

Financial Benchmarking for Professional Bodies

2020-2021 Report



**PROFESSIONAL ASSOCIATIONS
RESEARCH NETWORK**

haysmacintyre

Financial Benchmarking for Professional Bodies: 2020-2021 Report

Published in November 2022

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The information upon which this report is based has been obtained from sources which we believe to be reliable. The information is mostly from annual reports and financial statements, some of which are unaudited. In addition, some of the information was gathered from professional bodies' websites. We have not independently verified all such information and we do not guarantee that it is accurate or complete. It should not be regarded as a substitute for the exercise by readers of their own judgement. Under no circumstances will the publishers, authors, their servants or agents accept any liability however caused arising from any error or inaccuracy in any opinion, advice or report arising from this work, or for any resulting damages, loss, expenses or claims. No part of this report may be reproduced by any means, or transmitted, or translated into a machine language without prior permission in writing from PARN.

Professional Body Sector Key Metrics

- Average Income: £8.7m
- Average Expenditure: £8.5m
- Average Income per Employee: £101.1k
- Average Income per Member: £669
- Average Expenditure per Employee: £96.8k
- Average Expenditure per Member: £631
- Average Reserves: £7.1m
- Average Income from Membership Subscriptions: £4.6m
- Average Income from Education and Training: £1.9m
- Average Income from Investments: £128.2k
- Average Number of Staff: 70.2
- Average Membership: 34.2k
- Percentage Chartered: 24%
- Percentage Charity: 47%



Business



Engineering



Health



Other



Charity



Charter



Constitution



FTE employees



Members

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Preface

“ This annual Financial Benchmarking report is our widest-reaching collection of financial and organisational data for the professional body sector to date. This year marks our thirteenth report in the series. We hope that it will help professional bodies to take that important first step towards improving performance, by benchmarking their organisation against the sector. ”



Professor Andy Friedman
Chief Executive Officer
Professional Associations Research Network

About the Professional Associations Research Network

The Professional Associations Research Network (PARN) is the organisation for the professional body sector, offering expertise, experience and perspective on key issues in the sector through research, consultancy, networking, events and training. Since 1998, PARN has been raising the profile of issues relating to the professional body sector, with an aim to determine and promote good practice. We conduct a wide variety of research for professional bodies and are the source of knowledge on key issues for the sector. Our Financial Benchmarking for Professional Bodies report is the only report of its kind for the professional body sector in the UK. Having built up a substantial knowledge base on the financial health of the sector over the past thirteen years, we are well placed to support professional bodies in their financial decision making and can tailor our benchmarking data for your specific requirements. Andy Friedman is the CEO of PARN and Professor of Management and Economics.

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“We are delighted to be supporting the PARN Financial Benchmarking Report for the eleventh year.

The report provides graphics and tables that enable professional bodies to quickly and easily see how they compare to their peers and the sector as a whole. As we start to emerge from the pandemic, it is increasingly important for organisations to consider benchmarking when reviewing their own financial data and strategy. The analysis gives organisations a chance to challenge themselves on certain financial metrics and assess whether improvements can be made when viewed alongside their own detailed financial information.”



Kathryn Burton
Partner and Head of Professional Institutes and Membership Bodies
haysmacintyre

About haysmacintyre

haysmacintyre continues to support and invest in the professional bodies sector as the leading auditor and tax advisor to such organisations. Our Professional Institute and Membership Bodies group (PIMBs) consists of dedicated partners and managers providing specialist advice in a number of areas including external and internal audit, corporate tax, VAT, employment tax, governance and outsourced accounting, and we act for over 200 membership bodies based throughout the UK. Many also have an international presence, and through our international association, MSI Global Alliance, we are able to provide local accounting and tax support across the world.

For more information about haysmacintyre, visit <https://www.haysmacintyre.com> or contact us on twitter @haysmacPIMBs.

Introduction

Welcome to the thirteenth edition of the Financial Benchmarking for Professional Bodies report. The report is based on financial and organisational data extracted from the returns made by over 500 UK-based professional bodies. It has been compiled, processed, and analysed by the Professional Associations Research Network (PARN) in partnership with haysmacintyre.

This report is based on professional bodies' annual reports or reviews along with financial statements available from either their websites, the Charity Commission or Companies House. The report covers two years of financial and organisational data. Throughout the report these are referred to as 2021 and 2020.

- 2021 data: Financial year end of December 2020 to November 2021
- 2020 data: Financial year end of December 2019 to November 2020

The report presents key financial metrics (income, expenditure, operating surplus/deficit and balance sheet data) together with financial and operational ratios. These allow a good degree of benchmarking, both across the sector and between different professional bodies.

One of the strengths of the sector is that data can be shared and used as a key source of comparative analysis. It can be reassuring to know that other professional bodies are facing the same challenges and coming up with solutions and that we can learn from those experiences. The value and importance of this aspect of professional bodies has long been recognised by PARN. Indeed, it underpinned PARN's inception twenty four years ago.

Each year we pick out a special topic for a more detailed analysis. The special theme of this year's report was remuneration packages for CEO and most senior finance role at UK professional bodies. We looked at salaries, bonuses and benefits for these roles.

The report is intended to help anyone on the leadership team, governing body members and senior volunteers. They will find this information useful in informing business strategies and supporting recommendations for budget preparation. The analysis is based on a broad set of criteria (such as sector and size) which allows comparison with similar professional bodies. Significant differences between your own organisation and general sector returns can provide a vital first step towards an improved strategy. Findings will also be useful to any organisation that supplies services or products to the professional body sector.

We should also note that the data captured here needs some care when applied to the decision making process. Professional bodies, whilst sharing many concerns, can also be very different. So, whilst this exercise makes benchmarking possible, it may not always provide a definitive landscape against which to be measured.

Further analysis covering more detailed breakdowns on any part of the information included in this report is available on request from PARN.

Key Elements:

Total income

Analysis of gross inflow of funds for the professional bodies sector as a whole, as well as a review by sub sectors, industry sectors, constitution and size.

Sources of Income

Review of various income streams (including subscriptions, education, member services and publications).

Total Expenditure

Analysis of gross outflow of funds for the professional bodies sector as a whole, as well as a review by sub sectors, industry sectors, constitution and size.

Sources of Expenditure

Review of two sources of expenditure: staff costs and governance costs.

Operating Surplus/Deficit

Brief analysis of revenue and expenditure or operating results.

Current Assets and Liabilities

An assessment of these standard balance sheet items – helping to furnish a review of the stability of the sector.

Reserves

A review of retained funds held as reserves by professional bodies - surplus that has been set aside to underwrite the organisations' future needs as they emerge.

Remuneration packages for CEO and most senior finance role

Review of results of the feature survey, conducted in the summer of 2022.

Overview of 2021 data

Overview of the dimensions of the professional bodies sector in 2021, including profiles by sub sector, industry sector, constitutional features and size; both in terms of the number of members and FTE employees.

Summarised financial statements and balance sheets

Simple table review of statements of financial activities (accounts) and balance sheets.

Summarised financial and operating ratios

Simple table review of financial and operating ratios.

Section 1

Total Income

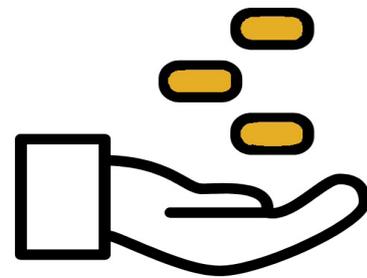
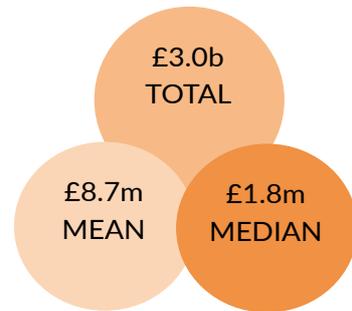


Sector as a Whole

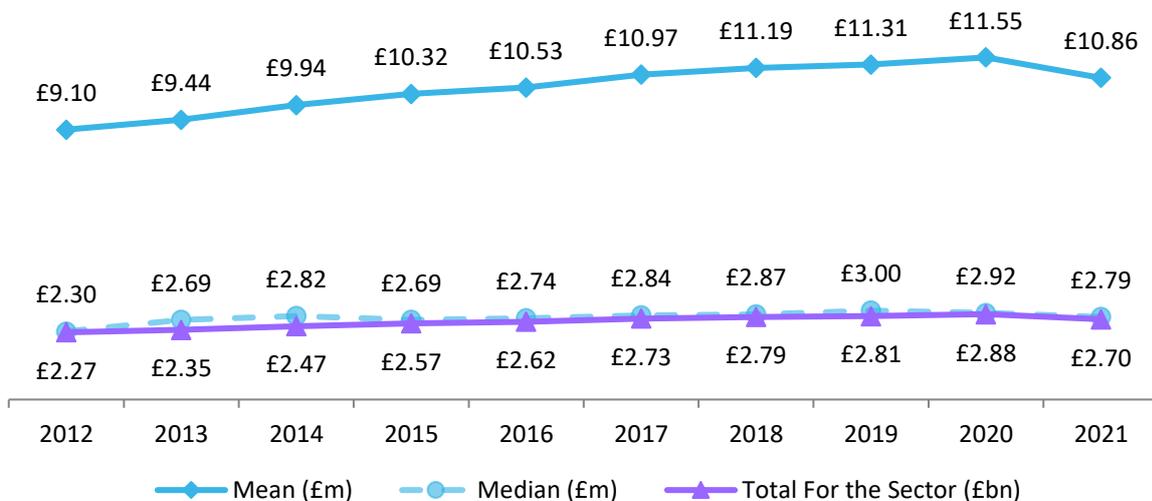
In 2021, the combined income for the professional body sector amounted to 3.0 billion, making up 0.14% of the total income for the UK. By this measure, the professional body sector is comparable to the UK's biscuit production industry that contributes approximately £3.0 billion to the UK's economy.

