was approved by the Board and signed on its behalf.

**Patrick Thomson**
**Chair**

14 June 2024

# HOW WE SUPPORT AND PROMOTE OUR MEMBERS

## MEMBERSHIP

Membership renewal and growth remained strong in 2023 despite another challenging operating environment with some consolidation and attrition.

32 new members joined the IA across 2023, made up of 20 investment management organisations and 12 affiliated service firms. We additionally onboarded 32 new FinTech members through The IA Engine Limited. This continued growth of the membership demonstrates the value that the IA delivers in the form of expert advice, advocacy and connectivity with other industry participants.

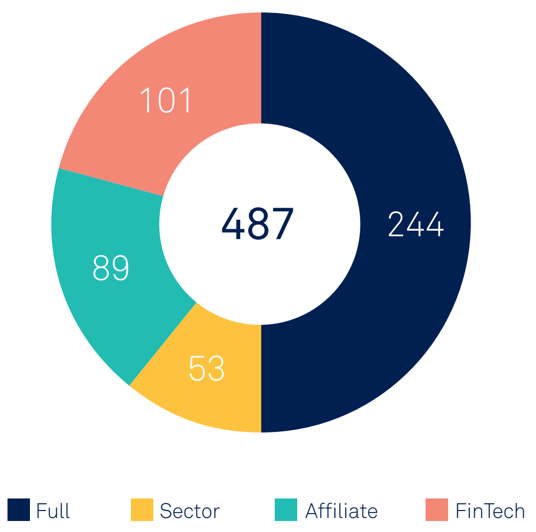
Membership satisfaction and sentiment remained high with 95% of respondents highly likely to recommend the IA. We continue to support our Scottish members with focused briefings followed by a CEO lunch hosted by Chris Cummings. We also provide monthly CEO roundtable discussions addressing key regulatory and operational issues affecting the sector.

Tech and innovation is a priority for the sector, with innovation and access to solution providers a continued focus area for member firms. Engine welcomed Cohort 3 of the pre-seed focused programme SPARKS, opened applications for Cohort 7 of the Innovator programme, and prepared for the launch of a new initiative targeted at mature FinTech firms; the Advanced Access Programme. Engine has continued to build international relations through the Global Partners Programme and at the end of 2023 had MOUs with 13 financial centres: Singapore, Hong Kong, Japan, Saudi Arabia, Abu Dhabi, Dubai, Qatar, Kenya, Luxembourg, Australia, Israel, Switzerland and Canada. In March 2023 we were also delighted to welcome attendees to our Global Emergent Tech Conference to discuss all aspects of innovation looking at AI, quantum computing, the metaverse and opportunities afforded by tokenisation as well as all things data.

The Fintech ecosystem now works with over 150 FinTechs and partners supporting investment and wealth management. The events and education outreach provide insights and discussions through subject specific TechTalks in areas such as AI and tokenisation as well as TechTalk Sprints that showcase solution providers and industry specific use cases.

By end December 2023 IA membership across all categories stood at 487 firms.

### 2023 TOTAL MEMBERSHIP COMPOSITION



## EVENTS AND TRAINING

In 2023, we heavily promoted the return to in-person only events, with a select few events having a hybrid option for those unable to physically attend. Our ongoing focus continued to be on all key regulatory and compliance developments impacting the investment management community and align the interest and expertise of related financial and professional service firms. Our events activities included webinars, briefings, forums, conferences, and both breakfast and dinner VIP roundtables, and the IA engaged with more than 3,500 individuals during the year.

Our flagship 'IA Annual Conference' in June 2023 attracted over 700 of the industry' s most senior practitioners, regulators, and policymakers, with Tulip Siddiq MP, Shadow Economic Secretary to the Treasury giving the keynote address, as well as Harriett Baldwin MP, Chair of the Treasury Select Committee and Conservative MP for West Worcestershire giving her parliamentary perspective on the future of financial services regulation in the UK, and finishing with another keynote delivered by Martin Moloney, Secretary General of IOSCO. This was the first time the IA had done an event of this size and scale, which also had an exhibition, where 23 IA and Engine members took the opportunity to showcase their services and expertise.

The IA training team addressed ongoing member requirements to receive regulatory and compliance-based training, and delivered 96 open course workshops in 2023, all still delivered in a hybrid format. In-company tailored training courses were still delivered, and 22 individual sessions were delivered into IA member firms who needed dedicated support and training. IA Learning, our e-learning offering and learning management system platform with accredited modules, currently has over 5,500 individual IA members holding licences and accessing the platform, and the IA webinar programme grew with 20 free virtual sessions developed, delivered and now available on the IA website.





# CARBON NEUTRAL STATEMENT

Climate change is one of the single biggest systemic risks facing society and the planet today. The IA, representing the UK-based investment management industry, is committed to climate action. Our members are supporting their investee companies to prepare for and mitigate against the impact of climate change, and we believe every company has a role to play in the collective transition to net zero.

In 2021, the IA began collecting the necessary information to determine our carbon footprint, with a view to becoming carbon neutral. We have calculated our carbon footprint and offset our emissions since 2020. Our total emissions for the year, including a 10% safety margin were 324.66 tonnes of $CO_2e$. We are proud that in May 2024 the IA was certified as a carbon neutral company, offsetting 325 tonnes of $CO_2e$ for 2023. There was an increase in our carbon footprint compared to 2022, driven by the return of business travel with international engagement and trade promotion in the Far East, Asia and USA.

Our carbon neutrality strategy involves a combination of supporting external carbon reduction projects and implementation of various carbon-reducing policies within the business such as updating our travel policy to promote train travel in the UK. In 2021, the IA's staff Sustainability and Environment Wellbeing Group led the selection of offsetting projects and consulted with the whole of the IA to ensure that all employees had an opportunity to have a say and learn more about the process. Together, we selected projects based on the IA's values and UN Sustainable Development Goals with which we felt they aligned. Colleagues chose projects which supported responsible consumption and production, affordable and clean energy, clean water and sanitation, climate action, and quality education.

Our chosen projects operate worldwide in Haiti, Indonesia, Brazil and the Philippines, stopping plastic waste from entering the oceans, and include a project that provides energy-efficient cooking bags in Cameroon. The external carbon reduction projects or offsets we purchased are currently against our entire annual greenhouse gas emissions, including those generated by our employee commuting patterns and business travel. Our offset selection focused on transparency of outcome, veracity of certification and quality of reporting. We have decided to support the same offsetting projects for the three years in which we have been carbon neutral, we felt it was important to show long-term support for these projects. In purchasing our offsets for 2023, we supported a new project to improve cookstoves in Zambia, this was due to a lack of availability of offsets in the energy efficient cooking bags in Cameroon. Our focus is not just on offsetting, it is based on a view that sustainability and the future of the world relies on reduction strategies as well. We continue to explore ways to reduce our carbon footprint.

# DIRECTORS AND OFFICERS

## DIRECTORS

The directors of The Investment Association (the "company") who were in office during the year and up to the date of signing the financial statements were:

P M Thomson * ***

C J Cummings

A M Altinger (resigned 10 January 2024)

M Arona (appointed 27 September 2023)

S Bird

S H Cohen (resigned 23 February 2024)

M E Dzanis (resigned 27 September 2023)

H A Elmasry (resigned 27 September 2023)

R L Elwell **

M Fitzpatrick (appointed 23 May 2024)

S P Hagerty * ** ***

P Harrison***

C F Hill (resigned 27 September 2023)

N B Kasenally-O'Driscoll (appointed 27 September 2023)

K S MacGillivray **

J McCareins (appointed 23 May 2024)

N J M D Moreau (resigned 23 May 2024)

E G Munro (appointed 27 September 2023)

C M O'Reilly **

G J Pinto (appointed 27 September 2023)

A Prendergast (appointed 23 May 2024)

N J Ring (resigned 27 September 2023)

M S Scrimgeour * ***

M R B Versey ***

K D Zachary

## COMPANY SECRETARY

J W Knight

## REGISTERED OFFICE

Camomile Court,
23 Camomile Street,
London,
EC3A 7LL

## INDEPENDENT AUDITORS

Forvis Mazars LLP,
The Pinnacle, 160 Midsummer Boulevard,
Milton Keynes, MK9 1FF

## MEMBERS OF THE INVESTMENT ASSOCIATION GOVERNANCE COMMITTEES

* Remuneration Committee
** Finance, Audit and Risk Committee
*** Nomination and Governance Committee

# DIRECTORS' REPORT

The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2023.

