

Company Registration No. 09278255 (England and Wales)

FINANCIAL SERVICES CULTURE BOARD
(A company limited by guarantee)

(FORMERLY KNOWN AS BANKING STANDARDS BOARD)

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
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**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
COMPANY INFORMATION**

Directors	Dame Susan Rice Ms Alison Cottrell Sir Brendan Barber Dame Gillian Guy Mr Paul Johnson Right Reverend David Urquhart Mr Saker Nusseibeh Ms Janet Pope Sir Alan Wilson Ms Loretta Minghella Mr Mikael Down Mr David Best Ms Jane Hanson	(Appointed 25 March 2020) (Appointed 16 September 2020)
Secretary	EMW Secretaries Limited	
Company number	09278255	
Registered office	St Magnus House 3 Lower Thames Street London EC3R 6HD	

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

On 28 April 2021, the company changed its name from Banking Standards Board to Financial Services Culture Board.

Principal activities

The principal activity of the Financial Services Culture Board (the "Company") was that of helping to raise standards of behaviour and competence across the industry, by providing independent challenge and support to member banks and building societies.

Going Concern

The directors continue to review the impact of COVID-19 on the operations and financial position of the company and have a reasonable expectation that the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dame Susan Rice	
Ms Alison Cottrell	
Sir Brendan Barber	
Dame Gillian Guy	
Mr Paul Johnson	
Right Reverend David Urquhart	
Ms Clare Woodman	(Resigned 19 March 2020)
Ms Alison Robb	(Resigned 15 July 2020)
Mr Saker Nusseibeh	
Ms Janet Pope	
Mr Mikael Iman-Sorensen	(Resigned 12 December 2020)
Sir Alan Wilson	
Ms Loretta Minghella	
Mr Mikael Down	
Mr David Best	(Appointed 25 March 2020)
Ms Jane Hanson	(Appointed 16 September 2020)

Results

The results for the year are set out on page 6.

In line with the forecasts, the Financial Services Culture Board has continued in these initial years to invest in the development of its assessment model and related activity. Further investments will be made during 2020 to support the assessment model.

Directors and officers' liability insurance

Directors' and officers' liability insurance was in place throughout the year.

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

Directors' responsibility statement

We confirm that as directors we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the company has kept adequate accounting records;
- prepare financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2020 and of profit and loss for that period in accordance with Generally Accepted Accounting Practice in the UK; and
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Susan Rice

On behalf of the board
16 June 2021
.....

Dame Susan Rice

Director

.....

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
INDEPENDENT REVIEW REPORT ON THE UNAUDITED FINANCIAL STATEMENT ON BANKING STANDARDS BOARD**

To the Board of Directors of Financial Services Culture Board

We have reviewed the financial statements of Financial Services Culture ('the company') for the year ended 31 December 2020 which comprise the Income and Expenditure Account, Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice').

Directors' Responsibilities for the Financial Statements

As explained more fully in the Statement of Directors' Responsibilities within the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance United Kingdom Generally Accepted Accounting Practice 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.

Our Responsibility

Our responsibility is to express an independent conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements 2400 (Revised), Engagements to review historical financial statements (ISRE 2400) and ICAEW Technical Release TECH 09/13AAF Assurance review engagements on historical financial statements. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of the Assurance Review

Our review was based primarily upon enquiry, analytical procedures and assessing whether accounting policies are in accordance with United Kingdom Generally Accepted Accounting Practice. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that may be identified in an audit. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its results for the year then ended;*
- in accordance with United Kingdom Generally Accepted Accounting Practice; and*
- in accordance with the requirements of the Companies Act 2006.*

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
INDEPENDENT REVIEW REPORT ON THE UNAUDITED FINANCIAL STATEMENT ON BANKING STANDARDS BOARD**

Use of our report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 4 March 2019. Our review has been undertaken so that we might state to the company's directors those matters we have agreed with them in our engagement letter 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 directors as a body, for our work, for this report, or for the conclusions we have formed.