Average professional body income was £8.7m whilst median income was almost £1.8m.

We charted a steady rise in sector income since 2012 to 2020, however we can observe a sizeable drop in average total income, decreasing to levels witnessed before 2017.



Total Income

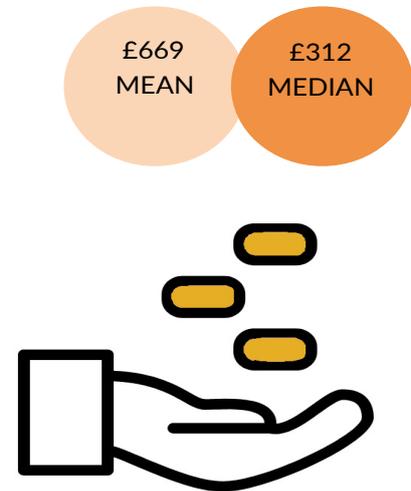


Base: 249

Per Member

Income per member remained consistent year on year, with an average of just under £669 in 2021 - a small (3.57%) decrease compared to 2020.

Income per member typically ranged between £181 and £526 (25th and 75th percentiles), with a median value at £312. 10% of professional bodies had a much larger figure - £954 or more. The highest income per member totalled £22,041 - around 24 times the 90th percentile. This was for a royal chartered professional body in the Business sector with a small membership base and a very substantial income from membership subscriptions.



Total Income Per Member (£)



Base: 218

Total Income

By Sub Sector

The Business sub sector continued to return the highest average total income (£12.9m). The Health sub sector achieved the second highest total income in 2021 (£9.1m). The Other sub sector again returned the lowest income (£3.0m). All sub sectors witnessed a decrease in total income on average, with the Engineering sub sector registering the largest decrease (-8.1%).

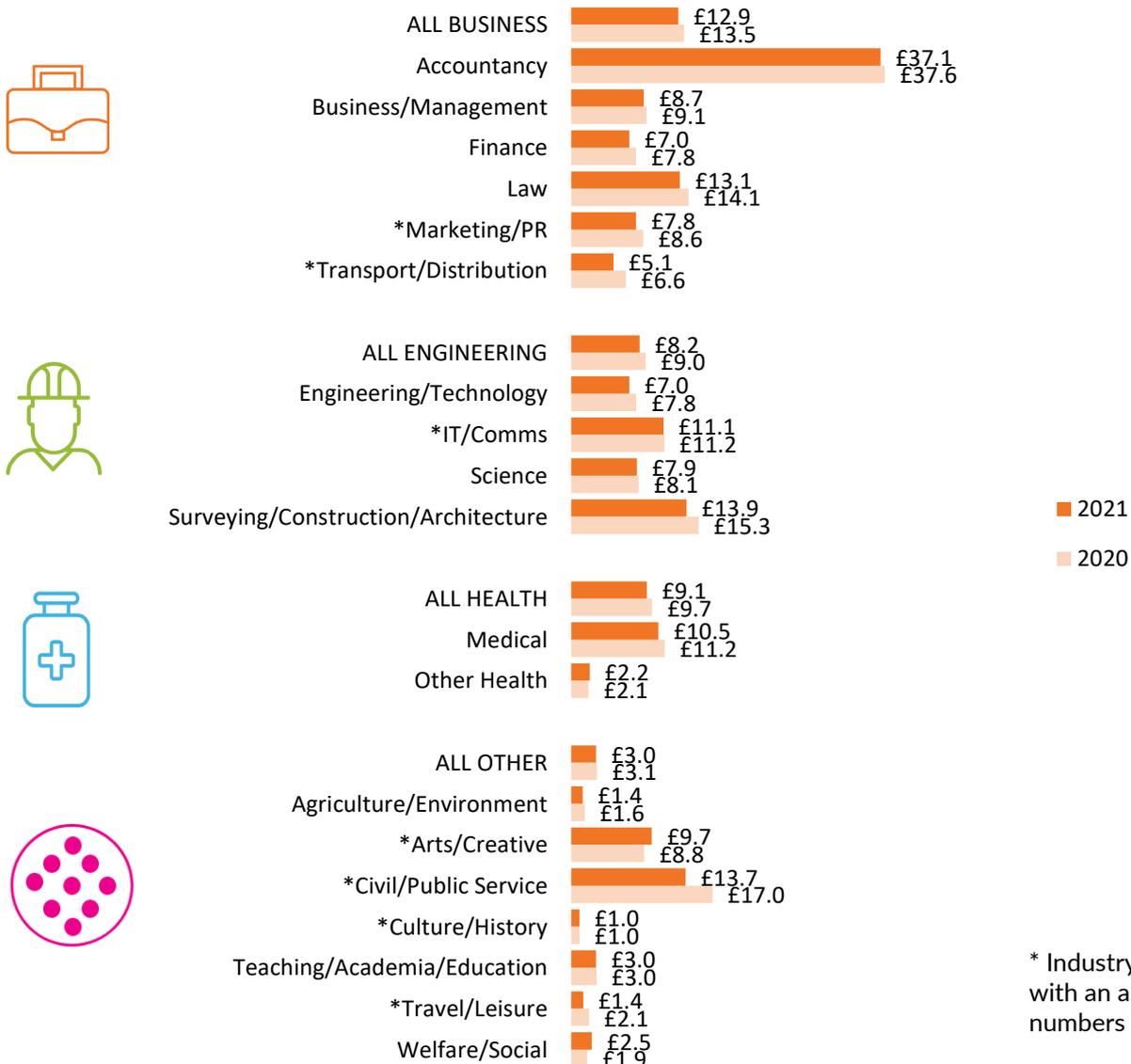
Looking at industry sectors, once again Accountancy returned the highest total income with £37.1m on average, this was a decrease of 1.4% since 2020 (£37.6m).

Surveying/Construction/Architecture, Law and Medical industry sectors also achieved high average total income (£13.9m, £13.1m and £10.5m

respectively). All three of these sectors, however, saw a decrease in total income with Surveying/Construction/Architecture witnessing the largest decrease (-9.4%). The Medical industry sector saw a decrease of 6.8% while the Law sector saw a decrease of 7.3%.

At the other end of the scale, the Agriculture/Environment, Other Health and Welfare/Social industry sectors returned the lowest total income (£1.4m, £2.2m and £2.5m on average respectively). The Welfare/Social industry sector saw a sharp increase in total income since 2020, at 29.5% - the largest increase among all industry sectors. The largest decrease was registered by the Agriculture/Environment industry sector (-14.2%).

Total Income by Sub Sector (Average, £ m)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

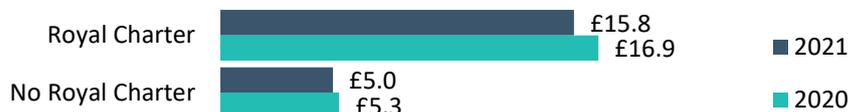
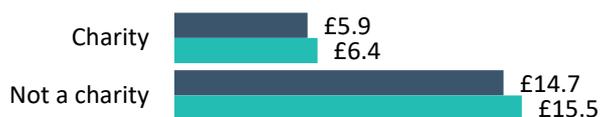
Professional bodies with a Royal Charter returned 3.1 times the total income of those without – £15.8m compared to £5m on average. However, between 2020 and 2021, those without a Royal Charter achieved a smaller decrease in total income than those with one: -5.2% compared to -6.5%.

Regulatory bodies had a significantly higher total income than professional associations (around 2.6 times) - £20.2m compared to £7.8m on average.

While both types of professional body exhibited a decrease on average, regulatory bodies saw a lower decrease in this figure from 2020 (-3.1%, compared to -6.6% for professional associations).

Both charities and non-charities average a decrease in total income since 2020 (-6.8% and -5.3% respectively). Non-charities had 2.5 times the total income of charities - £14.7m compared to £5.9m on average.

Total Income by Constitution (Average, £ m)



By Size

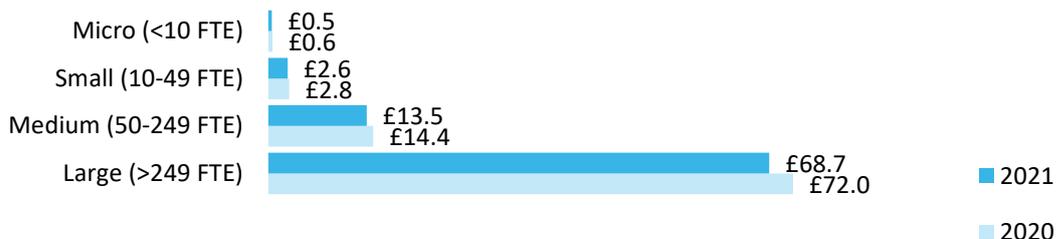
As previously exhibited, it should not come as a surprise that total income decreased here, and did so in proportion with the organisation's size, both in terms of number of FTE employees and members.

Looking at size by number of members, the average total income of small (under 5,000 members), medium (5,000-20,000 members) and large (over 20,000 members) professional bodies in 2020 were

£1.1m, £5.5m and £33m respectively.

Looking at size by number of FTE employees, small (10-49 FTE), medium (50-249 FTE), and large (over 249 FTE) professional bodies saw a decrease in total income when compared to 2020 (-7.7%, -6.2% and -4.5% respectively). Micro professional bodies (less than 10 FTE) saw their average income decrease the most, by 13.9%.

