

Minutes of a meeting of the Board of the CFA Society of the UK (CFA UK) held at the CFA UK offices, 3rd Floor, Boston House, 63-64 New Broad Street, London EC2M 1JJ and by Teams at 5.00pm on Tuesday 25th February 2025

Present:	H Eastman	chair
	A Byrne	
	K Ferguson	
	S Hsu*	(items 1644 to 1652 and 1654 to 1662)
	W Hung*	
	K Kosmopoulou*	
	E Koycheva	(items 1647 to 1662)
	P Lenoble	(remote from 1644 to 1647 in person from 1647)
Attending:	M Pryce	
	S Solomon	(from item 1645)
	N Barlett	
	C Curtin (director of education)	(from item 1645)
	V French (chief financial officer)	(from item 1645)
	W Goodhart (chief executive)	(from item 1645)
	L Gracie (Indigo Independent Governance)	
	P Shivaprasad (director of outreach)	(from item 1645)
	B Young (company secretary)	

* denotes remote attendance

1644 Boards own time

In the absence of management, board members discussed the priorities they would like to address at the meeting and some of the key points in relation to the proposals to be discussed. These largely focussed on strategic direction and the onboarding plans for the new chief executive joining in March 2025.

1645 Apologies for absence and welcome

There were no apologies for absence. The chair welcomed Nick Bartlett, the incoming chief executive, to the meeting.

1646 Declarations of interest

The chair invited board members to declare any conflicts of interest related to the items on the agenda for the meeting. There were no conflicts declared.

1648 Appointment of the nominating committee

The paper outlining the proposal for Hilary Eastman, CFA, Katerina Kosmopoulou, CFA and Alistair Byrne, CFA to be appointed members of the nominating committee for 2025 was reviewed and noted. The committee would be chaired by Daniel Murray, CFA, with Debbie Clark, ASIP as the independent member.

It was noted that there were three retiring officers this year. As a number of directors had put themselves forward as successors for these roles, the pool of directors available to serve on the committee was limited. It was also discussed that one additional director would be required to retire at the AGM 2025 and be proposed for re-election this year. It was suggested that Alistair Byrne, who was one of the two continuing directors eligible to stand for re-election this year, could be nominated for re-election in 2026 to enable him to serve on the committee this year.

As well as managing officer succession, the committee would be responsible for selecting three new directors in the nominating process to be carried out in the summer. The skills and attributes considered to be important for the new board members were suggested as follows:

- Portfolio manager/Analyst
- Cyber security, IT and artificial intelligence

- Finance
- Client engagement/interfaces
- Pension fund/ Asset owner
- Senior leadership and operational experience.

After due and careful consideration, it was approved that Hilary Eastman, Katerina Kosmopoulou, and Alistair Byrne be appointed to the nominating committee for 2025, together with Daniel Murray as chair and Debbie Clarke as the independent member.

1649 Board code of conduct review

The paper proposing the annual review of the board code of conduct was noted and discussed.

It was suggested that some wording be included in the code of conduct to cover the use of social media and society information. The confidentiality of society information was considered to be covered already under the confidentiality section of the code and the general duties that apply to all directors should ensure that information was not used for a director's personal benefit in a way that was in conflict with the society's interests.

It was requested that the company secretary propose some changes to the board guide to include more specific guidelines for the use of social media within the communication section. The updated board guide would be circulated to the board via Convene for comment once other updates to it had also been completed.

It was confirmed that the board code of conduct remained appropriate and no amendments would be made. Accordingly, the board code of conduct was approved in its current format.

1650 Membership dues

The paper setting out the proposals for membership dues for 2025/2026 was reviewed and noted. It was confirmed that two proposals had been put forward to the finance committee at the meeting held on 19th February 2025. Subsequently the recommendation to increase the base CFA UK membership fee by £5 to £145 and \$5 to \$180 for Regular members had been made by the committee.

It was noted that a CFA Institute survey showed that employers reimbursed 64% of respondents, and historically, renewal rates had not correlated with an increase in the membership fee.

The optics of a fee increase for three consecutive years was raised and discussed. It was considered important to clearly communicate the need for the increase to members. It was suggested that some evidence could be included to evidence that members had access to more or better-quality events, and other benefits such as coaching and mentoring.

After due and careful consideration, the recommendation to increase membership due for 2025/2026 by £5 to £145 and \$5 to \$180 for Regular members was approved.

1651 Approval for a series of workshops for the board and executive team

The consultancy proposal was reviewed and noted.

Following a recommendation by the company secretary, the chair had discussed a series of workshops to assist the board and executive team with greater understanding of the role of the board and to enhance the approach to collaborative working. Three workshops had been proposed. It was noted that this cost was not included in the current budget.

It was confirmed that there were no conflicts.

After due and careful consideration, the proposal to run three workshops was approved.

It was hoped that the workshops could be run after the April Board meeting. The outcomes of the workshops would be documented for future directors.

1652 Reforecast FY25

The reforecast for FY25 and the accompanying paper were reviewed and noted. The reforecast and the fall in projected ESG revenues had also been discussed at the board call on 17th January 2025. ESG revenues had been reviewed and reduced from £1.8m in the original forecast to £1.2m in the reforecast. It was noted that the reforecast FY25 operating loss was materially higher at £625k (versus £170k originally forecast) mainly due to the reduction in ESG revenues.

It was requested to include staff costs as a percentage of revenue as a KPI in the finance pack going forward. It was noted staff cost as a percentage of revenue (excluding ESG revenues) was at 50% in 2022 but had increased to circa 60% to 66% for the current year.

