

CBI

CBI ANNUAL REPORT AND ACCOUNTS 2023



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CBI Company Information

Registered Office

Confederation of British Industry

78 Cannon Street

London

EC4N 6HN

CBI Auditors

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

Company number

RC000139

VAT number

GB 238 786416

Foreword from the CBI Chair:

Rupert Soames

I was honoured to take up the post of Chair of the CBI in February 2024, succeeding Brian McBride. I believe that the CBI matters, and that the country faces a critical moment in its history. The last decade has been hugely challenging for businesses, consumers, and for the economy as a whole. With a decisive change of Government, there is the opportunity to draw a line under the past and focus instead on how business can drive economic growth and increased prosperity to the benefit of all.

To paraphrase Shakespeare, for countries as for people, there come moments when great opportunities appear ...

*Which, taken at the flood, lead on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat;
And we must take the current when it serves,
Or lose our ventures.*

I believe that the CBI is at the heart of a much-needed national effort involving Government, businesses, people who work as well as people who want to work, to set our country on a path of sustainable growth which will start to turn the flywheel of prosperity. Economic growth, which generates wealth that can then be invested in delivering more growth which will pay for the high-quality infrastructure and public services on which the quality of life of all of us depends. There is a fiercely urgent need to get this flywheel of prosperity turning.

Why the CBI matters

For nearly 60 years, the CBI has been the pre-eminent voice of business; it has the largest cross-economy policy and economics team outside Whitehall focused on serving the business community, it is internationally recognised for the quality of its research and policy advice. Its role is to speak Business to Government, and Government to Business, and right now that role has never been more important.

The UK has a new Government which has the political authority and energy to get things done; they understand why economic growth is so important, and that business investment is the solution that can deliver that growth. We at the CBI, as the voice of business, stand ready to deliver that mission. Over the next five years, Government will be passing into law between 25 and 50 new Acts and 3,500 Statutory Instruments a year, many of which will have consequences for employers, employees and economic growth. The CBI's job is to ensure that the voice of business is clearly heard as Ministers and Civil Servants develop policy; and, once policy direction is set, helping them to avoid the devilish details and unintended consequences which can lead to the failure of even the best policy and intentions.

2023: a very difficult year

For an organisation whose *raison d'être* is to be an ambassador for business, to lose the trust of our people, our members and politicians was devastating. I want to pay tribute to the courage and herculean efforts of the many people who fought long and hard to haul the CBI back from the brink, regain the trust of stakeholders, and ensuring that the CBI now has an inclusive culture to be proud of. And, having dragged the CBI back onto solid ground, set about re-establishing its reputation by delivering high-quality and consequential policy input into the political process both before and after the election. Our reaccreditation by the Good Business Charter in February this year, was an important moment of pride and recognised by Julian Richer who said 'We have been impressed by the scale and depth of the CBI's efforts to improve its workplace culture'.

The list of people to whom the organisation owes its continued existence is long; it includes our employees who have stuck with, or joined (and in some cases re-joined), the CBI, over the last 18 months. The Board, led by my predecessor Brian McBride and our Senior Independent Director Victoria Cochrane; the Executive Directors: CEO Rain Newton-Smith and Chief Financial Officer Neil Tomkins; and the members of the Executive Committee: John Foster, Asha Musoni, Eddie Curzon, Tracy Black and Louise Hellem.

And the CBI owes its continued existence also to the resilience, courage and wise advice of its Member officers: Regional Council and sector focussed Standing Committee Chairs, as well as the members of the President's Committee.

Finally, our most profound thanks and recognition must go to our members: those – the majority – who have stayed, but also those who have returned to membership or joined for the first time over the last year. It says something for the value that they see in the CBI that they are with us; the easiest decision would have been to have walked away, but they have not. I would particularly like to recognise the 100+ Trade Associations who are members of the CBI, nearly all of whom remained with us throughout the crisis. The partnership is a vital part of our work representing the voice of business in all its diversity and richness, and their detailed understanding of their sectors is invaluable in forming our policy.

To all the above, my profound thanks. More importantly, the support that we have received has given the motivation to continue rebuild your CBI and deliver on our mission and responsibilities.

Governance

Following the events of 2023, the Board set in train a comprehensive series of reviews. The recommendations of each have been fully incorporated into our work at the CBI:

- The Fox-Williams review into various allegations and CBI governance
- The Principia review into corporate culture
- External governance review of CBI governance and structures

At the time of the December 2023 AGM, the Board comprised of:

- Brian McBride, Chair
- Lord Karan Bilimoria, Vice Chair
- Victoria Cochrane, Senior Independent Director and Chair of the Audit & Risk Committee
- Jill Ader, Chair of the People & Culture Committee
- Clare Barclay, Non-Executive Director
- Mark Logan, Non-Executive Director
- Rain Newton-Smith, Chief Executive Officer, Executive Director
- Neil Tomkins, Chief Financial Officer, Executive Director

During 2024, the following changes were made to CBI Board membership:

- In February 2024, Rupert Soames joined the Board as Chair, and Brian McBride stepped down as Chair, but remained on the Board as a Non-Executive Director.
- In June 2024, Peter Hogg joined the Board as the CBI's Senior Council Chair, and Clare Barclay left the Board as a Non-Executive Director.
- In September 2024, Ruth Cairnie & Lesley Ann Nash joined the Board as Non-Executive Directors, and Mark Logan left the Board.
- In October 2024, Jill Ader and Brian McBride left the Board and will not stand for re-election as Non-Executive Directors.

Standing for election, or re-election at the 2024 AGM the Board will be¹:

- Rupert Soames, Chair
- Victoria Cochrane, Senior Independent Director and Chair of the Audit & Risk Committee
- Peter Hogg, Senior Council Chair & Non-Executive Director
- Lesley Ann Nash, Non-Executive Director
- Ruth Cairnie, Non-Executive Director
- Rain Newton-Smith, CEO, Executive Director
- Neil Tomkins, Chief Financial Officer, Executive Director

¹ If elected, the CBI Board will have seven members, and a female : male ratio of 4:3, and one non-white member.

CBI membership

As a result of the crisis of 2023, a number of our members decided to suspend, cancel or just not renew membership. I am pleased to report that we have stabilised our revenue and membership, and early in 2024 we started a campaign to attract back some of the largest members who had left or suspended membership. That campaign has achieved significant success with more than 113 companies joining or re-joining the CBI including 9 FTSE100 companies. As of October 2024, the CBI represents 850 members who themselves comprise 1,100 separate registered companies and 150,000 trade association members, employing people in all sectors and across every region and nation of the UK. You can see the members and businesses that form the CBI Council [here](#). Going forward, it is our intention to publish our membership statistics annually with our Annual Reports.

2023: impact and results

Much of 2023 was spent responding to the crisis and implementing a very significant programme of corporate and cultural renewal, including extensive management training and a number of changes to the Board. The results of this programme are manifest, from our re-accreditation by the Good Business Charter, to some of the strongest employee survey results I have seen in over 30 years of managing businesses. We are not in any way complacent, but the lessons of 2023 are now part of the CBI's institutional memory, and we have fully implemented Governance and feedback processes which greatly reduce the probability of a re-occurrence of the events and behaviours of prior years, and at the very least provide mechanisms which allow people to raise any concerns they might have in a structured and safe way.

It is testament to the resilience of Rain and the team that even in a year like 2023, they continued to deliver important policy victories for our members. Two, in particular, I would point to: first, the CBI's long campaign for permanent full expensing – to allow companies to deduct 100% of qualifying plant and machinery costs from taxable profits – bore fruit in the 2023 Autumn Budget, when the Chancellor fully committed to the measure, and subsequently Labour pledged to maintain it as well. The Office of Budget Responsibility (OBR) predicts this will lead to £13.9bn of additional investment by 2028.

Second, to reduce the labour shortages that are biting for so many businesses and support parents back into the workforce, the CBI campaigned for and delivered the biggest increase to funded childcare in decades. The impact of that is being felt by families across the UK from 2024. There were also substantial steps forward on grid connectivity, tax relief for research and the UK's membership of Horizon Europe, all of which are delivering real benefits for our members.