Total Income by Size (Average, £ m)



Income Per Member

By Sub Sector

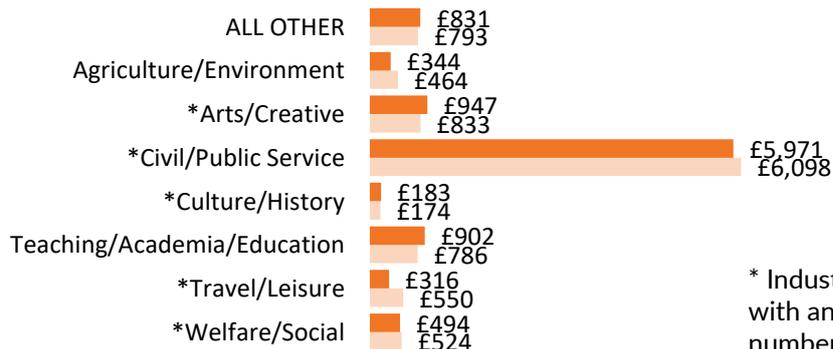
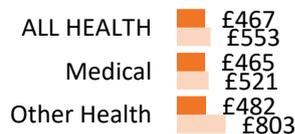
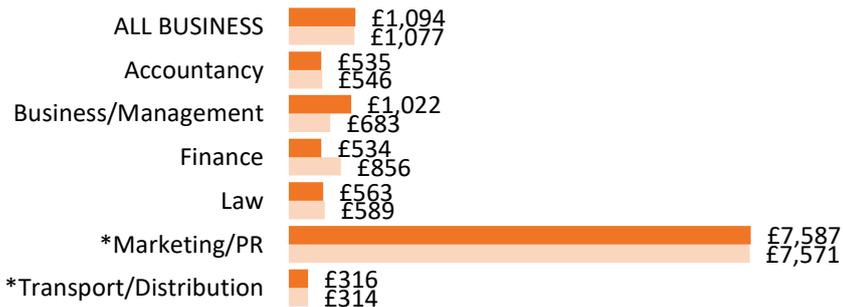
The Business sub sector had the highest average income per member (£1,094). It also had a small growth of 1.6% since 2020. This contrasts with the much larger decline of the remaining sectors: The Health sub sector saw its income per member decline the most (-15.6%), meanwhile the Engineering and Other sub sector saw a similar decrease, (-4.2% and -4.7% respectively).

Looking at industry sectors, the Business/Management industry sector had highest income per member (£1,022 on average). It was followed

by the Teaching/Academia/Education and Science industry sectors (£902 and £849 respectively). At the other end of the scale, the Engineering/Technology, Surveying/Construction/Architecture and Agriculture/Environment industry sectors had the lowest average income per member (£211, £330, and £344 respectively).

The averages have decreased for most industry sectors since 2020, the three highest averages (Business (49.6%, Teaching 14.9%, and Science 4.5%) the exception to this trend.

Income Per Member by Sub Sector (Average, £)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

There were marked differences in income per member based on charitable status and chartered status.

Charities had a lower average income per member when compared to non-charities (£527 vs £1,041). However, they saw a 10.6% decrease in this figure compared to 2020 while non-charities saw an increase by 7.7%.

Royal Charter professional bodies had a higher income per member when compared to those without a Royal Charter (£736 vs £617). Royal

Charter professional bodies saw a decrease in this figure when compared to 2020 (-10.6%). Non Royal Charter professional bodies meanwhile saw an increase (3.7%).

Regulatory bodies had a moderately higher average income compared to professional associations (£687 vs £450). Both saw a decrease in this figure compared to 2020 with regulatory bodies witnessing a major decrease compared to professional associations (-28.8% vs -1.6% respectively).

Income Per Member by Constitution (Average, £)



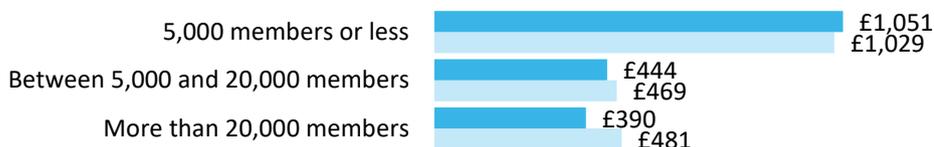
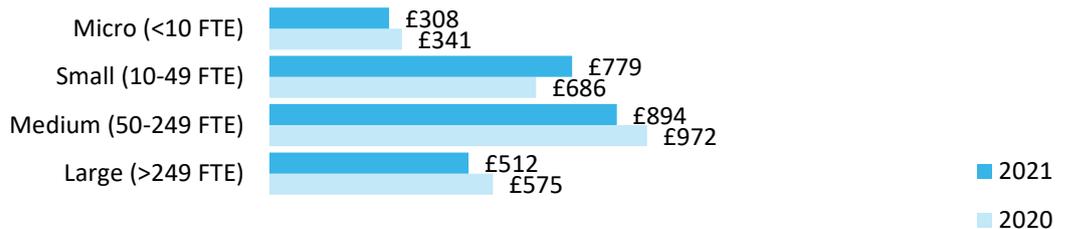
By Size

Looking at professional bodies' size by number of FTE employees, we note that for the most part, average income per member decreased. Interestingly, only small professional bodies (10-49 FTE) saw an increase in income per FTE employee (13.5%) at £779 on average. Large FTE professional bodies (>249 FTE) saw the largest decrease (-10.9%). Medium sized professional bodies by number of FTE employees (50-249) saw the smallest decrease (-8%). Micro

professional bodies by number of FTE employees had the lowest average income at £308.

Small professional bodies according to member size (under 5,000 members) had the only increase in average income (2.1%). Large ones (over 20,000 members) saw a large decrease (-19%). Medium sized organisations were typically the median, witnessing a decrease of -5.3% on average (£444).

Income Per Member by Size (Average, £)



Section 2

Sources of Income

2

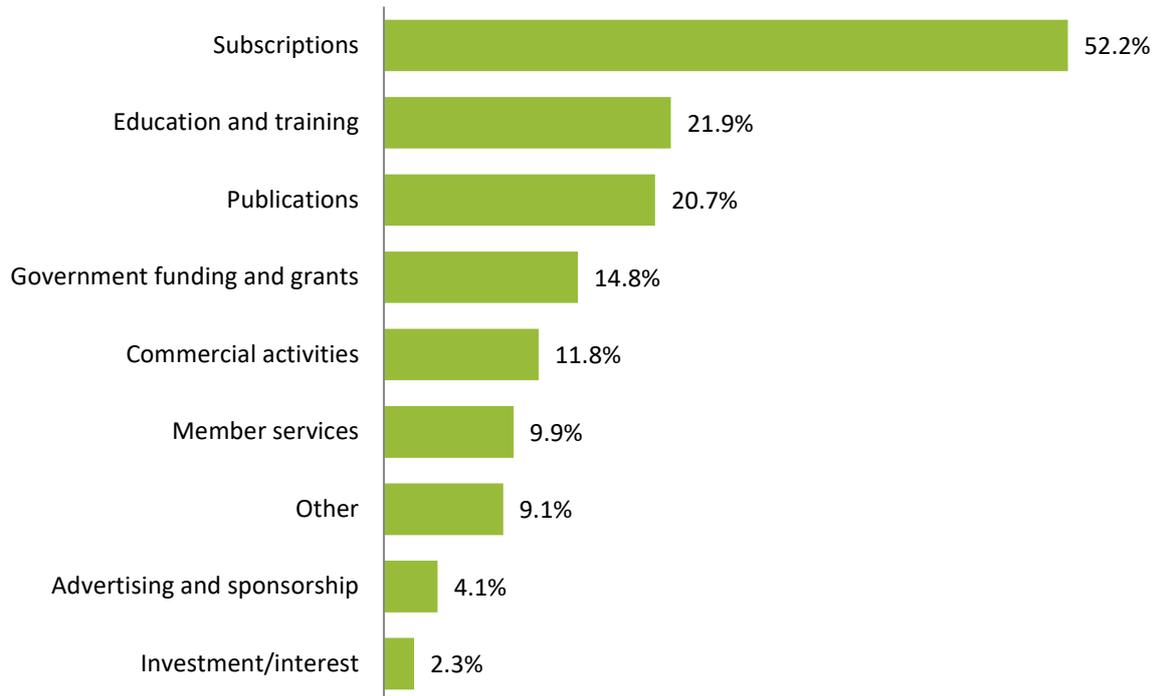
Sector as a Whole

As there is considerable variation in how professional bodies define individual income streams in their annual reports, we have grouped these streams into the following categories:

- Subscriptions (including income from subscription, registration and licence fees)
- Education and training (including income from training provision, CPD, examination fees, accreditation, validation, qualification and certification)
- Publications
- Advertising and sponsorship
- Government funding and grants (including income from government and other grants, donations, legacies and bequests)
- Investment/interest
- Commercial activities (including income from trading subsidiaries, joint ventures, room hire, lettings, royalties and commission)
- Member services (including income from conferences, events, seminars, meetings, branches and special interest groups)
- Other (including income from public affairs, advancement of profession, campaigns, research, consultancy, special projects and other)

We note that these categories often overlap. For example, income from advertising and sponsorship is often not reported as a standalone item but is included in the overall figure for income from publications or events. Similarly, income from training/CPD may only be consolidated under income from events. Income from joint ventures or subsidiaries often represents consolidated income from training, events, publications and venue hire.

Sources of Income as % of Total Income (Average)



The most commonly used income categories in annual reports were subscriptions and investment/Interest. They were present in 92% and 89% of reports respectively. Other categories were present in 23% - 65% of annual reports.

While this lack of standardisation in reporting makes it difficult to paint a cumulative picture of sources of income, it still enables us to view each source in its own right.