## COMPANY STATUS

The company is limited by guarantee. Its members have undertaken that, in the event of a winding up, they will contribute towards payment of the liabilities of the company a sum up to the amount of their guarantee of £10. The guarantee is set out in the Memorandum of Association. As at 31 December 2023 there were 244 full members (2022: 244). By virtue of its constitution no dividends are payable by the company.

## FINANCIAL PERFORMANCE

The results for the company and its subsidiaries (the "group") show a profit before taxation of £360,072 (2022: £697,778). Net cash flow generated from operating activities was £514,349 (2022: inflow of £517,951). The company's policy in relation to surpluses remains to be between two to six months of expenditure in reserves, with a target of four months. The accumulated reserves at the end of 2023 were £5,342,237 (2022: £5,334,804) which equates to 3.6 months (2022: 3.8 months), in line with this policy.

## FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 6 and form part of this report by cross-reference.

## CONSIDERATION OF RUSSIA-UKRAINE SITUATION

Following the entry of Russian forces into Ukraine, the company was very active engaging with the relevant authorities (including the Office of Financial Sanctions Implementation (OFSI)), and in providing support and guidance to members who are affected by the sanctions on Russia and other consequences of the invasion, such as cyber security threats. However, the situation has not caused any direct operational issues for the company, although the risk will be monitored going forward.

## KEY PERFORMANCE INDICATORS

The company uses member engagement and satisfaction surveys based on Net Promoter Score and has an overall target KPI of +50 for this metric.

## EMPLOYEES

The company is a founding partner of the Change the Race Ratio, a business-led initiative launched by the CBI to increase racial and ethnic participation in British businesses. The company continues to support the Change the Race Ratio. The company is also a signatory to HM Treasury's Women in Finance Charter, the Race at Work Charter and is an accredited Living Wage Employer.

The company continues to make a significant investment in technology (both infrastructure and software) to facilitate effective hybrid working and the use of AI.

The company consults widely with employees using the Rungway portal, a sophisticated tool to gather employee feedback, in order to ensure that their views are considered when decisions are made that are likely to affect their interests. We communicate widely with all employees through day-to-day contact, team briefings, and companywide town hall and away day sessions.

The company continues to be recognised with the Pension Quality Mark Plus and has a gold award for payroll giving.

## DIRECTORS AND DIRECTORS' INTERESTS

The names of the current directors are listed in the Directors and Officers section of this report. None of the directors held any interests in the company during the year.

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

THE DIRECTORS ARE RESPONSIBLE FOR PREPARING THE DIRECTORS' REPORT, STRATEGIC REPORT AND THE GROUP AND PARENT COMPANY FINANCIAL STATEMENTS (THE "FINANCIAL STATEMENTS") IN ACCORDANCE WITH APPLICABLE LAW AND REGULATIONS.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board and signed on its behalf by:

**J W Knight**
Company Secretary

14 June 2024

# BOARD ACTIVITY AND ITS COMMITTEES

During 2023, the board held four scheduled meetings. The table below shows each individual director's attendance at the scheduled board meetings for which they were eligible to attend during the year.

The board meetings follow a formal agenda, which is approved by the Chairman and circulated by the Company Secretary in advance of the meeting to all the board members and other attendees.

All board members are expected to attend all scheduled meetings of the board and of the committees on which they serve, and to devote sufficient time to the company's affairs to fulfil their duties as directors. Where board members are unable to attend meetings, board papers are provided in advance and their comments are given to the Chair before the meeting and shared with the rest of the board.

| Board member | Board meetings | Finance, Audit and Risk Committee | Nomination and Governance Committee | Remuneration Committee |
|---|---|---|---|---|
| P M Thomson | 4 of 4 | | 1 of 1 | 1 of 1 |
| C J Cummings | 4 of 4 | | | |
| A M Altinger | 2 of 4 | | | |
| M Arona | 2 of 2 | | | |
| S Bird | 2 of 4 | | | |
| S H Cohen | 3 of 4 | | | 1 of 1 |
| M E Dzanis | 2 of 2 | 1 of 2 | | |
| H A Elmasry | 2 of 2 | 2 of 2 | | |
| R L Elwell | 3 of 4 | 2 of 3 | | |
| M Fitzpatrick | 0 of 0 | | | |
| S P Hagerty | 4 of 4 | 1 of 2 | 1 of 1 | 0 of 1 |
| P Harrison | 2 of 4 | | 0 of 1 | |
| C F Hill | 2 of 2 | | | |
| N B Kasenally-O'Driscoll | 2 of 2 | | | |
| K S MacGillivray | 3 of 4 | 3 of 3 | | |
| J McCareins | 0 of 0 | | | |
| N J M D Moreau | 3 of 4 | | | |
| E G Munro | 0 of 0 | | | |
| C M O'Reilly | 4 of 4 | 2 of 2 | | |
| G J Pinto | 2 of 2 | | | |
| A Prendergast | 0 of 0 | | | |
| N J Ring | 1 of 2 | | | |
| M S Scrimgeour | 3 of 4 | | 1 of 1 | 1 of 1 |
| M R B Versey | 3 of 4 | | 0 of 1 | |
| K D Zachary | 2 of 4 | | | |

## THE BOARD'S COMPOSITION AND ROLE

The directors believe that the board is well balanced and possesses sufficient skills, relevant experience, and knowledge to ensure it functions correctly and is not dominated by any one person. The role of the board is to provide entrepreneurial leadership to the company within a framework of prudent and effective controls, which enables risks to be assessed and managed. The board oversees and directs the affairs of the company in a manner that seeks to promote the success of the investment industry for the benefit of its members, while complying with relevant legal requirements, the company's Articles of Association and corporate governance standards.

The board takes ownership of the company's strategic direction. It adds value by leading the development and regular review of the company's purpose, goals and strategy. In turn, it provides the necessary frameworks within which the management of the company can operate in the best interests of the membership. The terms of reference for the board are reviewed as necessary every three years.

## COMMITTEES

The board has delegated some of its responsibilities to its three formal committees: the Finance, Audit and Risk Committee; the Nomination and Governance Committee; and the Remuneration Committee. The company ensures that all the board committees have sufficient resources to carry out their obligations. The Company Secretary acts as secretary to these committees and reports the outcome of the meetings to the board.

### FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk Committee comprises four non-executive directors and was chaired by Marie Dzanis until 13 September 2023. Sean Hagerty is now the Chairman. The responsibilities of the Finance, Audit and Risk Committee include the following:

- Making recommendations to the board on the appointment, reappointment, and remuneration of the auditors.
- Maintaining and reviewing the effectiveness of the internal control systems.
- Reviewing the financial statements of the company and group prior to referral to the board.
- Defining and conducting the relationship between the company and the auditors including the nature and scope of the audit; and
- Reviewing subscription calculations prior to referral to the board

### NOMINATION AND GOVERNANCE COMMITTEE

The Nomination and Governance Committee comprises five non-executive directors and is chaired by Patrick Thomson. The Committee recommends appointments to the board and approves the appointment of senior IA employees. During 2023, various decisions were deliberated over via other methods of communication than meetings, as allowed by its terms of reference.