The financial results for 2023, being an operational loss of £8.3m reflect the combination of a sharp drop in membership income, and an equally dramatic increase in costs. During the year we spent over £3m on costs directly related to the crisis, including consultancy and advisory costs and redundancy costs as we reduced the headcount. Income fell by £4.5m or 16.6%.

The cash outflow in 2023 exhausted our cash reserves, but we were able to put in place borrowing from a syndicate of banks, which has since been increased and extended. In our accounts for 2023, the auditors highlight material uncertainty, as they did in the accounts for 2022; this is not unexpected and reflects the fact that the CBI is currently reliant on short term funding from its banks and operating at a financial loss. Although we have increased and extended our borrowing facilities it will take us some time to align income with expenditure and then start to reduce borrowings, and as such we look to our syndicate of banks for continued funding.

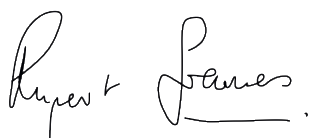
2024: outlook

2024 has been extremely busy for the CBI. We have been working on a number of priorities:

- Delivering the policy, economic research and lobbying activities that mean that we can justifiably claim to be the pre-eminent business lobbying group in the UK.
- This work has been particularly intense during the election year, we have met with well over 300 officials and politicians from Government departments since the election.
- Continuing to embed the actions and processes associated with our corporate renewal.
- Designing and implementing a campaign to attract back members who had left the CBI.
- Developing a 3-year strategy plan charting a course back to profitability.

In the last 9 months I have witnessed a profound improvement in our organisational effectiveness; we have had success getting members to return, and our membership book is growing again. In terms of policy, I think that it is recognised by all that we have had a great year with regard to policy development and engagement with parties in the run-up to, and with the new Government after, the election.

Now, renewed and reinvigorated and with a number of policy victories already under our belts in 2024, the CBI is ready for the future. With a refreshed commitment to our people and our members, a clear vision and mission to deliver growth, and a new Government with whom we are engaging at all levels, there has not in recent history been a better or bigger opportunity to work together to shape the future of our economy and country for the better and to get the flywheel of prosperity turning.



Rupert Soames OBE

Chair of the Board, CBI



Delivering for business: the CBI's impact in 2023

In 2023, the CBI helped to deliver permanent full expensing, a globally competitive R&D tax credit scheme, grid connectivity, childcare funding, and more.

The CBI continued to represent UK business on the issues that matter most to our members. We listened to you, and took your asks to government, providing detailed, costed proposals where appropriate and suggesting practical alternatives and solutions to the challenges that affect UK business.

The Spring Budget saw delivery against one ask to help tackle the problem of productivity by removing blockers to parents re-entering the workforce. The CBI made childcare reform – and reducing the spiralling costs – the number one priority for the Spring Budget, and in March, the government confirmed that it would increase funding for existing childcare provision and announced that working parents in England would be able to access 30 hours of free childcare per week.

Likewise, in November's Autumn Statement the government met one of our core asks on behalf of our members when it made the temporary measure, full expensing, permanent with the Chancellor thanking the CBI when announcing the measure in the House of Commons. The measure allows companies to deduct 100% of qualifying plant and machinery costs from taxable profits.

Read on for information on these wins, as well as the many other ways in which we delivered for our members this year.

Securing permanent full expensing

Since 2021, we've campaigned for full expensing – which allows companies to deduct 100% of qualifying plant and machinery costs from taxable profits – to be made permanent. And in early November, **we reiterated our commitment** in a joint open letter supported by more than 200 companies and trade associations.

Businesses told us this would help them to make the big changes the country needs: electrifying delivery fleets, updating manufacturing production lines for everything from food to cars, and bringing faster broadband to remote and rural areas.

And in his Autumn Statement on 22 November, the Chancellor **delivered on this campaign**, highlighting the success of temporary full expensing measures following the pandemic. The Office for Budget Responsibility (OBR) expects the move to lead to a cumulative boost to UK investment of £13.9bn in real terms by 2028/29.

Increasing funding for existing childcare provision

For much of 2022 and early 2023, the CBI lobbied government to reduce spiralling childcare costs which prevent parents from accessing employment and stop working parents – who want to work more – from increasing their hours.

The CBI called on government to create a system of provision that is affordable, accessible and high-quality, by:

- increasing funding into the existing system
- extending existing provision to 1- and 2-year-olds
- and changing the Universal Credit System so that childcare support is paid up front, rather than in arrears.

In the Spring Budget in March, the government confirmed that it would increase funding for existing childcare provision – announcing that working parents in England would be able to access 30 hours of free childcare per week for 38 weeks of the year. The provision starts when their child is 9 months old and ends when they start school. The new offer will be rolled out in stages from April 2024 to September 2025.

Supporting grid connectivity

In our September submission to HM Treasury, we asked the Chancellor to cut the time it takes to build electricity transmission infrastructure and obtain connections to the grid. The more-than-a-decade connection time that energy and renewable projects often face in the UK significantly deters investors, especially given far shorter wait times in competitor markets.

In the Autumn Statement, the Chancellor announced a [reform of the grid connection process](#) to cut waiting times – including freeing up over 100GW of capacity so that projects can connect sooner.

Creating a new, simplified R&D tax credit scheme

Throughout the Treasury's review of R&D tax reliefs, the CBI pushed the Chancellor to introduce a new R&D tax credit scheme that would be simple, certain and would drive investment from innovative businesses of all sizes.

The UK has thriving life sciences and tech sectors, producing everything from the COVID vaccines to the latest developments in web search AI. R&D tax credits have been instrumental in funding many of these ideas in their early stages, but the UK system has fallen behind in two ways: cover for capital expenditure and social sciences (both vital for anchoring investment in the UK and competing with other jurisdictions, like France and Ireland) and in the complexity of the system, driving uncertainty for business.

The Autumn Statement in November laid out [a new, simplified R&D scheme](#), reducing the number of schemes from three to two and providing support for R&D intensive companies.

Pushing the government to join Horizon Europe

In March, the CBI, along with representatives of the UK and wider European research, innovation and business communities, signed a [joint statement](#) pushing for finalisation of the UK's association to Horizon Europe.

The business community saw participation in Horizon Europe as a key priority. The networks, international partnerships and opportunities to shape direction of research all offered by Horizon Europe association are unique and would be extremely difficult to replicate within the UK.

The joint statement urged the government to associate the UK with Horizon Europe as soon as possible, and gave clear evidence of business's, as well as the broader UK innovation sector's, position on the value of Horizon Europe to the UK.

On 7 September, [the UK joined Horizon Europe](#) under a new bespoke deal.

The CBI has also made an impact across the following areas and more in 2023:

- Delivering in the devolved nations
- Making the UK a more attractive place for foreign direct investment
- Encouraging technology adoption
- Advocating for a change of approach to Retained EU Law
- Changing employment law regulations
- Boosting support for AI and digital
- Unblocking resource for planning

You can read more about our impact in 2023 in our [end of year report](#)

Governance of the CBI

The CBI is a Royal Charter organisation governed by its members through the CBI Council. The Council has delegated its authority to the Chairs' Committee for policy matters and financial, governance and strategic issues to the CBI Board.