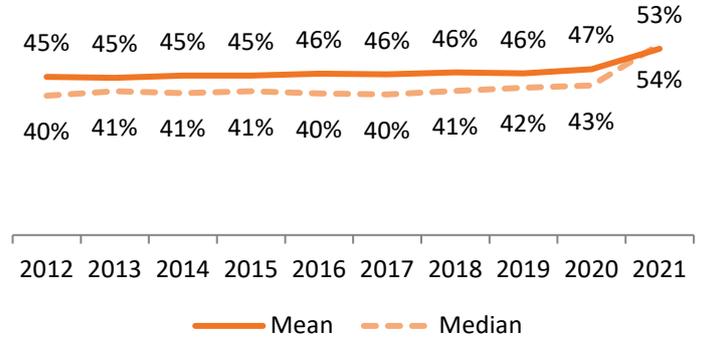
The top three sources of income remained the same for 2021, subscriptions (52.2% of average income), education and training (21.9%), and publications (20.7%). Government funding and grants (14.8%) took the fourth spot, replacing member services. This can be attributed to many professional bodies claiming the Coronavirus Job Retention Scheme Grant.

Sources of Income as % of Total Income

Looking at trends over time, we see that income from member subscriptions and publications were the only sources of income to experience a steady increase since 2012. Education and training previously maintained this upward trend, however, in 2021 has displayed a drop in income levels, down 1%. Other sources of income either stayed the same or declined. This appears to suggest that primary avenues for diversifying from reliance on income from member subscriptions still concern developing publications but there has been a small move away from developing an education and training.

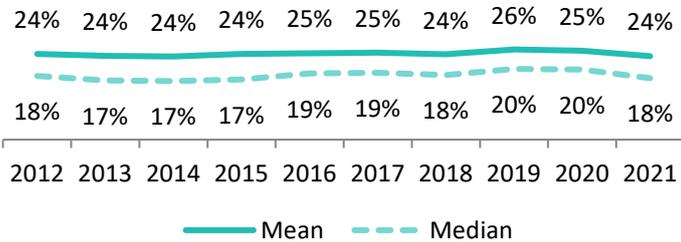
The contribution of income from investment/interest to the total income has remained stable since 2012 however, commercial activities have seen a notably faster drop off, its lowest rate since 2012.

Subscriptions



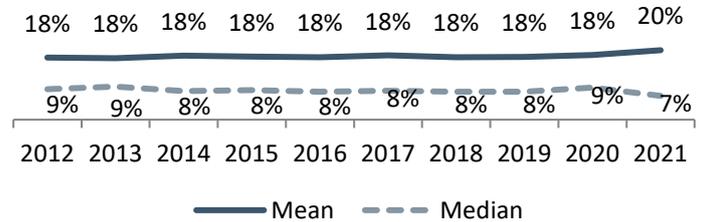
Base: 200

Education and Training



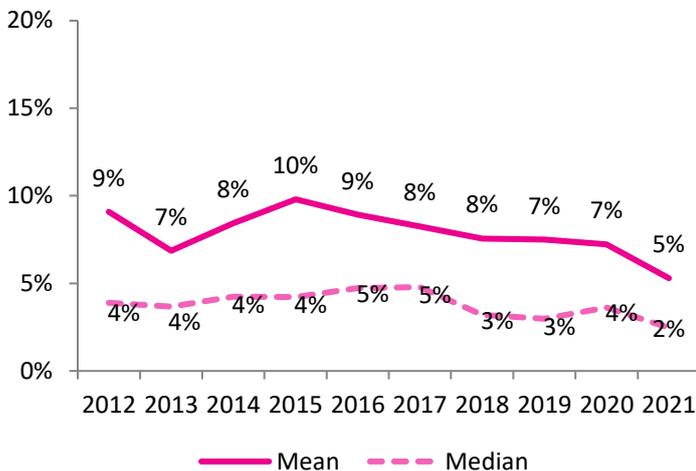
Base: 134

Publications



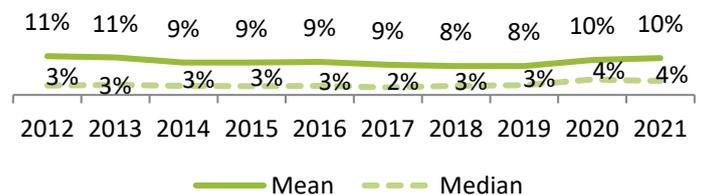
Base: 92

Advertising and Sponsorship



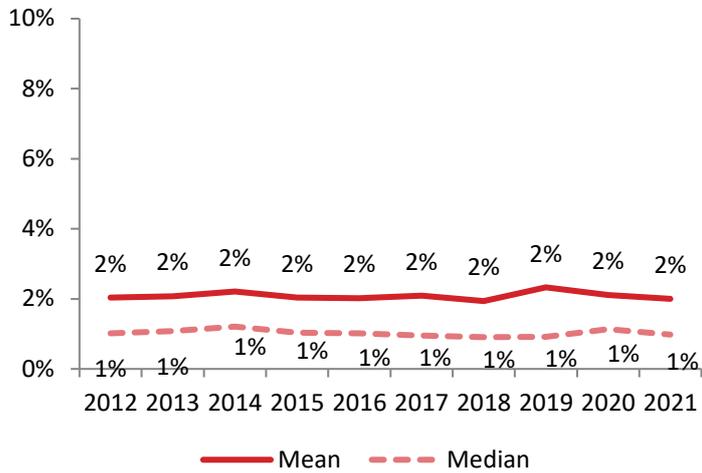
Base: 29

Government Funding and Grants



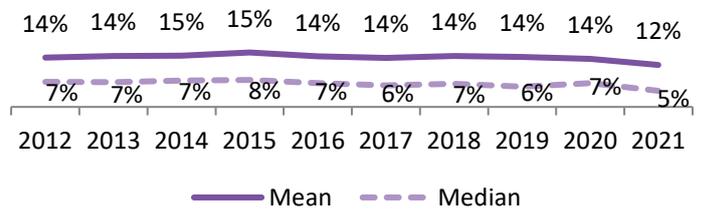
Base: 83

Investment/Interest



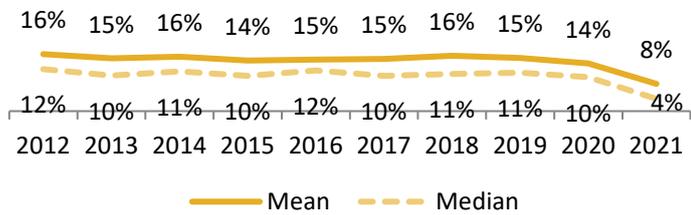
Base: 186

Commercial Activities



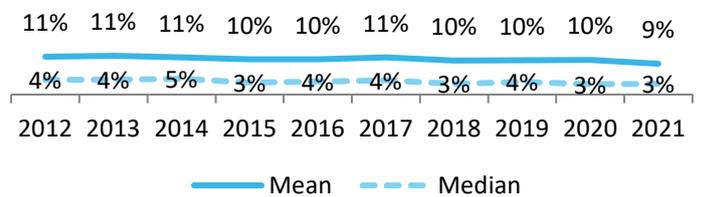
Base: 74

Member Services



Base: 100

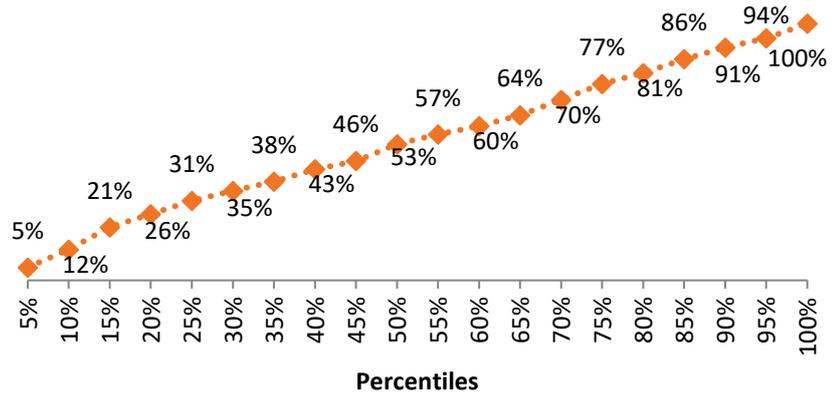
Other



Base: 117

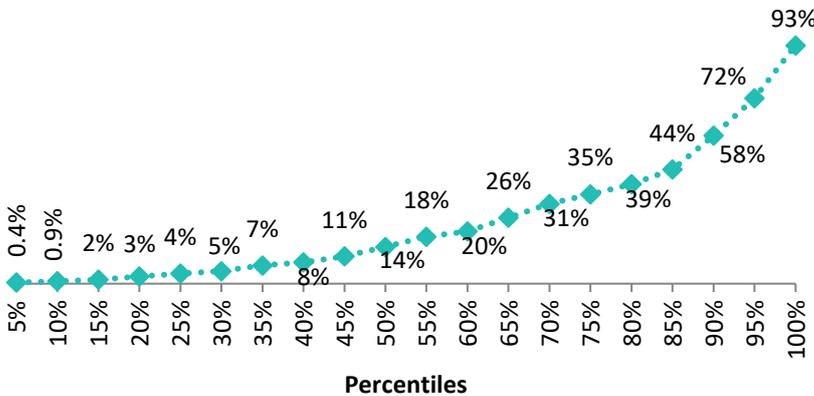
Subscriptions as % of Income

Roughly 30 or 40 years ago, the proportion of income from member subscriptions was estimated to be 80%. In 2021, a fifth of professional bodies (21%) derived this much income from member subscriptions. Furthermore, 53% derived over 50% of their income from this source and, encouragingly, 15% derived 20% or less of income from it. On average, 52.2% of income came from member subscriptions.