### REMUNERATION COMMITTEE

The Remuneration Committee comprises three non-executive directors and is chaired by Michelle Scrimgeour. It meets when appropriate and is responsible for determining the terms and conditions, salary and bonus payments of the Chief Executive and certain senior staff.

## BOARD TENURE AND SUCCESSION PLANNING

Non-executive directors are appointed for a three-year term. After an initial three-year term, the non-executives may be eligible for reappointment for a further three-year term subject to satisfactory performance and the regular nomination and approval process.

While there are no explicit term limits, to ensure the board remains representative of the wider membership and maintains a diverse mix of skills, views, and experience, it is expected that all directors should serve no more than two terms. However, the board may invite a director to continue for an additional period, or to fulfil a particular role thereafter, if it deems it in the best interests of the company to do so.

## GOING CONCERN

The board has made appropriate enquiries and has concluded that the expected level of member subscriptions will cover forecast expenses and therefore it is reasonable to assert that the company and the group will remain in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

## INTERNAL CONTROL AND RISK ASSESSMENT

The board is ultimately responsible for the group's system of internal control and for reviewing its effectiveness. The system of internal controls is designed to manage and mitigate the risks affecting the business and its operations. The control procedures will not totally eliminate risks and can only provide reasonable (and not absolute) assurance against material misstatement and loss.

## MONITORING AND CORRECTIVE ACTION

There are clear and consistent procedures in place for monitoring the system of internal controls. The Finance, Audit and Risk Committee meets at least once a year and reviews the effectiveness of the group's system of internal controls. The Finance, Audit and Risk Committee receives reports from line management and the external auditors.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INVESTMENT ASSOCIATION

## OPINION

We have audited the financial statements of The Investment Association (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise Consolidated Statement of Comprehensive Income, Statements of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's and the parent company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

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

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures. The matters set out below are in addition to going concern which, as set out in the "Conclusions relating to going concern" section above, was also identified as a key audit matter.

| KEY AUDIT MATTER | HOW OUR SCOPE ADDRESSED THIS MATTER |
|---|---|
| **REVENUE RECOGNITION**<br><br>Revenue is the most significant account balance in the Consolidated Statement of Comprehensive Income.<br><br>Revenue is made up of the following material streams; membership fees, management fees, institutional voting information service (IVIS) fees, training income and event income.<br><br>The risk of fraud or error due to the potential to inappropriately shift the timing and basis of revenue recognition is deemed higher in membership fees and management fees and therefore these two revenue streams are considered to be a key audit matter. | Our audit procedures included, but were not limited to:<br><br>We reviewed the key elements underpinning the trigger points to recognise revenue, then confirmed our knowledge on this by performing walkthrough testing.<br><br>Our detailed audit work regarding revenue recognition in relation to these key audit matters included but was not limited to:<br><br>**MEMBERSHIP FEES**<br><br>A review of the expected membership fee income in the year based on numbers of members and fee structure for the year, comparing to actual revenue.<br><br>Revenue cut-off testing included a review of invoices raised around the year end with a focus on the timing of the associated membership to ensure revenue was recorded in the appropriate period.<br><br>A review of the deferred income released in the current year, and deferred at the year end, considering the consistency and patterns seen in the income. This was combined with a review of management estimates for income provisions, including a comparison to historical rate of receivables, any correspondence with clients and actual returns post year end to the date of audit sign off.<br><br>**MANAGEMENT FEES (INCLUDING IVIS), EVENTS AND TRAINING**<br><br>Reviewed income in the year from these sources and investigated the areas of divergence from typical performance.<br><br>Reviewed any invoices over materiality raised in the year with agreement to the relevant documentation. A subsequent sample was haphazardly selected and agreed to documentation to gain assurance that services had been appropriately charged out.<br><br>Invoices selected for testing were traced to remittances in the bank account or the debtors listing as appropriate.<br><br>A particular focus was placed on cut off with invoices raised one month pre and post the year end reviewed in detail to identify signs if income had been recorded in the incorrect period.<br><br>**ALL REVENUE STREAMS**<br><br>Credit notes raised in the year and post year end were reviewed for indications of ongoing errors, difficult relationships and manipulation of results. Consideration was given to the validity and underlying business rationale of credit notes raised.<br><br>**OUR OBSERVATIONS**<br><br>No material issues were noted from any of our audit work on revenue recognition |

## OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | |
|---|---|
| Overall materiality | The overall group materiality was £356,009. The parent's materiality was £298,200. |
| How we determined it | The overall materiality level has been determined with reference to revenue (consolidated and parent respectively), of which it represents 2%. |
| Rationale for benchmark applied | In our view, revenue is the most relevant measure of the underlying performance of the group and the parent company and therefore, has been selected as the materiality benchmark. |
| Performance materiality | Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.<br>We set performance materiality at £284,807 for the group and £238,560 for the entity, which represents 80% of overall materiality. |
| Reporting threshold | We agreed with the directors that we would report to them misstatements identified during our audit above £10,680 for the group and £8,946 for the parent company as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.<br>This has been calculated as 3% of the group and parent company's materiality. |

The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at component level.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the group and the parent company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

## 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 directors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements UK tax legislation, anti-bribery and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;

- Gaining an understanding of the internal controls established to mitigate risks related to fraud;

- Discussing amongst the engagement team the risks of fraud; and

- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

## USE OF THE AUDIT REPORT

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

**Stephen Eames (Senior Statutory Auditor)**
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

14 June 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|---|
| | | **£** | £ |
| Revenue | 7 | **17,800,468** | 16,980,475 |
| Administration expenses | | **(17,728,855)** | (16,304,581) |
| Operating profit | 8 | **71,613** | 675,894 |
| Finance income | | **288,459** | 21,884 |
| Profit before taxation | | **360,072** | 697,778 |
| Tax (charge)/credit on profit | 10 | **(352,639)** | 126,187 |
| Profit for the financial year | | **7,433** | 823,965 |
| Retained profit brought forward | | **5,334,804** | 4,510,839 |
| Retained profit carried forward | | **5,342,237** | 5,334,804 |

All activities of the group relate to continuing operations.

The notes on pages 31 to 41 form part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | | | Group | | Company |
|---|---|---|---|---|---|
| | | **31/12/2023** | 31/12/2022 | **31/12/2023** | 31/12/2022 |
| | Note | **£** | £ | **£** | £ |
| **Fixed assets** | | | | | |
| Non-Current assets | | | | | |
| Property, plant and equipment | 11 | **568,702** | 707,358 | **568,702** | 707,358 |
| Intangible assets | 11 | **103,576** | 16,994 | **5,392** | 2,784 |
| Shares in subsidiary undertaking | 12 | **-** | - | **102** | 102 |
| Deferred tax asset | | **-** | 249,188 | **623** | 258,518 |
| | | **672,278** | 973,540 | **574,819** | 968,762 |
| **Current assets** | | | | | |
| Debtors | 13 | **8,807,258** | 8,872,393 | **8,381,339** | 8,498,074 |
| Cash at bank and in hand | 14 | **12,080,679** | 11,601,035 | **11,840,735** | 10,654,942 |
| | | **20,887,937** | 20,473,428 | **20,222,074** | 19,153,016 |
| **Current liabilities** | | | | | |
| Creditors: amounts due within one year | 15 | **(16,194,960)** | (16,112,164) | **(17,629,385)** | (17,077,795) |
| **Net current assets** | | **4,692,977** | 4,361,264 | **2,592,689** | 2,075,221 |
| Deferred taxation | 10 | **(23,018)** | - | **-** | - |
| **Total assets less current liabilities** | | **5,342,237** | 5,334,804 | **3,167,508** | 3,043,983 |
| | | | | | |
| **Profit and loss account** | | | | | |
| Profit and loss account 1 Jan | | **5,334,804** | 4,510,839 | **3,043,983** | 2,622,234 |
| Profit for the financial year | | **7,433** | 823,965 | **123,525** | 421,749 |
| **Profit and loss account 31 Dec** | | **5,342,237** | 5,334,804 | **3,167,508** | 3,043,983 |
| **Accumulated reserves** | | **5,342,237** | 5,334,804 | **3,167,508** | 3,043,983 |