CBI Board

Chair: Rupert Soames

First attended CBI Board, January 2024

www.cbi.org.uk/about-us/our-people/cbi-board/rupert-soames-obe/

Vice Chair: Brian McBride

First attended CBI Board, October 2019

www.cbi.org.uk/about-us/our-people/cbi-board/brian-mcbride/

Executive Directors:

Rain Newton-Smith, Chief Executive Officer, CBI

First attended CBI Board, April 2023

www.cbi.org.uk/about-us/our-people/cbi-board/rain-newton-smith/

Neil Tomkins, Chief Financial and Operations Officer, CBI

First attended CBI Board, December 2017

www.cbi.org.uk/about-us/our-people/leadership-team/neil-tomkins/

Non-Executive Directors:

Jill Ader

First attended CBI Board, June 2022

www.cbi.org.uk/about-us/our-people/cbi-board/jill-ader/

Peter Hogg, CBI Senior Council Chair

First attended CBI Board, June 2024

www.cbi.org.uk/about-us/our-people/cbi-board/peter-hogg/

Ruth Cairnie

www.cbi.org.uk/about-us/our-people/cbi-board/ruth-cairnie/

Lesley Ann Nash

First attended CBI Board, September 2024

www.cbi.org.uk/about-us/our-people/cbi-board/lesley-ann-nash/

Senior Independent Director:

Victoria Cochrane*

First attended CBI Board, June 2023

www.cbi.org.uk/about-us/our-people/cbi-board/victoria-cochrane/

**Denotes Chair of the CBI Audit and Risk Committee*

CBI Executive Committee

The CBI Executive Committee is the key group responsible for the day-to-day running of the CBI at an operational level.

Rain Newton-Smith

Chief Executive Officer

www.cbi.org.uk/about-us/our-people/leadership-team/rain-newton-smith/

Neil Tomkins

Chief Financial and Operations Officer

www.cbi.org.uk/about-us/our-people/leadership-team/neil-tomkins/

John Foster

Chief Policy and Campaigns Officer

www.cbi.org.uk/about-us/our-people/leadership-team/john-foster/

Louise Hellem

Chief Economist

www.cbi.org.uk/about-us/our-people/leadership-team/louise-hellem/

Tracy Black

Chief Strategy Officer

www.cbi.org.uk/about-us/our-people/leadership-team/tracy-black/

Asha Musoni

Chief People Officer

www.cbi.org.uk/about-us/our-people/leadership-team/asha-musoni/

Eddie Curzon

Interim Chief Commercial Officer

www.cbi.org.uk/about-us/our-people/leadership-team/eddie-curzon/

CBI Board

Purpose of the CBI Board

The CBI Board is constituted as a standing committee, with delegated authority of both the Council and the previous Finance & General Purposes Committee. It is responsible for all matters other than those specified for the Chairs' Committee and those retained by the CBI Council. The Board is the ultimate decision-taking body on all operational, financial, strategic and corporate governance aspects of the CBI. It is supported by an Audit and Risk Committee and Remuneration Committee. In 2023, a Nominations Committee and People and Culture Committee were established as sub-committees of the CBI Board.

Responsibility of the CBI Board

- CBI business plan (strategy, long term viability and resourcing).
- Signing off the annual budget and annual accounts of the CBI.
- Responsible for corporate governance of the CBI.
- Review of the CBI's risk and control processes.
- Review, monitor and act on the people and culture related matters at the CBI.
- Approval of the overall levels of insurance for the CBI.
- Major changes to the benefits or funding of the CBI pension plans.
- Changes to the basis of funding to the CBI exceeding 10% of income.
- Transactions with single or annual impact exceeding £1m.
- Re-organisation affecting more than 10% of the staff.
- Receive updates from and ensure effectiveness of its sub-committees.

Membership of the CBI Board

Membership of the CBI Board must include the Chief Executive Officer and the Chief Financial and Operations Officer. There must be a majority of Non-Executive Directors at all times. The term of appointment for Non-Executive Directors is for an initial three years, with the option of a further three-year extension. Appointments to the position are made by the CBI Chair and are subject to member approval at the CBI Annual General Meeting.

All members of the CBI Board stand for re-election at the Annual General Meeting. There is no maximum number of terms of office but in practice, the intention is to permit Non-Executive Directors up to two terms of three years. No current Non-Executive Director on the Board exceeds this limit.

Points to note on membership of the CBI Board in 2023

- Matthew Fell joined the CBI Board as interim Director-General in March 2023.
- Rain Newton-Smith joined the CBI Board as Director-General in April 2023.
- Anna Marks stepped down as a Non-Executive Director on the CBI Board and as Chair of the CBI Audit and Risk Committee in April 2023 due to accepting a new external role.
- Vivian Hunt stepped down as a Non-Executive Director on the CBI Board in April 2023 due to accepting a new external role.
- Tony Danker stepped down from the CBI Board in April 2023 following his dismissal from the CBI.
- Victoria Cochrane joined the CBI Board in June 2023 and acts as the CBI's Senior Independent Director and Chair of the CBI Audit and Risk Committee.
- Lord Karan Bilimoria left the Board in December 2023, completing his term as Vice Chair.

Roles and responsibilities of a Non-Executive Director

Non-Executive Directors of the CBI Board provide constructive challenge, help monitor and manage corporate-wide risk and provide guidance on CBI strategy. This includes:

- Scrutiny of management's performance in meeting agreed goals and objectives and the monitoring of performance.
- Satisfying themselves on the integrity of financial information and that controls and risk management systems are robust and defensible.
- Providing challenge and guidance on the CBI's business plan, strategy and budget.
- Demonstrating behaviours conducive to effective decision-making by the collective Board.

CBI Board attendance for 2023**

Non-Executive Director	Q1 16 March 2023	Q2 06 June 2023	Q3 15 September 2023	Q4 30 November 2023
Chair: Brian McBride	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Anna Marks	ATTENDED	N/A	N/A	N/A
Clare Barclay	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Jill Ader	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Lord Karan Bilimoria	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Mark Logan	APOLOGIES	APOLOGIES	ATTENDED	ATTENDED
Victoria Cochrane	N/A	N/A	ATTENDED	ATTENDED
Vivian Hunt	ATTENDED	N/A	N/A	N/A
Executive Director				
Matthew Fell	ATTENDED	N/A	N/A	N/A
Neil Tomkins	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Rain Newton-Smith	N/A	ATTENDED	ATTENDED	ATTENDED

*N/A denotes the individual had either not yet joined the CBI Board or had stepped down from their Board position so were not required to attend the meeting.

**The above details attendance of the CBI Board at the core quarterly scheduled CBI Board meetings for 2023. Due to organisational challenges in 2023, the CBI Board met for update meetings a total of 31 times throughout the year.

CBI Audit and Risk Committee

Purpose of the CBI Audit and Risk Committee

The CBI Audit and Risk Committee is a key sub-committee of the CBI Board. It is chaired by a Non-Executive Director of the CBI Board who works closely with the CBI's Chief Financial and Operations Officer. The Audit and Risk Committee plays a primary role in signing off the CBI accounts and is responsible for risk and compliance.

Responsibilities of the Audit and Risk Committee

- The integrity of the financial statements of the CBI.
- The corporate accounting and financial reporting process.
- Systems for identification and management of risk and internal controls at the CBI.
- External audit and internal audit (or other arrangements as appropriate).
- Compliance with laws, regulations and ethical codes of practice.
- Ensuring the long-term viability of the business by providing constructive challenge and review of the CBI's strategic and financial plans.

Membership of the Audit and Risk Committee

Membership of the CBI Audit Committee is comprised of the CBI Chief Financial and Operations Officer in an executive capacity and two Non-Executive Directors from the CBI Board. Appointments of both members of the committee and its Chair are made by the CBI Chair with each appointment being notified to and ratified by the CBI Board. Representatives from the CBI auditors (Buzacott LLP) attend each Audit and Risk Committee meeting. Victoria Cochrane was appointed Chair of the CBI Audit and Risk Committee in June 2023.

Notes on membership of the CBI Audit and Risk Committee in 2023

- Anna Marks stepped down from the role of Chair of the CBI Audit and Risk Committee in April 2023.
- Victoria Cochrane joined as Chair of the Audit and Risk Committee in June 2023.

External Auditors of the CBI

The Audit Committee is responsible for recommending a firm of auditors of appropriate independence and experience and for the approval of all audit fees and terms of engagement. Auditors of the CBI are approved via a vote at the Annual General Meeting and held under review by the CBI Audit Committee (currently Buzzacott LLP).