Base: 280

Education and Training as % of Income

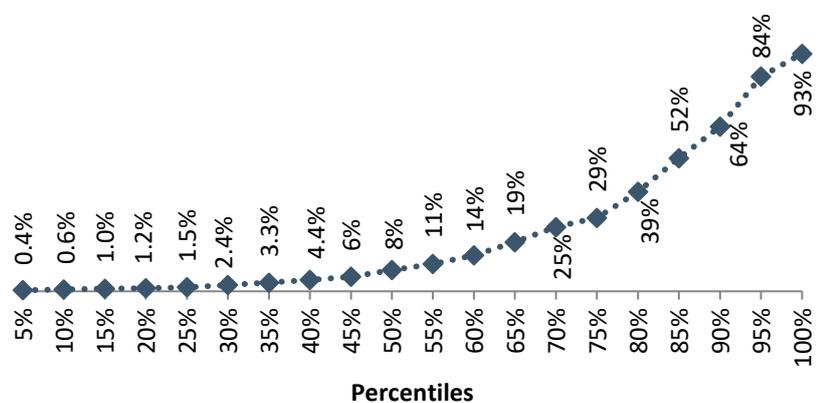


For the vast majority of professional bodies (95%) the contribution of income from education and training to the total income was no more than 72%. The median contribution was 14.3% and the average was 21.9%.

Base: 191

Publications as % of Income

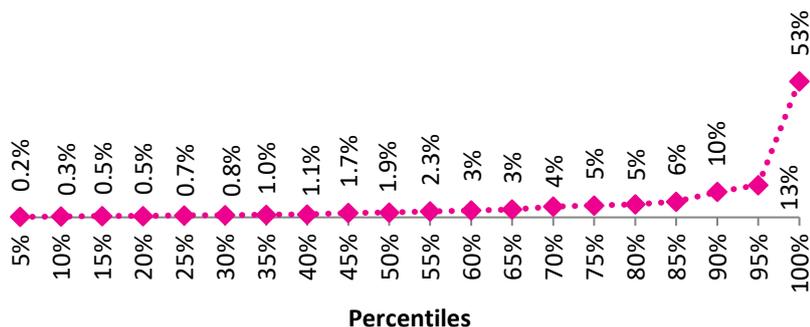
The contribution of income from publications to the total income was 20.7% on average. The median was 8.3%. 95% of professional bodies derived no more than 84% of their total income from this source.



Base: 137

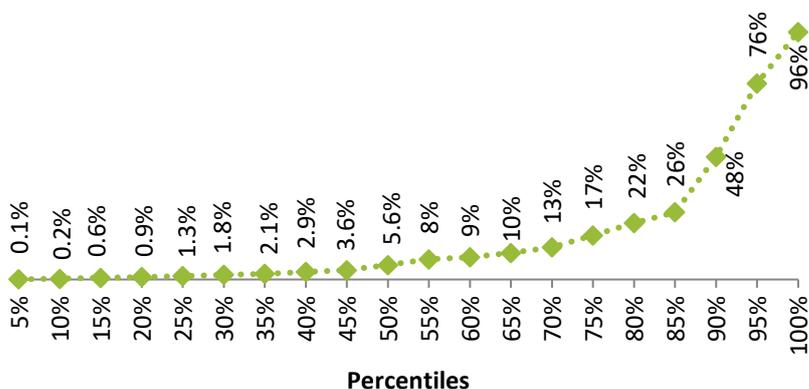
Advertising and Sponsorship as % of Income

Income from advertising and sponsorship contributed a very small amount to the total income in 2021- 4.1% on average, 1.9% median. Only one professional body saw income from this source make up more than 50% of their total income.



Base: 70

Government Funding and Grants as % of Income

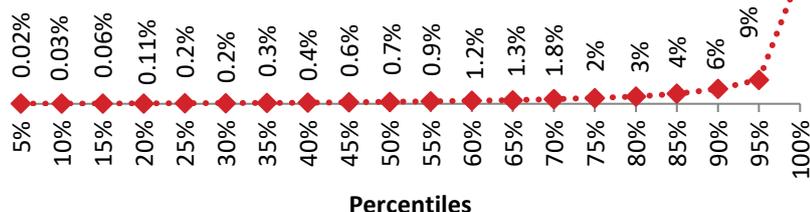


On average, 14.8% of total income came from government funding and grants. The median was much smaller – 5.6%. Only 10% of professional bodies made over 50% of their income from this source, with the highest percentage being 96%.

Base: 154

Investment and Interest as % of Income

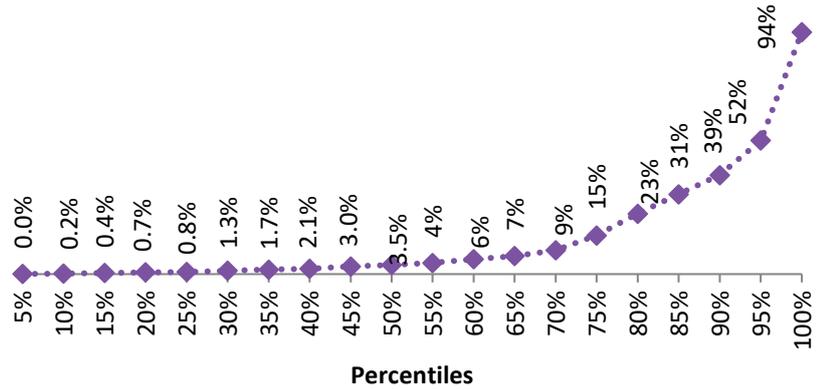
Income from investment/interest also constituted a small proportion of total income (2.3% on average, 0.7% median). While one professional body saw investments/interest make up 51% of their total income, for the vast majority (95%) this proportion did not exceed 9%.



Base: 270

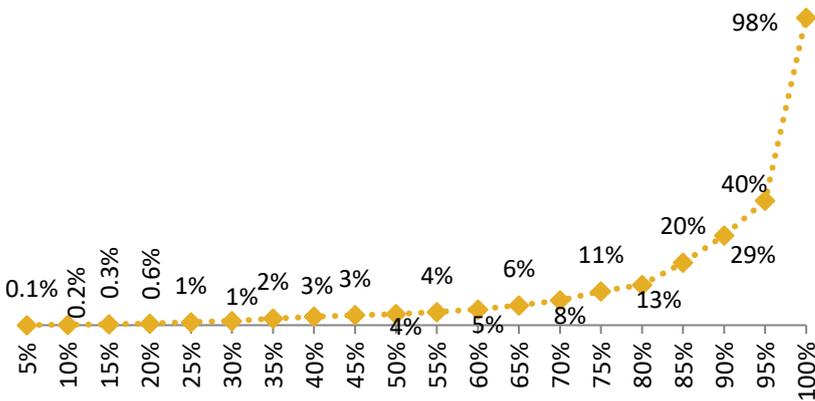
Commercial Activities as % of Income

Income from commercial activities constituted 11.8% of total income on average. The median value was 3.5%. For 95% of professional bodies the contribution of income from this source to the total income did not exceed 52%, although one professional body derived 94.0% of its total income from commercial activities.



Base: 126

Member Services as % of Income

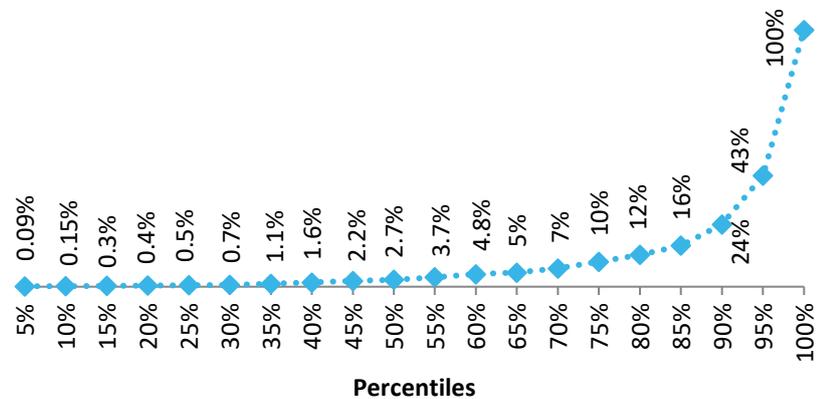


Base: 169

On average, income from member services constituted 9.9% of total income. The median proportion of income from this source was 3.6%. The highest proportion of income a professional body derived from member services was 98%, but for 95% of professional bodies it was no more than 40.0%.

Other as % of Income

On average, income from other sources contributed 9.1% to the total income, with the median standing at 2.7%. For most professional bodies (95%) income from this source contributed no more than 43% to the total income.