The financial statements on pages 28 to 41 were approved and authorised for issue by the board of directors and were signed on its behalf by:

**Patrick Thomson**
**Chair**

14 June 2024
Company Number: 04343737

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | **01/01/2023-31/12/2023** £ | 01/01/2022-31/12/2022 £ |
|---|---|---|---|
| **Net cash (out)flow from operating activities** | 17 | **514,350** | 517,951 |
| Taxation received/(paid) | | **-** | - |
| **Net cash generated from/(in) operating activities** | | **514,350** | 517,951 |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | | **(286,165)** | (266,958) |
| Interest received | | **251,459** | 21,884 |
| **Net cash generated used in investing activities** | | **(34,706)** | (245,074) |
| **Net increase/(decrease) in cash at bank and in hand** | | **479,644** | 272,877 |
| **Cash and cash equivalents at the beginning of the year** | | **11,601,035** | 11,328,158 |
| **Cash and cash equivalents at the end of the year** | | **12,080,679** | 11,601,035 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | **12,080,679** | 11,601,035 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

## 1. GENERAL INFORMATION

The principal activity of the company is to represent the interests of the investment management industry in the UK and to promote high standards among its members.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### A) BASIS OF ACCOUNTING

These financial statements are prepared on a going concern basis, under the historical cost convention.

### B) GOING CONCERN

The financial statements are prepared on the going concern basis.

### C) BASIS OF CONSOLIDATION

The group consolidated financial statements include the financial statements of the company and its subsidiary undertakings. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

### D) EMPLOYEE BENEFITS

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans. Short term employee benefits, including holiday pay are recognised as an expense in the period in which the service is received.

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays a fixed contribution into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense as they fall due. Amounts not paid are shown in accruals in the statements of financial position. The assets of the plan are held separately from the company in independently administered funds.

### E) EXPENSES

All expenses are accounted for on the accruals basis.

### F) REVENUE

All revenue is accounted for under the accrual method of accounting. The amount of subscriptions receivable from members under the terms of the constitution of the company is calculated to meet the budgeted expenses net of any other estimated receipts for the year. In addition, other revenue represents income from training and events run by

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the Investment Association Services Limited during the year, the provision of management services to other trade associations, income from IVIS and Investment2020, the setting up of special committees and subscriptions to The IA Engine Ltd. Revenue from services rendered is recognised based on stage of completion when both the following conditions are satisfied:

- The amount of revenue can be measured reliably; and
- It is probable that the company will receive the consideration due.

### G) DEFERRED INCOME

Revenue is generally invoiced in advance of the period it relates to. It is apportioned evenly over the period in which it relates to, mainly over 12 months; the portion of income relating to future periods is deferred.

### H) DEPRECIATION AND AMORTISATION

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged to the statement of comprehensive income using the straight-line basis as follows:

- Fixtures, fittings and equipment: 3-5 years, except where warranties are received for longer periods, then they are depreciated over the warranty period
- Leasehold improvements: over the life of the primary lease
- Software is written off in the year of acquisition

Intangible fixed assets are stated at historical cost less amortisation and any accumulated impairment losses.

Amortisation is charged to the statement of comprehensive income using the straight-line basis as follows:

- Website development: straight line over 3 years

The assets' residual values, useful lives and depreciation and amortisation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

### I) TAXATION

The group has entered into an arrangement with HMRC under which it pays corporation tax on its surplus. The arrangement allows members of the Association to treat payments to the Association as a trading expense. Irrecoverable VAT incurred on expenses has been included in the relevant expense category.

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

- Current tax: Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.
- Deferred tax: Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements.

### J) DEFERRED TAXATION

Deferred tax assets are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### K) INVESTMENTS

Investments, other than those in subsidiary undertakings, are included at fair value. Investments in subsidiary undertakings are included at cost.

### L) CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash in hand, deposits held at call at banks, other short-term highly liquid investments with original maturities of three months or less.

### M) FINANCIAL INSTRUMENTS

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

- **Financial assets** – Basic financial assets, including trade and other receivables, cash and bank balances are recognised at their transaction price. Such assets are subsequently carried at amortised cost, under the effective

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

interest method. Other financial assets, including investments, other than subsidiaries are initially measured at fair value, which is normally transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income.

- **Financial liabilities** – Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at their transaction price. Such liabilities are subsequently carried at amortised cost, under the effective interest method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

### N) DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

### O) CRITICAL ACCOUNTING JUDGEMENTS

The preparation of the company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant.

### P) FOREIGN CURRENCY

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

### Q) DIVIDEND

Dividends are received from the company's subsidiaries and are recorded in the period in which they are received.

### R) LEASES

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### S) SHARE CAPITAL

The company has no share capital since it is limited by guarantee. The members have undertaken that, in the event of a winding up, they will contribute toward payment of the liabilities of the company a sum up to the amount of their guarantee of £10.

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

However, uncertainty about these assumptions and estimates could result in future outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

## 5. SEGMENTAL REPORTING

The company's and group's activities consist primarily of the provision of member services in the UK.

## 6. PROFITS OF THE HOLDING COMPANY

Of the profit for the financial year, a profit of £123,525 (2022: £421,749) relates to the company, The Investment Association. The directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a profit and loss account for the company alone.

## 7. REVENUE

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|
| | **£** | £ |
| Full Members | **13,281,859** | 12,396,000 |
| Affiliate Members | **1,042,739** | 978,462 |
| Sector Members | **355,044** | 264,470 |
| | **14,679,642** | 13,638,932 |
| Management Fee Income | **617,960** | 589,056 |
| Institutional Voting Information Service Income | **476,306** | 465,513 |
| Investment20/20 Subscription Income | **748,837** | 710,604 |
| Events and Training Income | **935,758** | 1,247,370 |
| Special Committee Income | **200,000** | 150,000 |
| FinTech Member Income | **111,605** | 118,550 |
| Other Income | **30,360** | 60,450 |
| **Revenue** | **17,800,468** | 16,980,475 |

## 8. OPERATING PROFIT

Operating profit is stated after charging:

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|
| | **£** | £ |
| Salaries | **9,298,970** | 8,607,692 |
| Social security costs | **1,207,416** | 1,216,238 |
| Other pension costs | **1,100,009** | 887,208 |
| **Staff costs** | **11,606,395** | 10,711,138 |
| Depreciation & amortisation of tangible & intangible fixed assets | **338,239** | 303,400 |
| Operating lease charges | **490,000** | 490,000 |
| Auditors' remuneration | | |
| - Audit services | **29,260** | 37,660 |
| - Other services including tax | **14,627** | 27,997 |

## 9. EMPLOYEES AND DIRECTORS

### EMPLOYEES

The monthly average number of persons employed by the company during the year was 98 (2022: 96). The average number of key management personnel during the year was 8 (2022: 8).

The company provides pensions through defined contribution schemes and pension costs are charged as incurred. The amount recognised as an expense was £1,100,009 (2022: £887,208).

### KEY MANAGEMENT

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|
| | **£** | £ |
| Key management compensation | **3,226,820** | 2,860,772 |

### DIRECTORS

The non-executive directors received no emoluments in the year.

Total emoluments in respect of the executive director was:

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|
| | **£** | £ |
| C J Cummings | **1,241,082** | 1,035,843 |

Contributions made to a pension scheme on behalf of Mr C J Cummings were £nil (2022: £nil).

