

Company Registration No. 09278255 (England and Wales)

**BANKING STANDARDS BOARD**  
(A company limited by guarantee)

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 DECEMBER 2015**

FRIDAY



\*A58UL8JE\*

A04

10/06/2016

#72

COMPANIES HOUSE

	<b>Page</b>
Company information	1
Directors' report	2 - 3
Accountants' report	4 - 5
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 15

---

## **BANKING STANDARDS BOARD**

### **COMPANY INFORMATION**

---

<b>Directors</b>	Dame Colette Bowe	(Appointed 3 November 2014)
	Ms Alison Cottrell	(Appointed 27 April 2015)
	Sir Brendan Barber	(Appointed 1 May 2015)
	Mr James Bardrick	(Appointed 1 May 2015)
	Mr Craig Donaldson	(Appointed 1 May 2015)
	Ms Gillian Guy	(Appointed 1 May 2015)
	Mr Paul Johnson	(Appointed 1 May 2015)
	Mr Antonio Dos Santos Simoes	(Appointed 1 May 2015)
	Right Reverend David Urquhart	(Appointed 1 May 2015)
	Ms Clare Woodman	(Appointed 1 May 2015)
	Ms Alison Robb	(Appointed 1 May 2015)
	Baroness Onora O'Neill	(Appointed 1 May 2015)
	Lady Susan Rice	(Appointed 1 May 2015)
	Mr Saker Nusseibeh	(Appointed 15 July 2015)
<b>Company number</b>	09278255	
<b>Registered office</b>	3rd Floor 75 King William Street London United Kingdom EC4N 3AE	
<b>Company secretary</b>	Frostrow Capital LLP 25 Southampton Buildings London WC2A 1AL	

## **BANKING STANDARDS BOARD**

### **DIRECTORS' REPORT**

***FOR THE PERIOD ENDED 31 DECEMBER 2015***

---

The Directors present their annual report and the financial statements for the period ended 31 December 2015.

#### **Principal activities**

The principal activity of the Banking Standards Board (the "Company") was that of assessing and reporting on compliance with behavioural and ethical standards within the UK banking industry.

#### **Incorporation**

The Company was incorporated on 23rd October 2014 and commenced its activities from that date.

#### **Directors**

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

Sir Richard Lambert	(Appointed 23 October 2014 and resigned 1 November 2015)
Mrs Susan Fadil	(Appointed 23 October 2014 and resigned 27 February 2015)
Dame Colette Bowe	(Appointed 3 November 2014)
Lord John McFall	(Appointed 1 April 2015 and resigned 31 January 2016)
Ms Alison Cottrell	(Appointed 27 April 2015)
Sir Brendan Barber	(Appointed 1 May 2015)
Mr James Bardrick	(Appointed 1 May 2015)
Mr Craig Donaldson	(Appointed 1 May 2015)
Ms Gillian Guy	(Appointed 1 May 2015)
Mr Paul Johnson	(Appointed 1 May 2015)
Mr Antonio Dos Santos Simoes	(Appointed 1 May 2015)
Right Reverend David Urquhart	(Appointed 1 May 2015)
Ms Clare Woodman	(Appointed 1 May 2015)
Ms Alison Robb	(Appointed 1 May 2015)
Baroness Onora O'Neill	(Appointed 1 May 2015)
Lady Susan Rice	(Appointed 1 May 2015)
Mr Saker Nusseibeh	(Appointed 15 July 2015)

#### **Results**

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

#### **Directors' and Officers' liability insurance**

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

**BANKING STANDARDS BOARD**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2015***

---

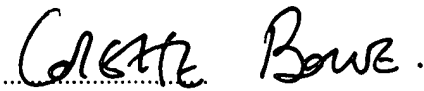
**Change of company name**

On the 31st March 2015 the name of the Company was changed from Banking Standards Review Council to Banking Standards Board, pursuant to a special resolution passed by the members.