The Audit Committee follows the guidelines set out in the Financial Reporting Council Ethical Standard in monitoring the non-audit services being provided to the CBI by its external auditors.

The Audit Committee's policy is to undertake a formal assessment of the auditors' objectivity and independence each year which includes:

- Review and agreement of non-audit services provided to the CBI and related fees.
- Review of the auditors' own procedures for ensuring the independence of the audit firm, and partners and staff involved in the audit.
- Obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

CBI Auditor Rotation

A review of the CBI auditors and the CBI approach to auditor rotation was conducted at the Audit Committee on 26 September 2019. It was agreed that the CBI will, in following best practice in audit firm rotation, offer a tender for the position of auditors of the CBI every 10 years, with a mandatory 20-year limit on the CBI auditors being in post. The CBI will also request a change in Partner from the auditor every five years. This process will begin from the end of the next audit Partner rotation in 2025.

CBI Audit Committee attendance in 2023

	Q1 28 April 2023	Q2 12 July 2023	Q3 01 September 2023	Q4 10 November 2023
Non-Executive Director				
Chair: Anna Marks	ATTENDED	N/A	N/A	N/A
Chair: Victoria Cochrane	N/A	ATTENDED	ATTENDED	ATTENDED
Mark Logan	ATTENDED	ATTENDED	ATTENDED	ATTENDED
Executive Director				
Neil Tomkins	ATTENDED	ATTENDED	ATTENDED	ATTENDED

*N/A denotes the individual had either not yet joined the CBI Audit Committee or had stepped down from their position so were not required to attend the meeting.

CBI Chairs' Committee

CBI Chairs' Committee is the top policy committee at the CBI, responsible for setting and steering the CBI policy decisions. This committee is comprised of all the chairs from the 12 CBI Regional and National Councils and the sector focused Standing Committees. Together these chairs represent over 600 senior business leaders from over 400 CBI members across our Councils and Standing Committees. The committee meets quarterly and is joined by the full CBI Executive Committee. It is chaired by the Senior Council Chair, elected by the committee members every two years. You can view the members that sit on the CBI Council via the [CBI website](#).

CBI Council	Full Name	Job Title	CBI Member
Domestic Competitiveness Committee	Carl Sizer	Chief Markets Officer	PwC
Domestic Competitiveness Committee	Stephanie Hyde	UK CEO	JLL
East Midlands Council	Danielle Gillett	Chief Executive Officer	EMB Group
East of England Council	Marcus Watson	Director	Ground Control Holdings Limited
Economic Growth Board	JC Townend	CEO, UK&I	Lee Hecht Harrison Ltd.
Financial Services Council	Jane Galvin	Head of Corporate Clients	Santander UK plc
Future of Work Committee	Samantha Brook	Group HR Director	Severfield plc
Global Competitiveness Committee	Oriel Petry	Senior Vice-President	Airbus
Global Competitiveness Committee	Pinder Sahota	General Manager & Corporate Vice President, UK	Novo Nordisk Ltd
London Council and Senior Council Chair	Peter Hogg	City Executive for London & UK Cities Director	Arcadis
Net Zero Committee	Ian Simm	Founder & Chief Executive	Impax Asset Management Group plc
North East Council	Frank Millar	Chief Executive	Centre for Process Innovation

North West Council	Darren Budd	Commercial Director for UK & Ireland	BASF plc
Northern Ireland Council	Richard Gillan	Managing Partner	Grant Thornton (NI) LLP
Scotland Council	Jennifer Young	Managing Partner	Ledingham Chalmers LLP
SME Council	David Crichton-Miller	Chief Executive	Oxford Innovation Limited
South East and Thames Valley Council	Eman Martin-Vignerte	Director	Robert Bosch Ltd
South West Council	Carmen Peacock	Head of Private Capital	Lloyds Banking Group Plc
Taxation Committee	Ali Kennedy	Director of Group Taxation	BAE Systems Plc
Tech and Innovation Committee	Stephen Warwick	UKI Vice President - Technology and Sales Engineering	IBM United Kingdom
Tech and Innovation Committee	Hugh Milward	Vice President External Affairs	Microsoft Limited
Trade Association Council	Karen Betts	CEO	Food & Drink Federation
Wales Council	Alison Orrells	Managing Director	Safety Letter Box Co. Ltd.
West Midlands Council	John Burton	Finance Director	ABP Food Group
Yorkshire and the Humber Council	Fergus Bailie	CEO	Bailie Group Ltd

Corporate Social Responsibility:

Social impact

Good Business Charter

In February 2024, the CBI was re-accredited with the [Good Business Charter](#). To receive Good Business Charter accreditation, organisations must meet the requirements for all 10 components which collectively cover care for employees, suppliers, customers and the environment whilst paying their fair share of tax.

10,000 Interns Programme

[10,000 Interns](#) provide paid internships for Black students and graduates through the 10,000 Black Interns programme, and paid internships for disabled students and graduates of all ethnicities, through the 10,000 Able Interns programme across a range of UK industries. The CBI resumed hosting Interns from the programme in the Summer of 2024.

Partnerships with our staff networks

The CBI works with a number of organisations to help advise and support our staff networks, these include [LGBT Great](#), [Carers UK](#) and the [Business Disability Forum](#).

Living Wage Employers

The CBI is fully accredited by the Living Wage Foundation. [The Living Wage Foundation](#) accredits Living Wage Employers for their commitment to paying their staff according to the cost of living.

Change the Race Ratio

The CBI is a founding member of [Change the Race Ratio](#), who are the leading campaign in the UK calling for businesses to take action to improve racial and ethnic minority representation in their leadership teams.

Regulation and Compliance

Scotland Lobbying Act

In 2023, in compliance with the Lobbying (Scotland) Act 2016, the CBI registered 8 counts of regulated lobbying with the Members of the Scottish Parliament, Special Advisers to the Scottish government or Ministers of the Scottish government. This data is publicly available via the [Lobbying Register website](#).

EU Transparency Register

The CBI in 2023 remained registered on the European Union's Transparency Register under the registration number: 73725676990-18. This data is publicly available via the [EU Transparency Register website](#).

Modern Slavery Act

The CBI is committed to acting ethically and with integrity, and has taken steps to ensure that modern slavery is not taking place anywhere within the organisation or its wider supply chain. The CBI [Modern Slavery Statement](#) can be found on its website.

Anti-bribery policy

The CBI is committed to ensuring its staff act with integrity and honesty. It operates a £25 threshold on gifts received by CBI staff, where above this threshold the gifts must be logged on an internal hospitality register. In 2023 the average 'gift' to CBI staff was valued at around £116 and the bulk of entries in the hospitality register remained small tokens of gratitude, tickets to events, conferences or business dinners.

UK Competition Act

The CBI undertakes measures to remain compliant with the Competition Act 1998. This includes guidance for CBI policy staff in the running of meetings with members and guidance for members in the meeting papers on the CBI's approach to Competition Law. In 2021, the CBI developed e-learning modules for CBI staff on UK Competition law, which were rolled out to the business in 2022 and in 2023 remained in place for training new staff to the CBI on competition rules.

Sustainability

The main environmental impact that the CBI can have is through its external influence on the actions of Government and members. The footprint of the CBI's own activities is relatively small, but nevertheless it has continued to seek to reduce the footprint where both possible and economically viable.

The CBI internal Sustainability Working Group adopted a CO₂e science-based target for the organisation. This is to reduce emissions by 50% by 2030 based on the last year of pre-pandemic activity, 2019. CO₂ emissions for 2023 were in line with 2022. Reductions in Scope 3 are a result of lower staff numbers and less CBI activity, however these were offset by the inclusion of activity from CBI overseas offices in the 2023 data.