## 10. TAX ON PROFIT ON ORDINARY ACTIVITIES

### A) TAX ON PROFIT ON ORDINARY ACTIVITIES COMPRISED:

| | Note | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|---|
| | Note | **£** | £ |
| *Current Tax:* | | | |
| UK Corporation tax at 23.52% (2022 : 19.00%) | | **80,433** | - |
| Current tax charge for the year | | **80,433** | - |
| *Deferred tax* | | | |
| Origination and reversal of timing differences | | **23,304** | (126,187) |
| Effect of changes in tax charge/(credit) | | **248,902** | - |
| Total deferred tax charge/(credit) | | **272,206** | (126,187) |
| **Tax on profit on ordinary activities** | | **352,639** | (126,187) |

| | | |
|---|---|---|
| **Provision for deferred tax** | | |
| Fixed asset timing differences | **101,612** | 91,053 |
| Short term timing differences | **(78,594)** | (50,833) |
| Losses and other deductions | **-** | (289,408) |
| **Total deferred tax (liability/(asset)** | **23,018** | (249,188) |

| | | |
|---|---|---|
| *Movement in provision:* | | |
| Provision at start of period | **249,188** | 123,001 |
| Deferred tax charged in the Profit and loss account for the period | **(272,206)** | 126,187 |
| **Provision at end of period** | **(23,018)** | 249,188 |

### B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR:

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/202 |
|---|---|---|
| | **£** | £ |
| **Profit on ordinary activities before tax** | **360,072** | 697,778 |
| Profit on ordinary activities multiplied by small companies rate of 23.52% (2022: 19.00%) | **84,689** | 132,578 |
| Effects of: | | |
| Fixed asset differences | **8,466** | (2,499) |
| Expenses not tax deductible | **8,413** | 368,641 |
| Other permanent differences | **1,496** | - |
| Exempt ABGH distributions | **(546,699)** | - |
| Group relief claimed | **545,915** | - |
| Adjustments to tax charge in respect of previous periods | **248,902** | - |
| Remeasurement of deferred tax for changes in tax rates | **1,457** | - |
| Movement in deferred tax not recognised | **-** | (10,869) |
| Other reconciling differences | **-** | (361,664) |
| **Total tax charge for the period** | **352,639** | 126,187 |

### C) FACTORS AFFECTING THE FUTURE TAX CHARGES

It was announced in the budget on 3 March 2021, the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The Finance Bill 2021 was substantively enacted by Parliament on 24 May 2021.

## 11. FIXED ASSETS

| **Group** | **Leasehold Improvements** | **Fixtures, fittings and equipment** | **Intangible Assets – Websites** | **Total** |
|---|---|---|---|---|
| | **£** | **£** | **£** | **£** |
| **Cost** | | | | |
| 1 January 2023 | 1,206,142 | 1,160,361 | 305,677 | 2,672,180 |
| Additions | - | 178,838 | 107,327 | 286,165 |
| Disposals/write offs | - | - | (12,190) | (12,190) |
| 31 December 2023 | 1,206,142 | 1,339,199 | 400,814 | 2,946,155 |
| **Accumulated depreciation & amortisation** | | | | |
| 1 January 2023 | 806,701 | 852,444 | 288,683 | 1,947,828 |
| Charge for the year | 145,224 | 172,270 | 20,745 | 338,239 |
| Disposals/write offs | - | - | (12,190) | (12,190) |
| 31 December 2023 | 951,925 | 1,024,714 | 297,238 | 2,273,877 |
| **Net book value** | | | | |
| 31 December 2023 | 254,217 | 314,485 | 103,576 | 672,278 |
| 31 December 2022 | 399,441 | 307,917 | 16,994 | 724,352 |

## 11. FIXED ASSETS (CONTINUED)

| Company | Leasehold Improvements | Fixtures, fittings and equipment | Intangible Assets - websites | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| 1 January 2023 | 1,206,142 | 1,160,361 | 176,552 | 2,543,055 |
| Additions | - | 178,838 | 6,000 | 184,838 |
| Disposals/write offs | - | - | - | - |
| 31 December 2023 | 1,206,142 | 1,339,199 | 182,552 | 2,727,893 |
| **Accumulated depreciation & amortisation** | | | | |
| 1 January 2023 | 806,701 | 852,444 | 173,768 | 1,832,913 |
| Charge for the year | 145,224 | 172,270 | 3,392 | 320,886 |
| Disposals/write offs | - | - | - | - |
| 31 December 2023 | 951,925 | 1,024,714 | 177,160 | 2,153,799 |
| **Net book value** | | | | |
| 31 December 2023 | 254,217 | 314,485 | 5,392 | 574,094 |
| 31 December 2022 | 399,441 | 307,917 | 2,784 | 710,142 |

## 12. SHARES IN SUBSIDIARY UNDERTAKINGS

The company holds 100% of the issued share capital of The Investment Association Services Limited, The IA Engine Ltd and IA Titan Ltd, all companies incorporated in England, which are consolidated in these financial statements. The activities of The Investment Association Services Limited include the running of training and other events for the members of The Investment Association, the provision of management services to other trade associations, the running of the Institutional Voting Information Service and provision of subscription services to Investment20/20. The activities of The IA Engine Ltd is that of a Financial Technology accelerator. IA Titan provided subscription services to cyber threat alerts. The registered office for The Investment Association Services Limited, The IA Engine Ltd and IA Titan Ltd are the same as The Investment Association, which is: Camomile Court, 23 Camomile Street, London, EC3A 7LL.

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | Group | | Company |
|---|---|---|---|---|
| | **31/12/2023** | 31/12/2022 | **31/12/2023** | 31/12/2022 |
| | **£** | £ | **£** | £ |
| Trade debtors – current year | **384,928** | 231,744 | **42,455** | 34,469 |
| Trade debtors – future subscriptions | **7,601,403** | 7,700,683 | **7,601,403** | 7,700,683 |
| Amounts owed by group undertakings | **-** | - | **-** | 26,279 |
| Other debtors | **1,693** | 3,252 | **1,693** | 3,252 |
| Prepayments and accrued income | **819,234** | 936,714 | **735,788** | 733,391 |
| | **8,807,258** | 8,872,393 | **8,381,339** | 8,498,074 |

## 14. CASH IN BANK AND IN HAND

| | | Group | | Company |
|---|---|---|---|---|
| | **31/12/2023** | 31/12/2022 | **31/12/2023** | 31/12/2022 |
| | **£** | £ | **£** | £ |
| Bank accounts | **12,080,679** | 11,601,035 | **11,840,735** | 10,654,942 |
| | **12,080,679** | 11,601,035 | **11,840,735** | 10,654,942 |

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | Group | | Company |
|---|---|---|---|---|
| | **31/12/2023** | 31/12/2022 | **31/12/2023** | 31/12/2022 |
| | **£** | £ | **£** | £ |
| Trade creditors | **191,082** | 164,620 | **147,888** | 138,246 |
| Corporation Tax | **80,433** | - | **-** | - |
| Amounts owed to Group undertaking | **-** | - | **2,117,665** | 1,533,686 |
| Other taxation and social security payable | **1,470,946** | 1,331,721 | **1,417,063** | 1,332,057 |
| Accruals and deferred income | **1,601,473** | 1,746,584 | **1,095,743** | 1,204,567 |
| Future subscriptions | **12,851,026** | 12,869,239 | **12,851,026** | 12,869,239 |
| | **16,194,960** | 16,112,164 | **17,629,385** | 17,077,795 |

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## 16. LEASE COMMITMENTS

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods are:

| | **31/12/2023** | 31/12/2022 |
|---|---|---|
| | **£** | £ |
| Not later than one year | **490,074** | 490,074 |
| Later than one year and not later than five years | **393,416** | 883,564 |
| Later than five years | **-** | - |