**Small companies exemption**

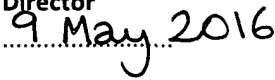
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Dame Colette Bowe

Director



## **BANKING STANDARDS BOARD**

### **CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BANKING STANDARDS BOARD FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

We have reviewed the financial statements of Banking Standards Board for the period ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes from the Company's accounting records and from information and explanations you have given us.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102 (new United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Board of Directors of Banking Standards Board, as a body, in accordance with the terms of our engagement letter dated 16 February 2016. Our work has been undertaken solely so that we may state to the Directors of Banking Standards Board 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 Banking Standards Board and its Board of Directors as a body, for our work or for this report and the conclusions we have formed.

It is the Directors' duty to ensure that Banking Standards Board has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of Banking Standards Board. The Directors consider that Banking Standards Board is exempt from the statutory audit requirement for the period.

Our responsibility is to express a conclusion based on our review of the financial statements of Banking Standards Board.

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements 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**

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. 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). Accordingly, we do not express an audit opinion on these financial statements.

**BANKING STANDARDS BOARD**

**CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE  
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BANKING STANDARDS BOARD FOR THE PERIOD ENDED  
31 DECEMBER 2015**

---

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

- (i) so as to give a true and fair view of the state of the Company's affairs as at 31 December 2015, and of its surplus for the year then ended;
- (ii) in accordance with United Kingdom Generally Accepted Accounting Practice; and
- (iii) in accordance with the requirements of the Companies Act 2006.

Moore Stephens LLP

*Moore Stephens LLP*

*31 May 2016*  
.....

150 Aldersgate  
Street London  
EC1A 4AB

**BANKING STANDARDS BOARD**

**INCOME STATEMENT**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

		<b>23rd October 2014 to 31st December 2015</b>
		<b>2015</b>
	<b>Notes</b>	<b>£</b>
Income	<b>3</b>	6,875,539
Administrative expenses		(3,680,236)
<b>Operating surplus</b>	<b>4</b>	<b>3,195,303</b>
Taxation	<b>7</b>	-
<b>Surplus for the financial period</b>		<b>3,195,303</b>
<b>Total comprehensive income for the period</b>		<b>3,195,303</b>

---

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

**The notes on pages 10 to 15 form an integral part of the financial statements**



**BANKING STANDARDS BOARD**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2015**

	Notes	2015 £	£
<b>Current assets</b>			
Debtors	9	81,479	
Cash at bank and in hand		5,285,504	
		<u>5,366,983</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,171,680)</u>	
<b>Net current assets</b>			<u>3,195,303</u>
<b>Reserves</b>			
Income statement			<u>3,195,303</u>

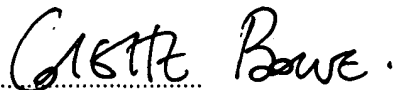
For the financial period ended 31 December 2015 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 (the "Act").

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its financial statements for the period 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 09/03/2016 and are signed on its behalf by:



Dame Colette Bowe  
**Director**

**Company Registration No. 09278255**

**The notes on pages 10 to 15 form an integral part of the financial statements**

**BANKING STANDARDS BOARD**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

	Notes	Accumulated fund income and expenditure £
<b>Balance at 23 October 2014</b>		-
Surplus for the period and other comprehensive income		3,195,303
<b>Balance at 31 December 2015</b>		<u>3,195,303</u>

**Accumulated fund - income and expenditure reserve**

This reserve comprises accumulated surpluses retained in the current period.

**The notes on pages 10 to 15 form an integral part of the financial statements**

**BANKING STANDARDS BOARD**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

	Notes	2015 £	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	15	5,285,504	
<b>Net cash used in investing activities</b>			-
<b>Net cash used in financing activities</b>			-
<b>Net increase in cash and cash equivalents</b>		5,285,504	
Cash and cash equivalents at beginning of period			-
<b>Cash and cash equivalents at end of period</b>		5,285,504	

---

---

**The notes on pages 10 to 15 form an integral part of the financial statements**

## **BANKING STANDARDS BOARD**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

#### **1 Accounting policies**

##### **General information**

Banking Standards Board ('the Company') is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is 3rd Floor, 75 King William Street, London, United Kingdom, EC4N 3AE.

The principal activities of the Company are to assess and report on compliance with behavioural and ethical standards within the UK banking industry.

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. The Company has been established to help raise the standards of behaviour and competence across the industry by providing impartial and objective assessments of member banks and building societies.