Global GHG emissions data for Reporting Year:

1st January 2023 – 31st December 2023

Emissions from:	Tonnes of CO ₂ e
Combustion of fuel & operation of facilities (Scope 1)	25.3
Electricity, heat, steam and cooling purchased for own use (Scope 2)	121.4
T&D losses from electricity and water cooling (Scope 3)	16.7
Business travel including flights, hotel stays and rail (Scope 3)	24.9
Commuting (Scope 3)	28.9
Homeworking (Scope 3)	100.3
Events (Scope 3)	8.0
Total	325.5
Intensity metric: tonnes CO ₂ e / FTE	1.36

Year on Year Comparison	Tonnes of CO ₂ e		Percentage change (%)
	2022	2023	
Emissions from:			
Scope 1	18.1	25.3	39.8%
Scope 2	92.9	121.4	30.7%
Scope 3	215.5	178.8	-17.0%
Total	326.5	325.5	0.0%
Intensity metric: tonnes CO ₂ e / FTE	1.23	1.36	10.5%

Methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our financial statement. We do not have responsibility for any emission sources that are not included in our statement. In addition to the required emission sources our 2023 data includes travel emissions associated with air travel, rail travel and hotel night stays, as well as emissions associated with electricity transmission and distribution losses. Included additionally are emissions estimates for commuting, homeworking, and events.

The method we have used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the location-based scope 2 calculation method, together with the latest emission factors from recognised public sources including, but not limited to the UK Department for Business, Energy and Industrial Strategy (BEIS) and the Intergovernmental panel on Climate Change (IPCC).

Financial Performance 2023

The financial result for 2023 reflected the acute scenario that the CBI was faced with during the year. As well as the fall in income, exceptional costs increased significantly and the positive impact of reductions in the underlying cost base did not start to be felt until towards the end of the year. As a result, the Operating Result before Tax for the year was a loss of £8.3m.

The loss for the year was funded by the reserves that the CBI had built up in previous years and by external financing from October 2023. Initiatives to reduce costs and re-grow the membership base have been put in place so that, with the continued support of the external financing, the CBI will return to a profitable and cashflow-positive position.

Income

The CBI's total income in 2023 was £22.3m, down by £4.5m (16.6%) on the previous year.

Membership Income, at £20.6m for the year, was down by £2.9m (12.4%) from 2022. Resignations were high as a result of the events of March and April 2023. The CBI then suspended all member activity (including invoicing and cash collection) until the Extra Ordinary General Meeting in June at which members voted overwhelmingly in support of the CBI, following the presentation of the [CBI's Prospectus](#). Thereafter membership activity resumed and gathered momentum over the course of the second half of the year. Although an elevated pace of resignations continued to some extent as subscription periods came up for renewal, they slowed significantly, and members were starting to rejoin by 2023 Q4.

Commercial Income is derived from our events (sponsorship and delegate fees), leadership programmes, surveys, data licensing and consultancy income from CBI Economics. All of these income streams were severely impacted by the events of 2023 and the suspension of activity as described above. Overall, commercial income fell by 60% (£1.7m) to £1.2m in 2023, and contribution from these activities was just £0.5m.

Expenditure

Total expenditure for the year was £30.6m. Excluding the commercial expenditure which varies directly with the level of commercial income, expenditure increased by £3.7m (14.0%) compared to the previous year. The main factor was legal and professional costs caused by the exceptional events of the year which jumped to £3.4m for 2023 (an increase of £2.9m). Whilst other costs were reduced as much as possible there were also significant increases in payroll costs (including the severance costs that were incurred as a result of the mid-year headcount re-structure) and in finance charges (administrative costs incurred by the pension scheme but reflected in the CBI's Income Statement and a non-cash item).

Financial Position

As a result of the large loss in the year, the balance sheet at the year end showed a net liabilities position of £7.0m (2022: net assets of £1.3m). Debtors were much lower than the previous year and although creditors were also lower, a large part of this was due to lower deferred income. The lower membership income received, and especially the lower deferred income, meant that the cash position deteriorated significantly over the course of the year from £10.1m at the start of 2023 to -£1.4m at the end.

Pension Plan

During the course of 2023, the CBI continued to make cash contributions to its defined benefit pension plan of £0.7m. At the end of 2023 the Plan had an accounting surplus of £2.3m which has been recognised on the statement of financial position in accordance with FRS102 requirements. Although the value of pension scheme assets fell during the year (largely due to the exceptional administrative costs referred to above), the liabilities fell further to leave a small net increase in the value of the pension scheme in the CBI's accounts (see note 13 for further details).

Going Concern and Future Financial Plans

The accounts have been drawn up on a going concern basis (see Note 1 (b), *Accounting Policies*.)

As described above, 2023 saw a considerable level of financial stress for the CBI. The organisation managed to navigate this period through the backing of key members, the use of reserves, support from creditors and with bank financing. The bank financing was renewed during 2024 and is now due to terminate on 31 August 2025. It is the Board's current intention to look to renew the facility again if required.

The cost base has been cut over the last 18 months and membership has started to grow again following the sharp decline in 2023. However, it is clear that the CBI is still emerging from an unprecedented situation. The key risks and uncertainties relate to the rate of return/recruitment of members and the ability of the CBI to continue to reduce its cost base, particularly the cost of its current office in London. Future projections have been made with the best information at the time of writing but, given the situation, there will always be some uncertainty about future income until the CBI has settled back into a recognisable pattern of membership income.

Notwithstanding the above, given the cost restructuring that has been implemented and the financing that is in place, the CBI Board is confident that its assumptions on future income are reasonable, and that the CBI will be able to manage its financial position throughout 2024 and beyond.

Risk

The Board has overall accountability for ensuring that risk is effectively managed and on behalf of the Board, the Audit and Risk Committee reviews the effectiveness of the CBI's risk process.

Each business area is responsible for identifying, assessing and managing the risks in its respective area annually. In addition, the CBI management performed a top-down risk identification review during 2024. Risks are measured against a defined set of criteria, considering likelihood of occurrence and potential impact to the CBI. The top risks are reported to the Executive Committee for review and challenge, ahead of final review and approval by the Board.

Annual budgets are approved by the Board as part of an outline rolling three-year plan. Progress against the budget and plan targets are reviewed on a regular basis by the Executive Committee and by the CBI Board. The plans are assessed in the context of the risks and opportunities facing the CBI.

Internal controls and financial reporting

The CBI Board is ultimately responsible for the CBI's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, not absolute, assurance against material misstatement or loss.

The Audit and Risk Committee has reviewed the ongoing process for identifying, evaluating and managing the risks faced by the CBI. The CBI continues to review and improve the effectiveness of its system of financial and non-financial controls, including operational and compliance controls, risk management and the high-level internal control arrangements. During 2023, the CBI Board and management continued to monitor the risk across the organisation.

The CBI's key internal control procedures include the following:

- Authority to operate the regional and overseas offices and projects within the CBI is delegated to their respective managers within limits set by the Chief Executive Officer and the Chief Financial and Operations Officer under the overall supervision of the CBI Board. The appointment of managers to most senior positions within the CBI requires the approval of the Chief Executive Officer.
- Systems and procedures are embedded in the CBI at both corporate and directorate level to identify, control and report on the major risks including credit, liquidity, operational error and fraud. Exposure to these risks is monitored by management and by the CBI Board as a whole and the CBI Board is responsible for determining the appropriate strategy to manage those risks.

- Annual financial plans are prepared, and are reviewed and approved, by the CBI Board. Results are monitored regularly. Reports on progress compared with the plans and budgets are prepared each month. All expenditure, including capital expenditure, is regulated by a budgetary process and an authorisation system.
- The CBI Board monitors compliance with policies and standards, and the effectiveness of internal control structures across the CBI. This is augmented by the CEO's reports to the CBI Board on significant changes in the business or external environment that affect significant risks.
- The Audit and Risk Committee considers the controls that are in force and any perceived gaps in the control environment. The Audit and Risk Committee also considers and determines relevant action in respect of any control issues raised by the external auditors.

The CBI Board keeps the effectiveness of this system of control under review. The key processes used by the CBI Board in carrying out its reviews of the effectiveness of internal controls include:

- Financial reports, which identify variances from plan and prior period performance, identify performance issues, and discuss the risks that arise and the steps being taken to mitigate those risks.
- Discussions with senior personnel on risk and control issues.
- Consideration by the Audit and Risk Committee of reports from the external auditors.