Base: 198

Income From Member Subscriptions

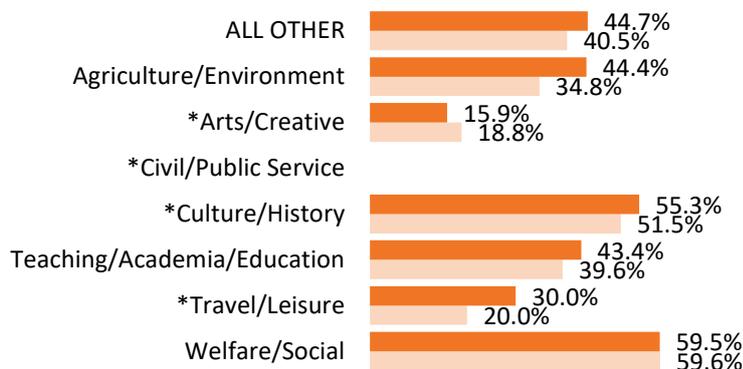
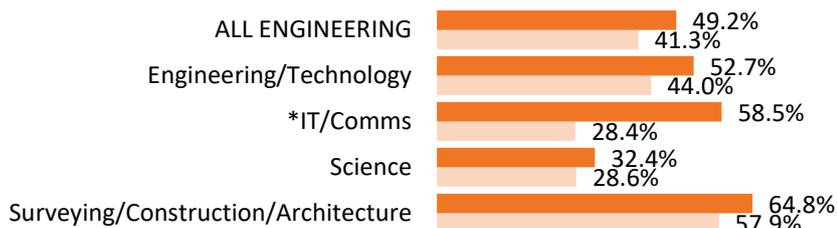
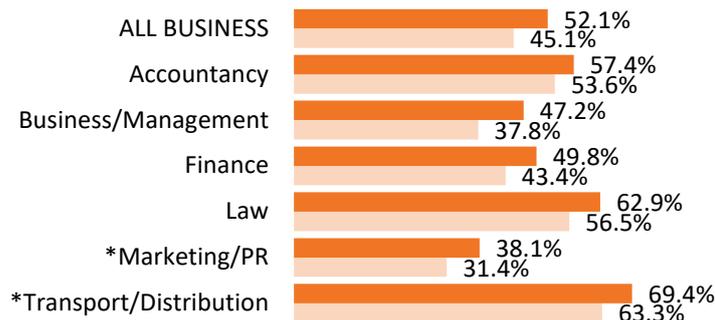
By Sub Sector

The Health sub sector was the most reliant on income from member subscriptions. On average, it derived 58.1% of its total income from this source. The Business and Engineering sub sectors followed (52.1% and 49.2% respectively). The Other sub sector was least reliant on this source, having made 44.7% of total income from it.

Among the industry sectors, the Other Health, Surveying/Construction/Architecture, Law, Welfare/Social, Accountancy industry sectors

derived the most of their total income from member subscriptions (65.4%, 64.8%, 62.9%, 59.5% and 57.4% on average respectively). The Science industry sector was least reliant on income from this source, having made 32.4% of its total income on average from member subscriptions. The Agriculture/Environment industry sector displayed the largest increase from 2020, 27.7%. The Welfare/Social industry sector saw the only decrease, minimal as it was, since 2020 (-0.1%).

Income From Member Subscriptions as % of Total Income by Sub Sector (Average)



2021
2020

* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Regulatory bodies derived a substantially higher proportion of income from registrant fees than professional associations did from member subscriptions. The average contribution of income from this source to the total income for them was 76.4%, while for professional associations it was 50.1%.

Charities were less reliant on income from member subscriptions than non-charities, with respective average proportions of this income source out of total

income being 47.7% and 66.7%.

The distinctions between professional bodies with and without a Royal Charter were more minor. Those without a Royal Charter derived 55.4% of their total income from member subscriptions on average, while those with a Royal Charter derived 46.7%.

The contribution of income from this source has increased for all types of organisations since 2020.

Income From Member Subscriptions as % of Total Income by Constitution (Average)



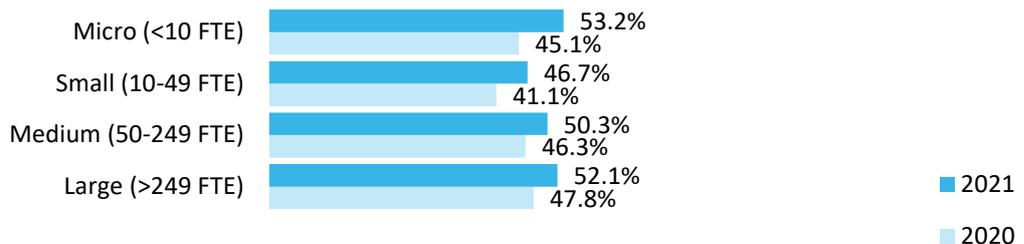
By Size

There was a positive relationship between proportion of income from member subscriptions and the organisation's size by number of members.

The contribution of income from member subscriptions to the total income increased from an average of 53.2% for micro professional bodies (under 10 FTE) to an average of 52.1% for large ones (over 249 FTE).

Similarly, looking at the size by number of members, small professional bodies (under 5,000 members) made 44.5% of their total income from this source on average, while large ones (over 20,000 members) made 55.8%. Medium professional bodies (5,000-20,000 members) saw their proportion of income from member subscriptions increase since 2020 (by 10.7%).

Income From Member Subscriptions as % of Total Income by Size (Average)



Income From Education and Training

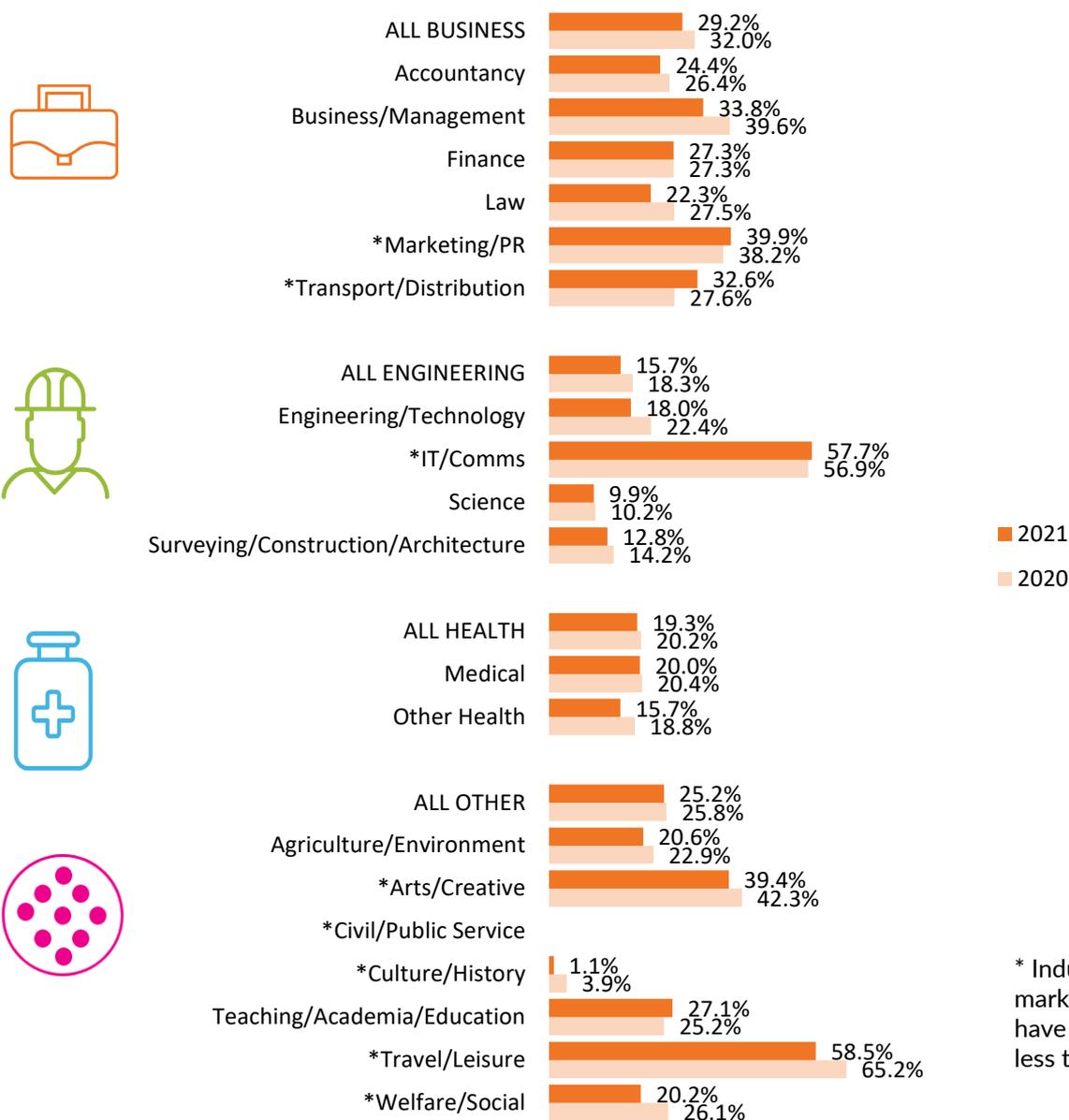
By Sub Sector

The Business sub sector derived the highest proportion of income from education and training (29.2% on average). The Other sub sector followed (25.2%), the Health sub sector made on average 19.3% of income from this source and the Engineering sub sector made 15.7%. All sub sectors witnessed a decrease in using this source of income with the Engineering sub sector seeing the largest fall at 14.4%.

Looking at industry sectors, we observe that the

Business/Management industry sector derived the highest proportion of its total income from education and training 33.8% on average. Other industry sectors with a high proportion of income from this source were Finance (27.3%), Teaching/Academia/Education (27.1%), Accountancy (24.4%) and Law (22.3%). The Science industry sector made the lowest proportion of income from education and training (9.9% on average).

Income From Education and Training as % of Total Income by Sub Sector (Average)



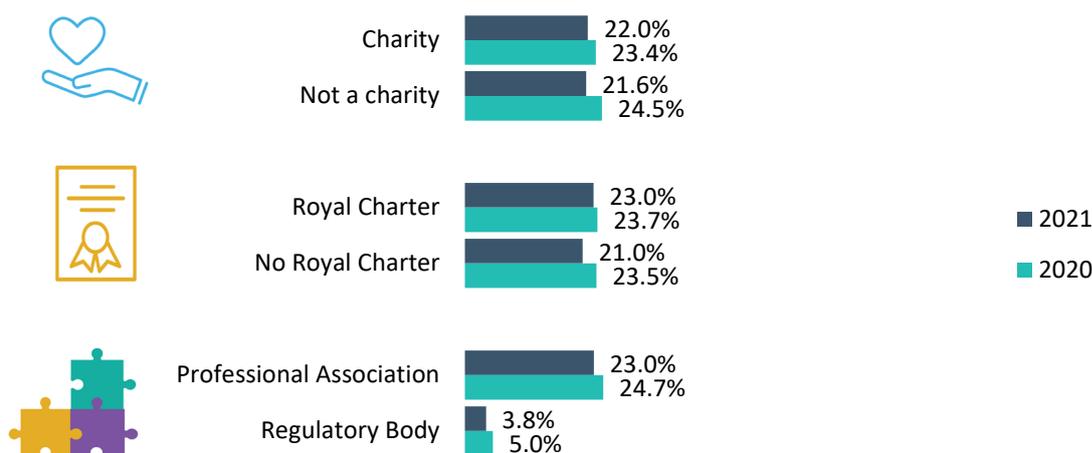
By Constitution

As expected, professional associations derived a remarkably higher proportion of their income from education and training than regulatory bodies – 23% compared to 3.8% on average.

and between professional bodies with and without a Royal Charter were not pronounced. The contribution of income from education and training to the total income was in the region of 21%-23% for all groups.