##### **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.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. The Company has taken the option to adopt FRS 102 early.

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.

##### **1.2 Going concern**

The Banking Standards Board was set up with the support of the six largest banks and the largest building society in the UK, which have agreed to underwrite the Banking Standards Board for the initial three years. The Finance Committee meets regularly throughout the year and reviews, in detail, the Company's management information and forecasted cash positions.

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore has adopted the going concern basis in preparing its financial statements.

##### **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 as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

##### **1.4 Cash and cash equivalents**

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

**BANKING STANDARDS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

**1 Accounting policies**

**(Continued)**

**1.5 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.

***Impairment of financial assets***

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in surplus or deficit.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**1.6 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, and only when, the Company's obligations are discharged, cancelled, or they expire.

**1.7 Taxation**

The Company is a not for profit organisation and it is considered that the Company does not carry on a taxable business for corporation tax purposes. No tax charge arose in the period.

**1.8 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 statement as they fall due.

**BANKING STANDARDS BOARD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

**1 Accounting policies**

**(Continued)**

**1.9 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

**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 period has been derived from its principal activity wholly undertaken in the United Kingdom.

**4 Operating surplus**

**2015**

**£**

Operating surplus for the period is stated after charging/(crediting):

Operating lease charges

332,908

**5 Employees**

The average monthly number of persons (including Directors) employed by the Company during the period was:

**2015  
Number**

Directors

6

Administrative staff

5

---

11

---

**BANKING STANDARDS BOARD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

**5 Employees (Continued)**

Their aggregate remuneration comprised:

	<b>2015</b>
	<b>£</b>
Wages and salaries	1,235,059
Social security costs	144,075
Pension costs	28,646
	<hr/>
	1,407,780
	<hr/>

**6 Directors' remuneration** **2015**  
**£**

Remuneration for qualifying services	625,497
Company pension contributions to defined contribution schemes	28,646
	<hr/>
	654,143
	<hr/>

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.

The number of Directors for whom retirement benefits are accruing under defined contribution schemes is 1.

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

Remuneration for qualifying services	291,667
	<hr/>

**7 Taxation**

The Company is a not for profit organisation and it is considered that the Company does not carry on a taxable business for corporation tax purposes. No tax charge arose in the period.

**8 Financial instruments** **2015**  
**£**

Carrying amount of financial assets	
Debt instruments measured at amortised cost	5,294,037
	<hr/>
	5,294,037
	<hr/>

---

**BANKING STANDARDS BOARD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2015**

		(Continued)
		2015
<b>8</b>	<b>Financial instruments</b>	
	Carrying amount of financial liabilities	
	Measured at amortised cost	497,781
		<u>497,781</u>
<b>9</b>	<b>Debtors</b>	
		2015
	Amounts falling due within one year:	£
	Other debtors	8,533
	Prepayments and accrued income	72,946
		<u>81,479</u>
<b>10</b>	<b>Creditors: amounts falling due within one year</b>	
		2015
		£
	Other taxation and social security	523
	Trade creditors	497,781
	Accruals and deferred income	1,673,376
		<u>2,171,680</u>
<b>11</b>	<b>Retirement benefit schemes</b>	
	<b>Defined contribution schemes</b>	
	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 £28,646. As at the reporting date, amounts payable of £nil had not been paid over to the plan.	
<b>12</b>	<b>Members' liability</b>	
	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 member of the Company is Dame Colette Bowe, as defined in the Company's Articles of Association.	



**BANKING STANDARDS BOARD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2015**

---

**13 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:

	<b>2015</b>
	<b>£</b>
Within one year	513,662
Between two and five years	6,305
In over five years	-
	<hr/>
	519,967
	<hr/>

**14 Related party transactions**

During the period the Company did not enter into any transactions with related parties.

**15 Cash generated from operations**

	<b>2015</b>
	<b>£</b>
Surplus for the period	3,195,303
<b>Movements in working capital:</b>	
(Increase) in debtors	(81,479)
Increase in creditors	2,171,680
	<hr/>
<b>Cash generated from/(absorbed by) operations</b>	<b>5,285,504</b>
	<hr/>