DocuSigned by:

Stephen Corrall

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BDO LLP

Chartered Accountants

55 Baker Street

London

W1U 7EU

UK

01 September 2021

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

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Income	3	4,332,120	4,761,167
Administrative expenses		(4,418,118)	(4,661,137)
Other operating income		43,140	261,336
		<hr/>	<hr/>
Operating (deficit)/surplus	4	(42,858)	361,366
Interest receivable and similar income	8	7,548	14,619
		<hr/>	<hr/>
(Deficit)/surplus before taxation		(35,310)	375,985
Tax on (deficit)/surplus	9	(1,434)	(2,778)
		<hr/>	<hr/>
(Deficit)/surplus for the financial year		<u>(36,744)</u>	<u>373,207</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 17 form part of these financial statements

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	10		1		1
Current assets					
Debtors	12	3,624,967		4,449,014	
Cash at bank and in hand		3,094,503		2,250,571	
		<u>6,719,470</u>		<u>6,699,585</u>	
Creditors: amounts falling due within one year	13	<u>(4,339,486)</u>		<u>(4,282,856)</u>	
Net current assets			2,379,984		2,416,729
Total assets less current liabilities			<u>2,379,985</u>		<u>2,416,730</u>
Reserves					
Income and expenditure account			<u>2,379,985</u>		<u>2,416,730</u>

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 (the "Act").

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 June 2021 and are signed on its behalf by:

Susan Rice

.....

Dame Susan Rice

Director

Company Registration No. 09278255

The notes on pages 10 to 17 form an integral part of the financial statements

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Income and expenditure account £
Balance at 1 January 2019	2,043,523
Year ended 31 December 2019:	
Profit and total comprehensive income for the year	373,207
	<hr/>
Balance at 31 December 2019	2,416,730
Year ended 31 December 2020:	
Loss and total comprehensive income for the year	(36,744)
	<hr/>
Balance at 31 December 2020	<u>2,379,985</u>

Accumulated fund - income and expenditure reserve

This reserve comprises of net accumulated surpluses retained.

The notes on pages 10 to 17 form part of these financial statements

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	17	839,162		323,877	
Income taxes paid		(2,778)		(1,591)	
Net cash inflow from operating activities		<u>836,384</u>		<u>322,286</u>	
Investing activities					
Interest received		7,548		14,619	
Net cash generated from investing activities		<u>7,548</u>		<u>14,619</u>	
Financing activities					
Repayment of borrowings		-		(50)	
Net cash used in financing activities		<u>-</u>		<u>(50)</u>	
Net increase in cash and cash equivalents		<u>843,932</u>		<u>336,855</u>	
Cash and cash equivalents at beginning of year		2,250,571		1,913,716	
Cash and cash equivalents at end of year		<u><u>3,094,503</u></u>		<u><u>2,250,571</u></u>	

The notes on pages 10 to 17 form an integral part of the financial statements

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

General information

Financial Services Culture Board (the "Company"), registration number 09278255, is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is St Magnus House, 3 Lower Thames Street, London, EC3R 6HD.

The principal activity of the Company is that of helping to raise standards of behaviour and competence across the industry, by providing independent challenge and support to member banks and building societies. The Company is considered to be a public benefit entity; an industry-driven initiative, responding to the collective challenge of rebuilding the sector's trust and reputation.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes the company will continue in operational existence, and will be able to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of the financial statements.

The company has reviewed the impact of COVID-19 on the company's operations and financial position and cannot make any final assessments on the impact at this stage and is satisfied that the company remains a going concern for the foreseeable future.

The Finance Committee meet regularly throughout the year and review, in detail, the Company's management information and forecasted cash positions.

1.3 Income and expenditure

Income is in respect of subscriptions receivable and is recognised in the period to which they relate. Membership subscriptions received in advance are carried forward to the following year as deferred income.

Expenditure is recognised on an accruals basis and includes any VAT which cannot be fully recovered, which is reported as part of the expenditure to which it relates.

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks.