Distinctions between charities and non-charities

Income From Education and Training as % of Total Income by Constitution (Average)



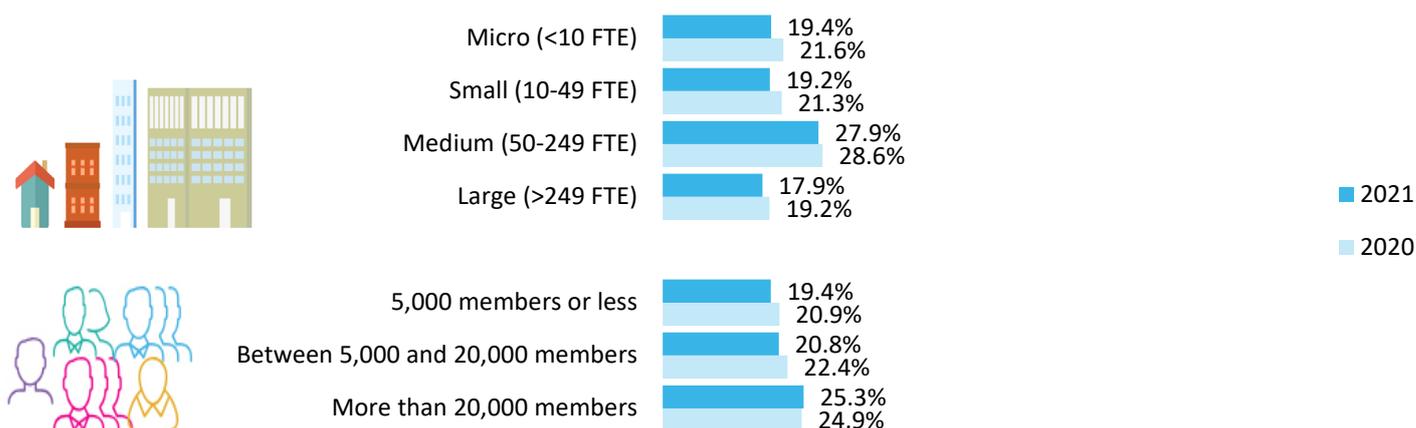
By Size

Large professional bodies in terms of number of members made the highest proportion of income from education and training (25.3%) as did medium professional bodies measured by number of FTE employees (27.9%).

size saw an increase in contribution of income from education and training to the total income since 2020 (1.3%). Small and medium professional bodies both saw a decrease of just over 7%. By FTE employee numbers, micro professional bodies saw the biggest decrease at -10.2%.

Only the largest professional bodies according to member

Income From Education and Training as % of Total Income by Size (Average)



Income From Publications

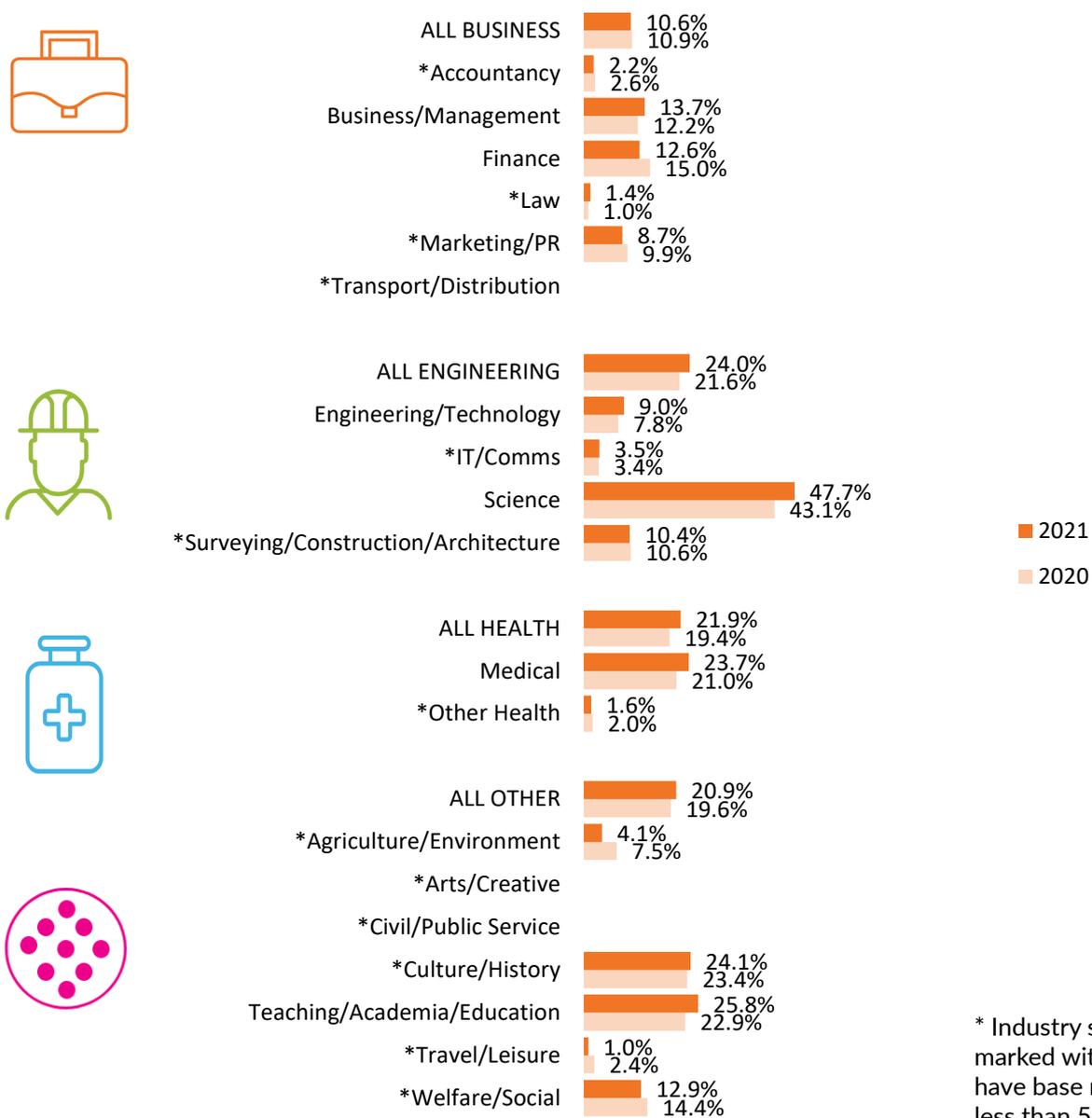
By Sub Sector

The contribution of income from publications to the total income was highest in the Engineering sub sector (24% on average). The Health and Other sub sectors followed (21.9% and 20.9% respectively). Professional bodies in the Business sub sector derived the smallest proportion of total income from this source (10.6% on average). Compared to 2020, the Health and Engineering sub sectors saw a substantial increase in the proportion of income from this source (13% and 11% respectively). The

Other sub sector saw a much smaller increase (6.4%) while the Business sub sector saw a decrease from 2020 at -2.7%.

Looking at industry sectors, the proportion of income from publications was by far the highest in the Science industry sector (47.7% on average). The Engineering/Technology and Finance industry sectors had the lowest figures (9% and 12.6% respectively).

Income From Publications as % of Total Income by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

The contribution of income from publications to the total income was higher for charities than non-charities (22% compared to 13.9% on average respectively) and for professional bodies without a Royal Charter than for those with one (23.5%

compared to 16.9% on average respectively). Non charities were the only group to display a serious downturn in publication income as part of their total income (-4.2%)

Income From Publications as % of Total Income by Constitution (Average)



■ 2021
■ 2020

* Constitution characteristics marked with an asterisk have base numbers of less

By Size

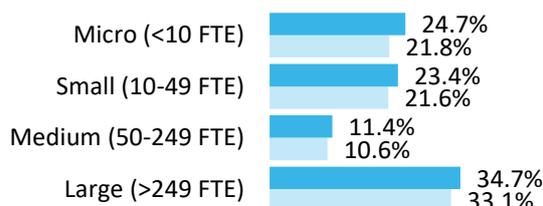
There was no clear relation between the proportion of income derived from publications and the organisation's size, in terms of number of FTE employees. When considering member size the proportion of publication income drops as the organisation expands in scale.

Large professional bodies (over 249 FTE) made 34.7% of total income from this source on average. Micro (under 10 FTE) and small (10-49 FTE) ones derived a lower, and similar, proportion of income from

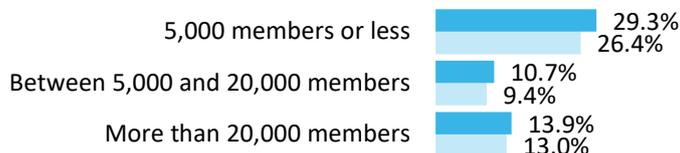
publications (24.7% and 23.4% respectively), while medium professional bodies (50-249 FTE) derived only 11.4% of their total income from this source on average.