Internal Audit

The CBI does not have an internal audit function. This is considered appropriate given the size and organisational structure of the CBI and the close involvement of the executive directors and senior management in the day-to-day operations.

Statement of Responsibilities in Relation to the Accounts

Under the CBI's Charter and bye-laws, the Council is required to cause proper books to be kept so as to show a true and fair view of the state of the CBI's affairs and to explain its transactions. The Council is also required to present audited accounts at each Annual General Meeting. The members of the CBI Board discharge these responsibilities on behalf of the Council and have elected to prepare these accounts in accordance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In preparing these accounts the members of the CBI Board are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the CBI will continue to operate.

The Chief Executive and the Chief Financial and Operations Officer have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the CBI and to detect fraud and other irregularities. The members of the CBI Board are responsible for the maintenance and integrity of the corporate and financial information included on the CBI's website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and other information included in annual reports may differ from legislation in other jurisdictions.

The members of the CBI Board who held office at the date of approval of these accounts confirm that, so far as they are aware, there is no relevant audit information of which the CBI's auditors are unaware. Each member of the CBI Board also confirms that he/she has taken such steps as he/she considers necessary to make himself/herself aware of any relevant audit information and to establish that the CBI's auditors are also aware of that information.

The members of the CBI Board consider that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

Independent Auditor's Report to the Directors of Confederation of British Industry

Opinion

We have audited the accounts of Confederation of British Industry ('CBI') for the year ended 31 December 2023 which comprise the Income Statement, Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- Give a true and fair view of the state of CBI's affairs as at 31 December 2023 and of its deficit for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the CBI in accordance with the ethical requirements that are relevant to our audit of the accounts in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to the information set out in the going concern accounting policy. This relates to the material uncertainty arising from the CBI's financial performance during the year. Although cost restructuring has been implemented and bank facilities are in place, there are uncertainties relating to income and the timing of certain cost reductions, and current bank facilities expire in August 2025. Notwithstanding these circumstances, the Directors' conclusion is that the accounts should be prepared on the going concern basis.

Our opinion is not modified in respect of this matter.

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

Other information

The other information comprises the information included in the CBI annual report, other than the accounts and our Auditor's report thereon. The Directors of the CBI are responsible for the other information. Our opinion on the accounts 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 accounts 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 accounts 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the CBI and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The accounts are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of members of the CBI Board

As explained more fully in the statement of responsibilities in relation to the accounts, the board members are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the members are responsible for assessing CBI'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 members either intend to liquidate CBI or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- We obtained an understanding of the legal and regulatory frameworks that are applicable to CBI and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (including FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of CBI's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions; and
- Assessed whether judgements and assumptions made in preparing the financial statements were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts 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 our report

This report is made solely to the members of the Board, as a body. Our audit work has been undertaken so that we might state to the 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 CBI and the CBI's members as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP

Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 October 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CBI Accounts for 2023

Income statement

	Notes	2023	2022
		£000	£000
Income			
Members' subscriptions	1(d) & 2	20,622	23,553
Rents and licence fees		110	126
Commercial activities		1,156	2,899
Interest on short-term deposits		75	13
Other income		530	194
		22,493	26,785
Expenditure			
Payroll	4	17,007	16,127
Pension costs	4	1,239	1,121
Travel and subsistence		329	481
Other staff costs		654	943
Office expenses		946	1,176
Premises costs		3,321	3,118
Subscriptions to other organisations		833	1,114
Commercial activities		658	1,453
Legal and professional costs		3,398	490
Promotional activities and surveys		295	454
Functions and entertaining		160	180
Depreciation	1(e) & 8	555	512
Finance charges	6	1,336	229
Project cost		6	307
Miscellaneous expenses		54	34
		30,791	27,739
Operating Result before tax	3	(8,298)	(954)
Taxation charge\Credit	7	701	(283)
Retained deficit for the year		(8,999)	(671)

Statement of Comprehensive Income for the year ended 31 December 2023

		2023	2022
		£000	£000
Retained deficit for the year		(8,999)	(671)
Actuarial gain/(loss) recognised in the pension scheme	13	639	(4,147)
Current tax (liability)/benefit arising on Employer contributions to the DB pension scheme	7	(82)	65
Deferred tax cost arising on Employer contributions to the DB pension scheme		(131)	(150)
Deferred tax cost - prior year rate adjustment		173	-
Deferred tax cost arising on actuarial (gain)/loss		92	1,100
Total recognised loss for the year		<u>(8,308)</u>	<u>(3,803)</u>
All amounts relate to continuing activities.			

Statement of Financial Position at 31 December 2023

	Notes	2023	2022
		£000	£000
Fixed assets			
Tangible fixed assets	8	1,702	1,834
Current assets			
Debtors and prepayments	9	6,090	10,505
Short-term deposits		-	1,563
Cash at bank		-	<u>8,536</u>
Total		6,090	20,604
Less current liabilities			
Amounts falling due within one year			
Bank Overdraft		(1,442)	-
Creditors, accruals and			
Deferred income	10	<u>(15,707)</u>	<u>(23,930)</u>
		(17,149)	(23,930)
Net current liabilities			<u>(3,326)</u>
		(11,059)	
Total assets less current liabilities			(1,492)
		(9,357)	
Deferred tax asset	11	<u>(131)</u>	<u>652</u>
Net liabilities excluding pension (liability)/asset			(840)
		(9,488)	
Pension asset net of deferred tax	13	2,507	2,167
Net assets including pension asset			1,327
		(6,981)	
Represented by:			
Accumulated (deficit)/surplus		<u>(6,981)</u>	<u>1,327</u>
		2023	2022
		£000	£000
Accumulated (deficit)/surplus			
Opening surplus		1,327	5,130
Total recognised losses for the year		(8,308)	(3,803)
Closing (deficit)/surplus		(6,981)	1,327

These accounts were approved and authorised for issue at the CBI Board on 14 October 2024 and were signed by:



Rain Newton-Smith,
Chief Executive Officer



Neil Tomkins,
Chief Financial and Operations Officer

Statement of Cash Flows for the year ended 31 December 2023

	2023	2022
	£000	£000
Cash flows from operating activities		
Operating Result before taxation	(8,298)	(954)
Adjusted for:		
Depreciation	555	512
Finance charges	1,336	229
Decrease/(Increase) in debtors	4,415	(88)
(Decrease)/Increase in creditors	(582)	202
(Decrease)/Increase in deferred income	(7,641)	1,780
Contributions to pension plan	(692)	(600)
Interest receivable	(75)	(12)
Net cash from operating activities	<u>(10,982)</u>	<u>1,069</u>
Cash flows from investing activities		
Interest received	89	11
Purchase of tangible fixed assets	(510)	(442)
Net cash used in investing activities	(421)	(431)
Cash flows from financing activities		
Interest and other charges paid	(211)	23
Net cash used in financing activities	(211)	23
Change in cash and cash equivalents	(11,614)	661
Cash and cash equivalents at 1st January	10,099	9,438
Cash and cash equivalents at 31st December	(1,442)	10,099
	11,541	10,098
Analysis of cash and cash equivalents		
	2023	2022
	£000	£000
(Bank overdraft)\Cash at bank	(1,442)	8,536
Short-term deposits	-	1,563
Total cash and cash equivalents	<u>(1,442)</u>	<u>10,099</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the CBI and the above cash and cash equivalents.

Notes to the accounts

1. Accounting policies

a) Basis of preparation

The Confederation of British Industry was set up by royal charter, registered number RC000139 (England and Wales).

These accounts have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard being applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The accounts have been prepared on the historical cost basis.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the CBI's accounts.

The accounts have been prepared under FRS 102 and presented in sterling and rounded to the nearest £'000.