## 17. NOTE TO THE STATEMENT OF CASH FLOWS

| | **01/01/2023-31/12/2023** | 01/01/2022-31/12/2022 |
|---|---|---|
| | **£** | £ |
| **Profit for the financial year** | **7,433** | 823,965 |
| Tax on profit on ordinary activities | **352,639** | (126,187) |
| Finance income | **(288,459)** | (21,884) |
| **Operating profit** | **71,613** | 675,894 |
| Depreciation & amortisation | **338,239** | 302,114 |
| Working capital movements: | | |
| - Decrease/(Increase) in debtors | **102,135** | (2,470,421) |
| - Increase in creditors | **2,363** | 2,010,364 |
| **Cash flow generated from/(used in) operating activities** | **514,350** | 517,951 |

## 18. FINANCIAL INSTRUMENTS

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | **31/12/2023** | 31/12/2022 | **31/12/2023** | 31/12/2022 |
| | Note | **£** | £ | **£** | £ |
| **Financial assets measured at amortised cost** | | | | | |
| Shares in subsidiary undertakings | 12 | **-** | - | **102** | 102 |
| Trade debtors – current year | 13 | **384,928** | 231,744 | **42,455** | 34,469 |
| Trade debtors – future subscriptions | 13 | **7,601,403** | 7,700,683 | **7,601,403** | 7,700,683 |
| Other debtors | 13 | **1,693** | 3,252 | **1,693** | 3,252 |
| Amounts owed by Group undertakings | | **-** | - | **-** | 26,279 |
| **Financial liabilities measured at amortised cost** | | | | | |
| Trade creditors | 15 | **191,082** | 164,620 | **147,888** | 138,246 |
| Amounts owed to Group undertaking | 15 | **-** | - | **2,117,665** | 1,533,686 |
| Other taxation and social security payable | 15 | **1,470,946** | 1,331,721 | **1,417,063** | 1,332,057 |
| Accruals | 15 | **1,120,049** | 1,250,182 | **1,095,743** | 1,204,567 |

## 19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption not to disclose related party transactions in respect to all transactions and balances with The Investment Association Services Limited, The IA Engine Ltd or IA Titan Ltd, which are wholly owned subsidiaries, and such transactions are eliminated on consolidation, as permitted under Paragraph 1.12 of FRS 102. There were no related party transactions during 2023 (2022: £nil).

## 20. EXEMPTIONS

The directors have also taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented a profit and loss account for the company alone.

## 21. LEGAL STRUCTURE

The company is limited by guarantee, incorporated, and domiciled in the UK. The address of its registered office is Camomile Court, 23 Camomile Street, London, EC3A 7LL.

## 22. SUBSEQUENT EVENTS

There are no post balance sheet events to note.

# FULL MEMBERS AT DECEMBER 2023

Aberdeen Fund Managers Limited
Aberforth Partners LLP
Abrdn
Aegon Asset Management UK Plc
Aegon Investments Limited
Affiliated Managers Group Ltd
AJ Bell Asset Management Limited
Alcentra Limited
Alger Management Ltd
Alliance Bernstein Limited
Allianz Global Investors
Allspring Global Investments (UK) Limited
Alpha Real Capital LLP
Amundi (UK) Ltd
Apex FundRock Ltd
AQR Capital Management LLP
Ardevora Asset Management LLP
Artemis Fund Managers Ltd
Artisan Partners UK LLP
Asset Management One International Ltd
Atlantic House Investments Limited
AustralianSuper (UK) Ltd
Aviva Investors
Aviva Investors UK Fund Services Limited
AXA Investment Managers UK

BAE SYSTEMS Pension Funds Investment Management Ltd
Baillie Gifford & Co Limited
Barclays Wealth & Investment Management
Barings Asset Management Ltd
Barings Fund Managers Limited
BlackRock Investment Management (UK) Ltd
Blackstone
BMO Global Asset Management
BNP Paribas Asset Management
BNY Mellon Investment Management
Border to Coast Pensions Partnership Ltd
BP Investment Management Ltd
Brightwell
Brompton Asset Management LLP
Brookfield Oaktree Wealth Solutions
Brooks Macdonald Asset Management
Brown Advisory Ltd
Brunel Pension Partnership

Canada Life Asset Management Limited
Candriam Investors Group
Capital International Ltd
Carmignac UK Ltd
Carne Group
CCLA Investment Management Ltd
CG Asset Management
Charles Stanley & Co Limited
City of London Investment Management Company Ltd
Close Brothers Asset Management (UK) Ltd
Cohen & Steers (UK) Limited
Columbia Threadneedle Investments
Courtiers Asset Management Limited
Coutts
Credit Suisse Asset Management Limited
Crux Asset Management Ltd

Dimensional Fund Advisors Ltd
Dodge & Cox Worldwide Investments Ltd
DWS

EdenTree Investment Management Limited
EFG Asset Management (UK) Limited
Embark Investment Ltd
Equity Trustees Fund Services Ltd
Eurizon SLJ Capital Limited
Evelyn Partners
Evelyn Partners Fund Solutions
Evenlode Investment Management

Federated Hermes Limited
Fiera Capital (Europe) Limited
FIL Investment Management Limited
FIL Investment Services (UK) Limited
FIL Investments International
FIL Pensions Management
Findlay Park Partners LLP
First Sentier Investors
First Trust Global Portfolios
FMR Investment Management (UK) Limited
Franklin Templeton Fund Management Limited
Franklin Templeton Investment Management Limited
FundRock Partners Limited
Fundsmith

GAM Investments
GAM Systematic
Genesis Investment Management LLP
GMO UK Ltd
Goldman Sachs Asset Management International
GuardCap Asset Management Limited
Guinness Asset Management
Gulf International Bank (GIB) UK

Handelsbanken Wealth & Asset Management
Hargreaves Lansdown Asset Management
Hargreaves Lansdown Fund Managers
Havelock London
HBOS Investment Fund Managers Limited
Heptagon Capital Limited
HSBC Global Asset Management (UK) Limited
HSBC Investment Funds

IFM Investors
IM Global Partner
Impax Asset Management
Independent Franchise Partners LLP
Insight Investment Funds Management Ltd
Insight Investment Management (Global) Ltd
Invesco
Investment Fund Services Limited

J O Hambro Capital Management Limited
J . Safra Sarasin Asset Management (Europe) Ltd
J.P. Morgan Asset Management
JP Morgan Mansart Management
Janus Henderson Group plc
Jupiter Asset Management Limited
Jupiter Investment Management Ltd (JIML)
Jupiter Unit Trust Managers Limited

Lazard Asset Management Ltd
Lazard Fund Managers Limited
Legal & General Investment Management Limited
Legal & General Retail Investments
LGPS Central
Lindsell Train
Liontrust Fund Partners LLP
Local Pensions Partnership Investments Ltd
Lombard Odier Asset Management (Europe)
London CIV
Longview Partners LLP
Loomis Sayles Investments Limited
LUMYNA Investments Limited

M&G Investments Limited
Macquarie Investment Management Europe Ltd
Man Fund Management UK Limited
Manulife Investment Management (Europe) Limited
Margetts Fund Management Ltd
Marks & Spencer Unit Trust Management Limited
Marlborough Investment Managers Limited
Martin Currie Investment Management Ltd

McInroy & Wood Ltd
MetLife Investment Management Limited
MFS International (UK) Ltd
Minerva Fund Management Solutions Ltd
Mirabaud Asset Management Ltd
Mitsubishi UFJ Asset Management (UK) Ltd
Momentum Global Investment Management Limited
Morgan Stanley Investment Management Ltd
Morgan Stanley Investment Partners (MSIP)
MS Amlin Investment Management Limited
Muzinich & Co