1.6 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.7 Financial liabilities

Basic financial liabilities, including trade creditors, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through surplus or deficit are measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies **(Continued)**

1.8 Taxation

The Companies activities are of a mutual trading company as such, the Company is not liable for corporation tax for its principal activity.

Non trade interest receivable is the only income subject to corporation tax.

1.9 Pensions

The Company operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the income and expenditure account as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

The directors have considered whether there are any critical judgements required in the preparation of these accounts and have concluded that there are none requiring disclosure.

3 Income

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating (deficit)/surplus	2020	2019
	£	£
Operating deficit for the year is stated after charging:		
Operating lease charges	466,315	453,114
	<u> </u>	<u> </u>

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees and directors

The average number of employees and directors within the Company during the year was:

	2020	2019
	Number	Number
Directors	14	16
Administrative staff	31	30
	<u>45</u>	<u>46</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,728,421	2,685,197
Social security costs	332,287	325,319
Pension costs	218,710	214,602
	<u>3,279,418</u>	<u>3,225,118</u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	995,805	985,882
Company pension contributions to defined contribution schemes	25,737	25,028
	<u>1,021,542</u>	<u>1,010,910</u>

The directors consider that they comprise the key management personnel of the Company as they hold the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>322,905</u>	<u>324,520</u>
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**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	218,710	214,602
	<u> </u>	<u> </u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Contributions made into this plan are paid by the Company at rates specified in the notes of the scheme. The charge to income and expenditure in respect of defined contribution schemes was £218,709 (2019 - £214,602). As at the reporting date, amounts payable of £Nil (2019 - £Nil) had not been paid over to the plan.

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	7,548	14,619
	<u> </u>	<u> </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	7,548	14,619
	<u> </u>	<u> </u>

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	1,434	2,778
	<u> </u>	<u> </u>

10 Fixed asset investments

		2020	2019
	Notes	£	£
Investments in subsidiaries	11	1	1
		<u> </u>	<u> </u>

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2020 & 31 December 2020	1
Carrying amount	
At 31 December 2020	1
At 31 December 2019	1

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
BSB (Global) Services Limited	UK	Support Services	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
BSB (Global) Services Limited	45,471	473,094

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Subscriptions due	3,426,244	4,037,502
Amounts owed by group undertakings	4,837	2,423
Other debtors	65,534	86,578
Prepayments and accrued income	128,352	322,511
	<u>3,624,967</u>	<u>4,449,014</u>

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	8,246	8,221
Corporation tax	1,434	2,778
Other taxation and social security	115,530	107,615
Accruals and deferred income	4,214,276	4,164,242
	<u>4,339,486</u>	<u>4,282,856</u>

14 Members' liability

The Company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the Company on winding up such amounts as may be required not exceeding £1. The members of the Company, as defined in the Company's Articles of Association, are Dame Colette Bowe and Sir Brendan Barber.

15 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the Company for use of office premises and a photocopier. Leases are negotiated for a term of 1 to 3 years and rentals are fixed between the period.

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	<u>242,780</u>	<u>389,232</u>

**FINANCIAL SERVICES CULTURE BOARD
(FORMERLY KNOWN AS BANKING STANDARDS BOARD)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Related party transactions

The company has taken advantage of the exemption available under FRS 102 Section 33.1A not to disclose transactions with its wholly-owned subsidiary.

During the year the company was under the control of its members. Throughout the year the company charged services totalling £4,332,120 (2019 - £4,761,167) to its members. At the balance sheet date, a total of £3,426,244 (2019 - £4,037,502) was owed to the company, in relation to these services.

17 Cash generated from operations

	2020	2019
	£	£
(Deficit)/surplus for the year after tax	(36,744)	373,207
Adjustments for:		
Taxation charged	1,434	2,778
Investment income	(7,548)	(14,619)
Movements in working capital:		
Decrease/(increase) in debtors	824,046	(278,310)
Increase in creditors	57,974	240,771
Cash generated from operations	<u>839,162</u>	<u>323,827</u>