The capex spend for future years was queried and it was suggested that a higher level of capex be forecast for future years to maintain and develop IT as needed. It was noted that the IT team had a better understanding of the capex spend going forward and assumptions in the future year forecasts would be reviewed and adjusted.

The assumptions for the ESG revenues for the current year were challenged and discussed. It was confirmed that historical assumptions had been relatively accurate although slightly conservative. The future changes to the ESG product were discussed in terms of the potential impact to future revenues. The revenue share percentage would reduce in September 2025; this was already included in the forecast.

The reforecast for FY25 was duly approved.

1653 Funding proposals

The funding proposal paper was reviewed and noted.

i. Education IT project

The request for additional funding to complete the education IT project was discussed. It was noted that the additional funding was required due to delays to the project arising from unforeseen technical difficulties discovered once the project was in train.

Projections for the additional funding had been carefully reviewed with stakeholders including the finance committee, business transition board working group and software developer. A 20% contingent amount had also been included to avoid the need to request further funding if additional difficulties were encountered, although the likelihood of discovering unknown challenges in the late stages of the project were lower.

The revised timeline was for the education project to be completed in mid-April, but there was still a lot of fluidity within that timing. It was noted that there was a risk to the finance project in terms of the integrations from the education system into the new finance system possibly being postponed by twelve months if the education project was not completed by the end of April.

The risk of postponement (of the finance project) was not ideal and ways to ensure the education project was completed on time, including offering incentives to the developer and other possible mitigations, were discussed. However, the main challenge was noted to be the bandwidth of the Head of IT who was project managing both projects. It was confirmed all individuals involved with the delivery of the project were committed to completing as soon as possible.

Additional cost for less efficient workarounds would be incurred if the finance systems project was postponed. The finance project was noted to have commenced and while the finance element could go live as a standalone, non-integrated system, it would not be fully completed until the education ecommerce system and revenue recognition capabilities were integrated to the finance system.

The accounting treatment of the project costs, which would be amortised from the go-live date, was confirmed by the chief financial officer. Depreciation had been included in future years' forecasts.

It was emphasised that further cost overruns were not acceptable and keeping the finance project on track was also crucial. The business transition board working group's view was that the project had

been well run to date, however, it was requested that, post-completion of the education IT project, a report on lessons learned be produced to inform management of future projects.

After due and careful consideration, the additional funding to complete the education IT project was approved.

ii. Strategic technology advisor contract extension

A proposal to extend the contract for the senior technology advisor from 1st January 2025 to 30th June 2025 was reviewed and noted.

The value that the senior technology advisor was bringing to the business transition programme was queried and it was confirmed that his strategic oversight and communication had been invaluable to the success of the programme and his continued involvement would be beneficial.

After due and careful consideration, the additional funding to extend the contract for the senior technology advisor until 30th June 2025 was approved.

1654 Directors' responsibilities and declarations of interest

The registers of directors' responsibilities and directors' interests were noted. Some directors had provided updates. The register would be reviewed to ensure all interests were included.

1655 Feedback on strategy session

Feedback on the strategy session was invited and discussed. Moving to the new facilitator for the session was considered to have been beneficial and the way he had captured notes was comprehensive and easier to read. The focus on the customer had been welcome.

It was suggested that feedback should be sought from the horizon board and the approach to strategy setting taken by other societies could be requested from CFA Institute.

It was suggested that more time should be given to the strategy sessions and it was agreed two sessions would be arranged for the 2026 - an initial session plus a follow up session one month later after the executive team had been able to consider the initial feedback. It was also agreed that the company secretary would arrange for a follow-up session to be held in late April or early May this year, so that, following that session, the strategy and plans could be formally approved at the July board meeting.

The discussions regarding the society's reserves policy and profitability aims were considered to be important points to establish. It was discussed that projects and spend should be proposed for strategically important initiatives with solid commercial outcomes. A working group was formed to develop a spend/reserves framework once strategic direction had been confirmed.

1656 Matters reserved to the board update

The draft matters reserved to the board was reviewed and discussed.

Comments were invited to be provided by email.

It was confirmed that the sign off of the Ofqual annual report was the responsibility of the chair and would need to be added to the chair's role.

The definitions of the various groups and committees would be reviewed to ensure the latest version had been properly reflected.

The document would continue to be worked on with the working group and would be presented back to the board when ready for approval.

1657 Matters arising

The matters arising report was taken as read and noted.

1658 Management reports

i. Chief executive's report

The report of the chief executive was taken as read and noted.

ii. Operational report

The operational report was taken as read and noted.

iii. Education report including update on IMC unit 3

The education report including update on IMC unit 3 was taken as read and noted.

iv. Finance report, management accounts and KPIs

The finance report, management accounts and KPIs for the period to 31st December 2024 were taken as read and noted.

1659 Committee reports

Investment Committee bi-annual report

The Investment committee bi-annual report to the 31st December 2024 was taken as read and noted.

1660 Minutes of previous meetings

The minutes of the board meetings would be circulated for approval by Convene.

1661 Any other business

i. Decision making

It was suggested that the approach to decision making be considered to ensure the lessons were learnt from previous experiences and that there were no blind spots. It was suggested that some workshops on decision making could be arranged.

ii. Chief executive

The chief executive was set to leave the role in March 2025 and the meeting was his last in office. He thanked the company secretary, the staffed office and the board for the support he had received.

On behalf of the board, the chair sincerely thanked the chief executive for his dedication to the role and his significant contribution to CFA UK over the past 18 years.

1662 Date of next meeting

It was noted that the next board meeting was scheduled for Tuesday 29th April 2025.

There being no other business, the meeting was closed at 7.07pm.

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

Signed: _____

Dated: _____