The CBI's registered office is Cannon Place, 78 Cannon Street, London, EC4N 6HN.

b) Going concern

2023 saw a considerable level of financial stress for the CBI. The organisation managed to navigate this period through the backing of key members, the use of reserves, support from creditors and with bank financing. The bank financing was renewed during 2024 and is now due to terminate 31 August 2025. It is the Board's current intention to look to renew the facility again if required.

The cost base has been cut over the last 18 months and membership has started to grow again following the sharp decline in 2023. However, it is clear that the CBI is still emerging from an unprecedented situation. The key risks and uncertainties relate to the rate of return/recruitment of members and the ability of the CBI to continue to reduce its cost base, particularly the cost of its current office in London. Future projections have been made with the best information at the time of writing but, given the situation, there will always be some uncertainty about future income until the CBI has settled back into a recognisable pattern of membership income.

The future projections show that the CBI can remain within its agreed bank financing facility. However, adverse outcomes on the uncertainties noted above could lead to a breach in the financing facilities without further management action. The Directors are confident that the cash flow can be managed by taking appropriate actions.

Given the financial plans in place, and subject to securing further financing facilities after August 2025 if needed, the Board has concluded that whilst there is a material uncertainty related to some of the assumptions made in its projections, the accounts should be prepared on the going concern basis.

c) Critical accounting estimates and areas of judgement

Preparation of the accounts requires the management of the CBI to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- Estimating the useful economic life of tangible fixed assets.
- Valuation of the pension scheme and assumptions used in the valuation.
- Estimating the bad debt provision for outstanding membership subscriptions.
- Estimating the future income and expenditure when assessing the going concern of the CBI.

d) Members' subscriptions and commercial income

Membership subscriptions are invoiced two months before the start of the subscription period. Income from members' subscriptions is recognised at the start date of the subscription period, with any income relating to future years being deferred to the relevant year. The bad debt provision for outstanding membership subscriptions at the year-end has been calculated after reviewing each individual outstanding membership on its collectability. The CBI has also estimated the resignation value of subscriptions invoiced but unpaid at the year-end relating to next year on the same basis as above.

Commercial income is recognised in the month when the commercial activity takes place. Income received for events in the future is deferred until the event occurs.

e) Capitalisation & depreciation

The CBI capitalises assets with a value of £1,000 or more. Depreciation is provided on assets on the basis of their cost and from the date they are brought into use on a straight line basis over their estimated useful lives, generally as follows:

- Office furniture and equipment: 10%-33% per annum
- Computer hardware and software: 25%-33% per annum
- Website costs: 33% per annum

- Motor vehicles: 25% per annum
- Plant and machinery: 5%-10% per annum
- Leasehold improvements: Over the term of the lease or the estimated life of the asset if shorter

f) Leases

Regular annual rental charges and income under operating leases are charged or credited to the income and expenditure account when the amounts are incurred.

Assets acquired under finance leases are capitalised in fixed assets at the net present value of the minimum lease payments and depreciated in accordance with accounting policy (e) above. The finance charge is apportioned to accounting periods using the actuarial method.

g) Taxation

The charge for taxation is based on the profit before tax and takes into account deferred tax.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required under FRS102.

h) Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the year end. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction or the rate agreed where a forward contract was used. Exchange differences are taken into account in arriving at the retained surplus for the year.

i) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material. The CBI's bad debt provisions are based on historic data from previous years and the current information available.

j) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the CBI to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement, and that the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

k) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than a month from the date of acquisition. Deposits for more than a month but less than one year have been disclosed as short-term deposits.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the year-end date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the CBI anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

m) Financial instruments

The majority of the CBI's financial assets and financial liabilities are of a kind that qualify as basic financial instruments. The CBI also enter into a number of forward contracts to mitigate exchange rate movements on payments in foreign currencies. Any forward contracts outstanding at the year end are revalued at the year-end exchange rate, with the gain or loss recognised in the income statement. Other than the forward contracts, all other transactions are initially recognised as the transaction value and subsequently measured at their settlement value.

n) Pensions

The CBI currently provides a group pension plan and other personal pension plans to staff and makes regular payments into the schemes. All the schemes are defined contribution plans. The amounts paid by the CBI are charged to pension costs in the year.

The CBI previously operated a pension plan providing benefits based on final pensionable pay. This scheme was closed to all staff on 31st March 2012. The assets of the plan are managed by third-party investment managers and are held separately in trust. Independent professionally qualified actuaries undertake regular valuations of the plan. These inform the level of contributions paid by the CBI to fund the benefits set out in the rules of the plan.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using an attained age method and are discounted at the current rate of return of a high-quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit or surplus (to the extent it is recoverable) is recognised in full. The movement in the scheme deficit/surplus is split between operating charges and finance items in the statement of comprehensive income.

2. Members' subscriptions

	2023	2022
	£000	£000
Subscriptions	20,967	23,580
Provision for bad debts	(345)	(27)
	20,622	23,553

3. Operating result

	2023 £000	2022 £000
Operating result before taxation is stated after charging:		
Auditor's remuneration:		
Audit	40	39
Other services - tax and related advice	5	4
Rentals payable under operating leases:		
Land and buildings	1,551	1,583
Motor vehicles and equipment	38	54
Depreciation	555	512
and after crediting:		
Rentals receivable under operating leases:		
Land and buildings	111	119

The CBI contributed £0k (2022: £1k) to charities in lieu of sending corporate Christmas cards.

The CBI makes no political donations.

4. Staff costs

	2023	2022
	No.	No.
The average number of staff employed by the CBI during the year was:	240	255
	£000	£000
Their aggregate payroll costs were:		
Salaries	14,503	14,480
Severance costs	729	-
Social security costs	1,775	1,647
	17,007	16,127
Pension costs	1,239	1,121
	18,246	17,248

5. Remuneration of directors and key management personnel

The key management personnel of the CBI in charge of directing, controlling, running, and operating the CBI on a day-to-day basis are the directors.

Of the staff included within staff costs in note 4, 11 were called directors in 2023, (2022: 28). Their total emoluments, including the estimated money value of non-cash benefits, were £1,696k (2022: £3,039k). Of this, £188k related to severance costs (2022: £0k). All but 3, (2022: 2) of the directors were members of one of the CBI's pension plans. The cost to the CBI of the other plans for these 3 directors was £37k (2022: £92k).

6. Finance charges

	2023	2022
	£000	£000
Bank charges and foreign exchange differences	211	(23)
Defined benefits scheme admin expenses	1,125	252
	1,336	229

7. Taxation

(i) Analysis of taxation for the year:

	2023	2022
	£000	£000
<i>Income statement</i>		
<i>Current tax</i>		
UK corporation tax on operating result	(82)	65
Adjustment in respect of earlier years	-	-
	(82)	65
<i>Deferred tax</i>		
Accelerated capital allowances	33	50
Trade losses derecognised/(deferred)	750	(373)
Adjustment in respect of earlier years and rate change	0	(25)
Taxation charge on operating result	701	(283)

(ii) Factors affecting the current tax charge for the year:

The tax assessed for the year differs from that at the standard rate of corporation tax of 19% (2022: 19%).

The differences are explained below:

Income statement

Operating result before tax	(8,298)	(954)
Tax at standard rate of corporation tax	(1,578)	(182)
Expenses not deductible for tax purposes	-	(49)
Current year tax loss not recognised	1,578	(80)
Adjustment in respect of prior years	-	(25)
Tax charge on operating result for the year (trade losses used, note 7(i))	0	(336)
<i>Statement of comprehensive income</i>		
Tax at standard rate of 19% (2022: 19%) on total losses recognised in the statement of comprehensive income	(52)	(950)
Comprised		
Movement in deferred tax asset due to pension scheme surplus	(134)	(885)
Current taxation credit for the year	82	(65)
	(52)	(950)

Tax relief is available on pension plan contributions in excess of the expenditure deductible from the income statement, amounting to an additional tax deduction of **£692k** (2021: **£600k**). This additional tax relief arises from funding a deficit in the plan and is accounted for in the statement of comprehensive income.