National Employment Savings Trust
Natixis Investment Managers
Neuberger Berman Europe Limited
Newton Investment Management Limited
NFU Mutual Insurance Society Ltd
Nikko Asset Management Europe Ltd
Ninety One
Ninety One Fund Managers Ltd
Nomura Asset Management U.K. Ltd
Nordea Asset Management
Northern Trust Asset Management
Nuveen

Oasis Crescent Wealth (UK) Ltd
Octopus Investments Ltd
Omnis Investments Ltd
Orbis Investment Management (Luxembourg) SA
Orbis Investments (UK)

Pension Protection Fund
PGIM Ltd
Phoenix Unit Trust Managers Limited
Pictet Asset Management Ltd
PIMCO Europe Ltd
PineBridge Investments Europe Ltd
Polar Capital LLP
Premier Miton Investors
Principal Global Investors (Europe) Ltd
Prudential
Prudential Unit Trusts Ltd
Putnam Investments
Pyrford International Ltd

Quilter Investors Limited
Quoniam Asset Management GmbH

Railpen Investments
Rathbones Asset Management Limited
RBC BlueBay Asset Management (UK) Limited
RBC Brewin Dolphin
Record Currency Management Limited
Redwheel
River and Mercantile Asset Management LLP
Rockefeller Asset Management International
Rothesay Life
Royal London Asset Management Ltd
Royal London Unit Trust Managers Ltd
Ruffer
Russell Investments Ltd

Sanlam Investments UK Ltd
Santander Asset Management
Santander Asset Management (SAM UK)
Sarasin & Partners LLP
Schroder Unit Trusts Limited
Schroders Investment Management
Schroders Personal Wealth
Scottish Friendly Asset Managers Ltd
Scottish Widows Unit Trust Managers
SEI Investments (Europe) Ltd
Seven Investment Management LLP
Storebrand Asset Management
Slater Investments Ltd
St James's Place Unit Trust Group Limited
State Street Global Advisors UK Ltd
Stewart Investors
Stonehage Fleming Investment Management Limited
Sumitomo Mitsui Trust International Limited
Sun Life Assurance Company of Canada (UK) Limited
SVM Asset Management Ltd

T. Bailey Asset Management Limited
T. Rowe Price International Ltd
TCW Europe Ltd
Tesco Pension Investment
Thames River Capital
Threadneedle Investment Services Ltd
TIME Investments
Tokio Marine Asset Management (London) Ltd
Troy Asset Management Ltd
True Potential LLP
TT International

UBS Asset Management Ltd
Unicorn Asset Management
Union Asset Management Holding AG
Union Bancaire Privée
Universities Superannuation Scheme Ltd

Valu-Trac Investment Management Ltd
Van Lanschot Kempen Investment Management
Vanguard Asset Management Limited
Veritas Asset Management LLP
Veritas Investment Partners (UK) Limited
Virgin Money Unit Trust Managers Limited

Walter Scott & Partners Limited
WAY Fund Managers
Waystone
Waystone Fund Services UK Ltd
Waystone Management (UK) Ltd
Wellington Management International Limited
Wesleyan Unit Trust Managers Ltd
White Oak Capital Management (UK) Ltd

Yealand Fund Services Ltd

# AFFILIATE MEMBERS AT DECEMBER 2023

ACA Global
Addleshaw Goddard LLP
Allen & Overy
AllFunds Bank
Alpha FMC
Apex Depositary (UK) Limited

Boston Consulting Group
BDO
BNP Paribas Securities Services (UK) Ltd
BNY Mellon Asset Servicing
Bovill
Bravura Solutions (UK) Limited
Broadridge Analytics Solutions Ltd
Brown Brothers Harriman Investor Services Ltd
Bryan Cave Leighton Paisner
Burges Salmon LLP

Caceis Bank, UK Branch
CACEIS Investor Services Bank S.A.
CACEIS UK Trustee and Depositary Services Ltd
Calastone
Centralis GRC
Citibank International Plc
Citibank N.A.
CitiSoft
ClearGlass Analytics Ltd
Clearstream
Clifford Chance LLP
CMS
Confluence
Covington & Burling LLP
Criterion

DAC Beachcroft LLP
Davies Group
Dechert LLP
Deloitte LLP
Devlin Mambo

Ernst & Young LLP
Euroclear UK & International Ltd
Eversheds Sutherland (International) LLP
Exchange Data International (EDI)

Fala Consulting Ltd
Farrer & Co
FE Fundinfo
Fieldfisher LLP
FNZ UK Ltd
Freshfields Bruckhaus Deringer
fscom

Grant Thornton UK LLP

Herbert Smith Freehills LLP
HSBC Bank plc Trustee & Depositary Services
HSBC Securities Services (UK) Limited
Hub Platform Technology Partners Ltd

ICE Europe Ltd

J.P. Morgan Europe Ltd
J.P. Morgan Securities Services

K&L Gates LLP
Kaizen Reporting Ltd
Kneip
KPMG LLP
Kroll Advisory Ltd

Latham & Watkins LLP
Linklaters LLP
Lipper Limited

Macfarlanes
Forvis Mazars LLP
Morningstar UK Ltd

NatWest Trustee & Depositary Services Ltd
Northern Trust Global Services SE
Northern Trust International Fund Administration Services (UK)
Norton Rose Fulbright LLP

Oliver Wyman Ltd
Orbis Access

Pinsent Masons LLP
Pragma Risk Ltd
PricewaterhouseCoopers LLP

RBC Investor Services Bank S.A
Ropes & Gray

Simmons & Simmons LLP
SIX Financial Information UK Limited
Societe Generale London Branch
SS&C Financial Services Europe Limited
State Street Bank & Trust Company
State Street Trustees Limited
Stephenson Harwood

Taylor Wessing LLP
The Bank of New York Mellon (International) Limited
Travers Smith LLP

Universal Investment

Worksmart Ltd

# SECTOR MEMBERS AT DECEMBER 2023

Active Niche Funds
Algebris Investments UK Ltd
Alquity Investment Management Limited
Aperture Investors, LLC
Atlas Infrastructure
Aubrey Capital Management Limited
Axiom International Investors LLC

Baron Capital
Bellevue Asset Management (UK) Ltd

Castlefield Investment Partners
Cerno Capital Partners LLP
Colchester Global Investors Limited
Comgest Asset Management International Limited
Consistent Unit Trust Management Company Ltd
CQS (UK) LLP
Credo Capital Limited

Deuterium Capital Management LLC
Devon Equity Management Ltd

Equitile Investments Ltd

Fidante Partners
First Eagle Investment Management, LLC
Fisher Investments Europe
Fortem Capital Limited
Fulcrum Asset Management

Gay-Lussac Gestion
GQG Partners (UK) Ltd
GVQ Investment Management Limited

Herald Investment Management Ltd

IQEQ Fund Management (Previously Davy Global Fund Management)

J. Stern & Co. LLP
JM Finn & Co

Latitude Investment Management
Lord Abbett (UK) Ltd

Matthews International Capital Management
Montanaro Asset Management Ltd

Nedgroup Investments

Oldfield Partners LLP

Pinnacle Investment Management

Quilter Cheviot Limited

Robeco UK

Seilern Investment Management Ltd
Stanford DeLand Asset Management

Tellworth Investments
Thomas Miller Investment
Trium Capital
TwentyFour Asset Management LLP