8. Tangible Fixed assets

	Plant, machinery	Office, furniture, equipment	Computer hardware, software	Leasehold improvements	Total
	£000	£000	£000	£000	£000
Cost:					
At 1 January 2023	73	848	2452	2623	5,996
Additions	49	1	403	57	510
Disposals	(122)	-	-	(122)	(244)
At 31 December 2023	-	849	2,855	2,558	6,262
Depreciation:					
At 1 January 2023	73	664	1796	1629	4,162
Charge for year	5	70	298	182	555
Disposals	(78)	-	-	(79)	(157)
At 31 December 2023	-	734	2,094	1,732	4,560
Net book value:					
At 31 December 2023	-	115	761	826	1,702
At 31 December 2022	-	184	656	994	1,834

9. Debtors and prepayments

	2023	2022
	£000	£000
Trade debtors	4,995	9,176
Corporation tax	20	20
Other debtors	88	84
Prepayments and accrued income	987	1,225
	6,090	10,505

10. Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	1,916	331
Other taxes and social security	518	2,750
Other creditors and accruals	2,862	2,797
Deferred income	10,411	18,052
	15,707	23,930

Other taxes and social security includes employer contributions of £77k (2022: £101k) to the defined contributions plans.

Other creditors and accruals includes an accrual for holiday pay of £200k (2022: £207k).

11. Deferred tax liability (asset)

	2023	2022
	£000	£000
Deferred tax is principally a result of accelerated capital allowances	£000	£000
At 1 January	(652)	(304)
Prior year deferred tax rate adjustment		(25)
Credit/(Debit) for the year	33	(323)
Trade losses derecognised/(used)	750	
At 31 December	131	(652)

Deferred tax is calculated at 19% (2022: 25%) being the taxation rate expected to be applicable when the timing differences reverse. The CBI has decided to derecognise the deferred tax asset in 2023 as it is not expecting to make a surplus in the near future whilst it continues to resize the business.

12. Commitments

At 31 December 2023 the CBI had the following future minimum commitments under non-cancellable leases:

	2023		2022	
	Land and buildings	Equipment	Land and buildings	Equipment
	£000	£000	£000	£000
Within one year	1,320	14	1,476	21
In the second to fifth years inclusive	4,734	1	4,078	15
Over five years	97	-	2,355	-
	6,151	15	7,909	36

There were capital commitments of £nil at 31 December 2023 (2022: £Nil).

13. Pension scheme

The CBI operates a defined benefits pension plan in the UK - the Confederation of British Industry Retirement Benefits Plan ('the Plan'). The Plan was closed to new entrants on 1 May 2009 and to further benefit accruals from 31 March 2012. All staff are offered membership of a group pension plan, to which the CBI contributes, or a contribution to approved personal pension plans, all of which are defined contribution arrangements. The Plan's assets are held in separate trustee administered funds.

Contributions to the Plan are determined by the results of triennial formal actuarial valuations, the last of which was carried out as at 31 December 2020. The results of the valuation as at 31 December 2020 have been rolled forward to 31 December 2023 by a qualified actuary independent of the CBI.

The CBI paid £692k which covered part of the £1,125k of Plan expenses over the year to 31 December 2023. As the Plan is closed to future accrual, there were no regular contributions in 2022. At 31 December 2023 the pension Plan had an accounting surplus of £3,095k under FRS102.

Risks:

The main risks the CBI is exposed to by the Plan are:

- **Mortality risk** - the assumptions adopted by the CBI make allowance for future improvements in life expectancy. However, if life expectancies improve at a faster rate than assumed, this would result in greater payments from the Plan and consequently increases in the Plan's liabilities. The CBI and the Plan's Trustees review the mortality assumption on a regular basis to minimise the risk of using inappropriate assumptions.
- **Investment risk** - the Plan invests its assets in a portfolio of asset classes. There is residual risk that as the selected portfolio matures, there is the possibility of not being able to reinvest the assets at the assumed rates. The Plan's Trustees review the structure of the portfolio on a regular basis to minimise these risks.
- **Inflation risk** - increases to benefits in the Plan are linked to inflation. If inflation is greater than expected, the liabilities will increase.

Components of benefit cost recognised in income statement	2023	2022
Net interest cost on net defined assets	(117)	(130)
Administration Expenses	1,242	382
Past service cost recognised	-	-
Net benefit cost in income statement	<u>1,125</u>	<u>252</u>
Amount recognised in OCI		
Actuarial losses arising from changes in assumptions	(464)	(33,241)
Experience gains on liabilities	-	-
Actuarial (losses)/gains on assets	(175)	37,388
Loss/(Gain) recognised in OCI	<u>(639)</u>	<u>4,147</u>

Funded status - The funded status of the Plan at the year end and the related amounts recognised on the statement of financial position are:

	2023	2022
Plan assets	68,048	69,007
Plan liabilities	(64,953)	(66,118)
Pension surplus	3,095	2,889
Related deferred tax liability	(588)	(722)
Net pension asset	<u>2,507</u>	<u>2,167</u>

The assumptions used to determine the Plan's defined benefit obligation at end of year are:

		At 31 December	
		2023	2022
Future inflation assumption	-RPI	3.4%	3.4%
	-CPI	2.8%	2.9%
Future increase in pensions in payment (LPI max 5%, min 3% p.a.)		3.8%	3.9%
Discount rate		4.6%	4.8%

The life expectancies are based on the S3NXA tables, with no adjustments to reflect the Plan's membership. Future improvements are based on the CMI projections model with a long-term improvement of 1.25%, a smoothing factor of 7, an initial parameter of 0.25% and a w parameter of 10%. The smoothing factor is the default parameter of the CMI Model.

	Male		Female	
Life expectancy at 31 December	2023	2022	2023	2022
From 65 and now 65	21.3	22.0	23.9	24.6
From 65 and now 45	22.2	23.3	24.9	26

The change in Plan liabilities during the year:

	2023	2022
Plan liabilities at start of year	66,118	101,868
Interest cost	3,092	1,894
Past service costs	-	-
Actuarial losses/(gains) arising from changes on demographic assumptions	(2,789)	(244)
Actuarial losses/(gains) arising from changes on financial assumptions	1,075	(35,366)
Actuarial losses arising from changes on experience adjustment	1,250	2,369
Benefits paid	(3,793)	(4,403)
Plan liabilities at end of year	64,953	66,118

The change in Plan assets during the year were:

	2023	2022
Plan assets at start of year	69,007	108,556
Interest income	3,209	2,024
Experience (losses)/gains	175	(37,388)
Employer contributions	692	600
Administration expenses	(1,242)	(382)
Benefits paid	(3,793)	(4,403)
Plan assets at end of year	68,048	69,007

The 31 December 2020 triennial valuation has been completed since the last year end. As there were no changes to the final valuation compared to the initial results allowed for in last year's results, no allowance for the valuation was required at this year-end. The current funding rate commenced 1 February 2023 with the aim of becoming 100% funded on a Self Sufficiency basis.

The CBI paid contributions to the Plan of £692k in the year (2022: £600k).

The Plan Asset Allocation at the year end was as follows:

	2023	2022
Bonds	36,355	45,332
Property	12	3,543
LDI	29,643	18,362
Cash and Other	2,038	1,770
Total	68,048	69,007

Experience adjustments

DB Pension Plan

	2023	2022
Fair value of asset, end of year	68,048	69,007
Defined benefit obligation, end of year	64,953	66,118
Funded status	3,095	2,889
Experience adjustment on Scheme assets gain	(175)	1,479

Deferred tax is calculated at 25% (2022:25%) being the taxation rate expected to be applicable when the Plan deficit reverses.

The impact on the assets/(liabilities) of the Plan and the surplus/(deficit) (before consideration of deferred tax) shown in the statement of financial position of changes in the major assumptions is shown below:

	Decrease in asset
Decrease discount rate by 0.25%	1,975
Increase rate of inflation by 0.25%	873
Life expectancies increase by 1 year	2,576

October 2024

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