UTI international

Value Partners Group
Vermeer Investment Management
Vontobel Asset Management SA

Waverton Investment Management
Winton Capital Management Limited
WisdomTree

# EXTERNAL COMMITTEES OF WHICH IA STAFF ARE MEMBERS

## GOVERNMENT AND STATUTORY

| | |
|---|---|
| APPG on local authority pension funds | Imran Razvi |
| Bank of England – London Foreign Exchange Joint Standing Committee | Galina Dimitrova/Hugo Gordon |
| Climate Financial Risk Forum | Galina Dimitrova/Paul Scaping |
| DCMS – Dormant Assets Expansion Board | John Allan |
| Department for Business & Trade | Richard Normington |
| DIT Financial Services Trade Advisory Group | Chris Cummings |
| Financial Services Industry Advisory Group | Chris Cummings |
| HM Treasury – Financial Services Expert Trade Advisory Group | Richard Normington |
| HMT Accelerated Settlement Taskforce | Alex Chow |
| HMT Asset Management Taskforce | Chris Cummings |
| HM Treasury - Expert Trade Advisory Group | Richard Normington |
| Joint Fraud Taskforce (Officials group) | Adrian Hood |
| Risk Free Rate Bond Market Sub Group | Hugo Gordon |
| Regulator of Social Housing (RSH) Advisory Board | Karen Northey |
| Sterling Risk Free Rate Working Group | Galina Dimitrova |
| The Economic Crime Strategic Board - Public Private Steering Group | Adrian Hood |
| Transition Plan Taskforce | Paul Scaping |

## HMRC

At any time IA staff are members of a number of HMRC industry consultative groups

| | |
|---|---|
| Finance Liaison Group | Anshita Joshi |
| FS Tax Working Group: Future of VAT Financial Services | Anshita Joshi |
| Joint VAT Consultative Committee (JVCC) | Anshita Joshi/Chris Hewitt |

## OTHER

| | |
|---|---|
| Advisory Board for the Centre for Asset Management Research | Jonathan Lipkin |
| Bank of England – FX JSC – Operations Sub-Committee | Alex Chow / Hugo Gordon / Galina Dimitrova |
| Church Urban Fund | Chris Cummings |
| CISI Exam Panel for the Collective Investment Schemes Module of the CISI Investment Operations Certificate (IOC) | Peter Capper |
| Cost Transparency Initiative Board | Jonathan Lipkin |
| Disclosures & Labels Advisory Group to the FCA | Galina Dimitrova |
| Diversity Project Advisory Committee | Shrena Fraser Johnson |
| Diversity Project Steering Committee | Karis Stander/Shrena Fraser Johnson/Lucinda Dhesi |
| FCA's Vote Reporting Working Group | Andrew Ninian |
| Financial Data Exchange (FINDATEX) European Feedback Template Working Group | Mark Sherwin |
| Financial Data Exchange (FinDatEx) PRIIPs Working Group | Mark Sherwin |
| Financial Services Skills Commission Advisory Group | Shrena Fraser Johnson |
| FTSE Russell Policy Advisory Board | Andrew Ninian |
| Global Investment Futures Steering Board | Jack Knight |
| FTSE Women Leaders Advisory Board | Andrew Ninian |
| Impact Investing Institute, Advisory Council | Chris Cummings |

| | |
|---|---|
| Investor Access to Retail Bonds Working Group | Hugo Gordon |
| ISDA EMEA Cross Trade Association Working Group | Alex Chow |
| Joint Money Laundering Intelligence Taskforce (JMLIT) | Adrian Hood |
| Just Finance Foundation | Chris Cummings |
| Modern Slavery Advisory Committee | Chris Cummings |
| Pre-Emption Group | Andrew Ninian |
| Progress Together | Shrena Fraser Johnson |
| OFSI Senior Implementation Group | Adrian Hood |
| National Economic Crime Centre Public Private Threat Group | Adrian Hood |
| Takeover Panel | Chris Cummings |
| TheCityUK Technology and Innovation Group | James King |
| TISA Digital Innovation Policy Council | James King |
| TISA OSIP Steering Committee | James King |
| Wates Principles Coalition Group | Andrew Ninian |
| UK Accelerated Settlement Taskforce | Alex Chow/Hugo Gordon |

## UK INDUSTRY GROUPS

| | |
|---|---|
| British American Finance Alliance - Executive Committee | Richard Normington |
| FCA Trade Association Cyber Insights Group | James King |
| Fund Administrators Tax Working Group | Chris Hewitt |
| FCA Innovation Advisory Group | John Allan |
| GC100 and Investor Group on Remuneration Reporting | Andrew Ninian |
| IRSG Board | Karen Northey |
| IRSG Council | Karen Northey |
| IRSG Data Committee | James King |
| IRSG ESG Committee | Paul Scaping |
| IRSG EU Regulatory Affairs Committee | David McCarthy |
| IRSG Global Regulatory Coherence Standing Committee | Richard Normington |
| Joint Industry Forum on Pensions | Imran Razvi |
| Joint Money Laundering Steering Group Board | Adrian Hood |
| Operational Resilience Coordination Group (part of CMORG) | James King |
| STAR SteerCo | John Allan |
| Steering Committee for Change the Race Ratio | Andrew Ninian |
| TheCityUK Board | Galina Dimitrova |
| TheCityUK EU Market Advisory Group | David McCarthy |
| TheCityUK Green and Sustainable Finance Group | Paul Scaping |
| TheCityUK International Trade and Investment Group (ITIG) | Jack Knight |
| TheCityUK Long-Term Competitiveness Group | Jonathan Lipkin |
| TheCityUK Tax Committee | Anshita Joshi |
| TheCityUK The Liberalisation of Trade in Services Expert Advisory Group | Richard Normington |
| TheCityUK U.S. Technical Level Working Group | Richard Normington |
| TheCityUK Swiss Market Advisory Group | Richard Normington |
| TheCityUK Capital Markets Working Group | Hugo Gordon |
| UK Investment Performance Committee | Adrian Hood |

## EFAMA

Various IA staff chair or are members of EFAMA's working groups covering areas as diverse as corporate governance, derivatives, ETFs, FATCA, firm level regulation, FTT, fund accounting, fund processing, fund regulation, investor education, markets regulation, recovery and resolution, statistics, sustainable investment, tax and VAT.

| | |
|---|---|
| Accounting Taskforce | Mark Sherwin |
| Anti-Money Laundering Taskforce | Adrian Hood |
| Benchmarking Taskforce | Adrian Hood |
| Blockchain for Tax taskforce | Chris Hewitt |
| Board of Directors | Chris Cummings |
| CSDR Working Group | Alex Chow |
| Distribution & Client Disclosures Standing Committee | Reuben Overmark |
| ETF Taskforce | Hugo Gordon / Alex Chow |
| European Fund Categorization Forum (EFCF) | Richard Mawson |
| Fund Regulation Standing Committee | Peter Capper |
| Management Companies Regulation & Services | Peter Capper |
| Money Markets Fund Taskforce | Peter Capper |
| Pensions Standing Committee | Imran Razvi/ Jonathan Lipkin (Chair) |
| President's Advisory Committee | Chris Cummings |
| Public Policy Platform (EFAMA) | David McCarthy |
| Taxation & Accounting Standing Committee | Anshita Joshi |
| Trade & Transactions Reporting Standards TF | Alex Chow |
| Trading, Trade Reporting & Market Infrastructures Standing Committee | Alex Chow/Galina Dimitrova/ Hugo Gordon |
| VAT Taskforce | Anshita Joshi |

## IIFA

| | |
|---|---|
| IIFA Accounting Standards Committee | Mark Sherwin |
| IIFA Board | Chris Cummings (President) |
| IIFA International Regulatory Affairs Working Committee | Jonathan Lipkin |
| IIFA Pension Working Committee | Imran Razvi |
| IIFA Regulatory Affairs Committee | Chris Cummings/ Jonathan Lipkin |
| IIFA Tax Committee | Anshita Joshi |

## OTHER EUROPEAN AND INTERNATIONAL GROUPS

| | |
|---|---|
| Common Reporting Standard (CRS) Business Advisory Group (BAG) | Anshita Joshi |

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www.theia.org
@InvAssoc

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