Small professional bodies by number of members (under 5,000 members) derived a higher proportion of income from this source than medium (between 5,000 and 20,000 members) and large (over 20,000 members) ones – 29.3% compared to 10.7% and 13.9% respectively on average.

Income From Publications as % of Total Income by Size (Average)



■ 2021
■ 2020



Income From Government Funding and Grants

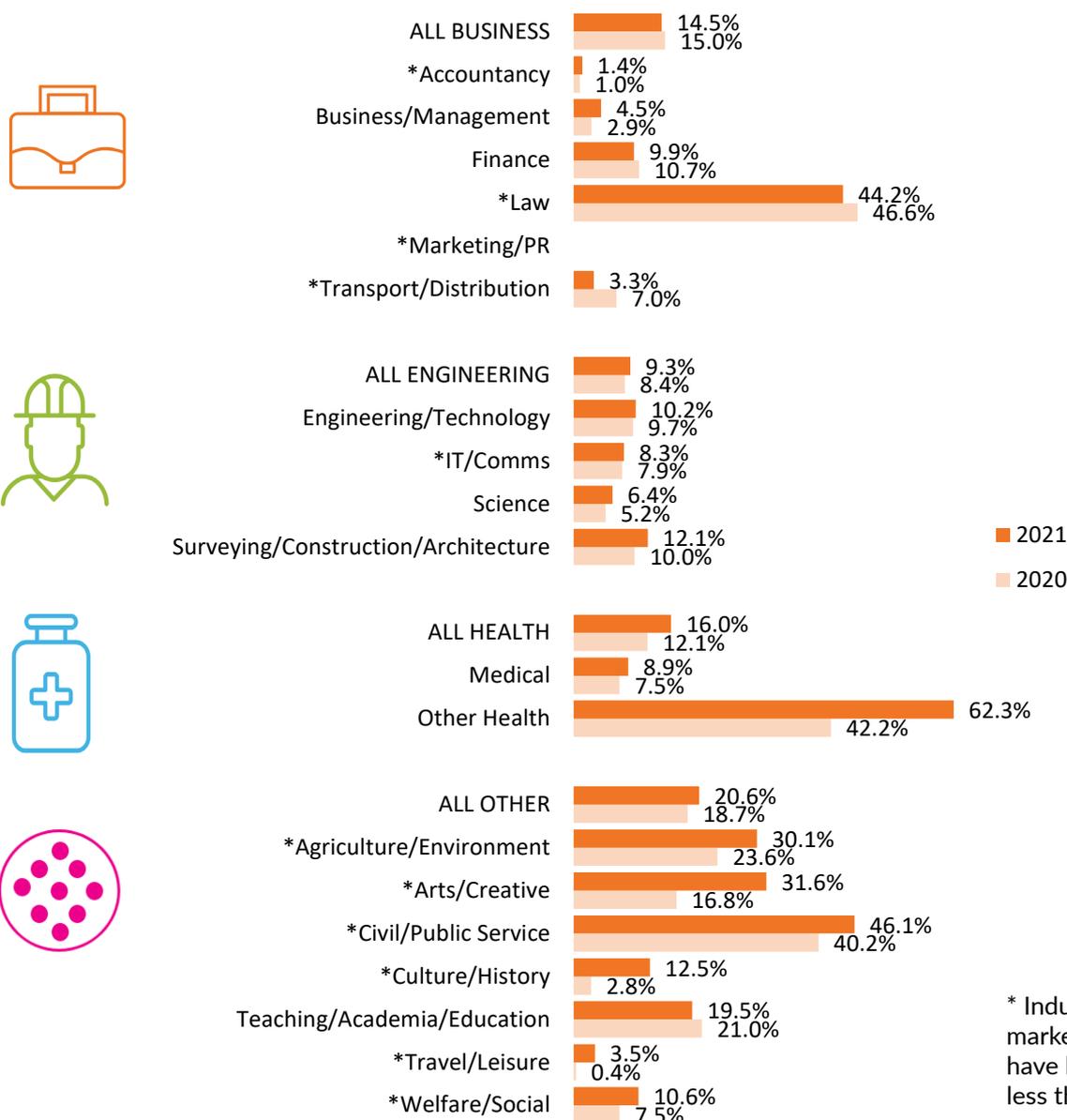
By Sub Sector

Income from government funding and grants constituted a high proportion of total income in the Other sub sector (20.6% on average). Health and Business sub sectors derived a similar number, 16% and 14.5% of total income from this source. The Engineering sub sector was the only sub sector which saw the proportion of income from member services decrease (by 3.6%).

Looking at industry sectors, the contribution of income from government funding and grants to the total income was the highest in the Other Health sector with

a staggering 62.3%. This greatly overshadows Teaching/Academia/Education and Surveying/Construction/Architecture sectors who displayed 19.5% and 12.1% respectively on average. The Business/Management industry sector, on the other hand, had the lowest figure- only 4.5%. The average proportion of income from this source has grown considerably since 2020 in the Other Health industry sector (by 47.7%). Meanwhile, the Teaching/Academia/Education and Finance sectors were the only ones to witness a decrease, (by about 8% each).

Income From Government Funding and Grants as % of Total Income by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

The greatest differences in the proportion of income from government funding and grants were between professional associations and regulatory bodies, which respectively derived 13.2% and 44.6% of total income from this source on average.

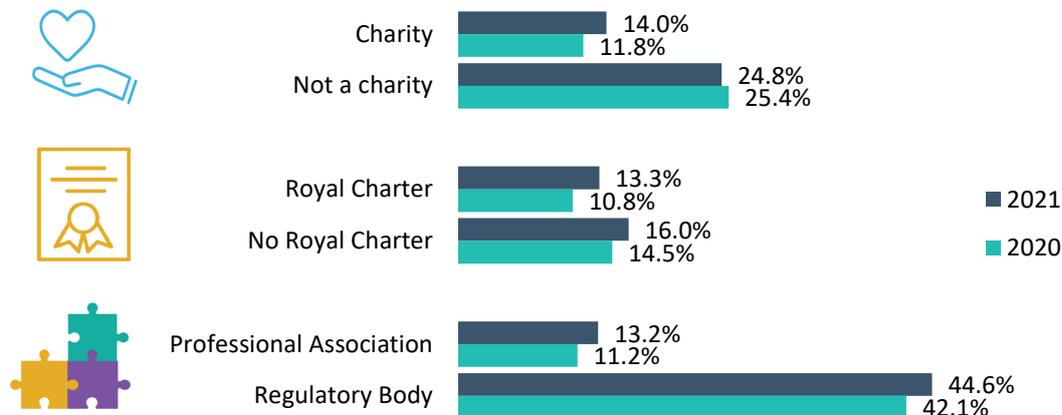
Professional bodies without a Royal Charter derived a higher proportion of income from member services than Chartered ones, though relatively minor in comparison

to the aforementioned grouping (16% on average, compared to 13.3% respectively).

Charities derived 14% of their total income from this source, while non-charities derived a little under 25% on average.

Non-charities saw a small decrease in this proportion since 2020 (-2.6%), while other types of organisations saw an incline.

Income From Government Funding and Grants as % of Total Income by Constitution (Average)



By Size

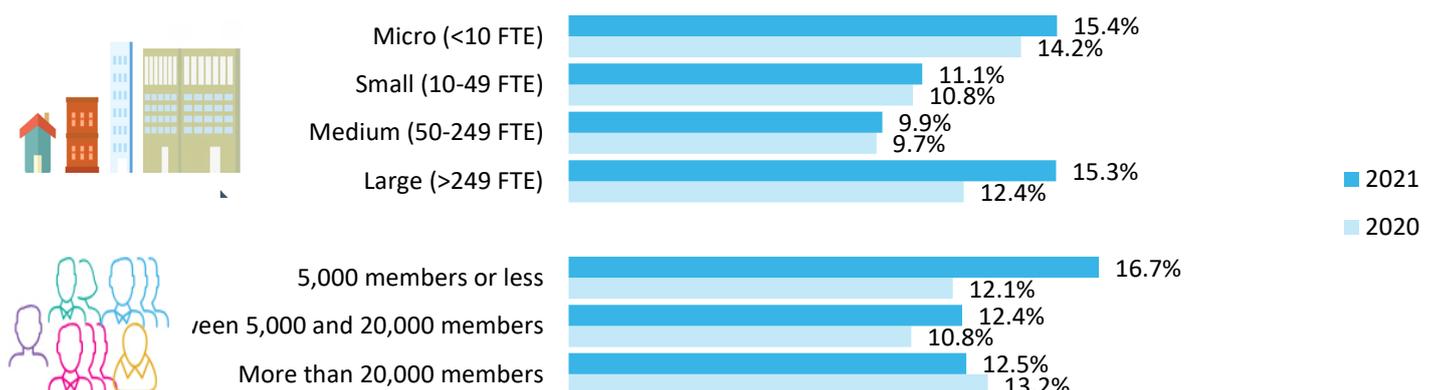
The proportion of income from government funding and grants was relatively balanced across the board when considering organisation's size by number of FTE employees and number of members.

While micro professional bodies (under 10 FTE) derived 15.4% of their total income from this source on average, this proportion dropped to 11.1% for small professional bodies (10-40 FTE), 9.9% for medium ones (50-249 FTE) but then rises to 15.3% for large professional

bodies (over 249 FTE).

While professional bodies with a small membership base (under 5,000 members) derived 16.7% of their total income from government funding and grants on average, medium ones (between 5,000 and 20,000 members) derived 12.4% and large professional bodies (over 20,000 members) derived 12.5% of total income from this source.

Income From Government Funding and Grants as % of Total Income by Size



Section 3

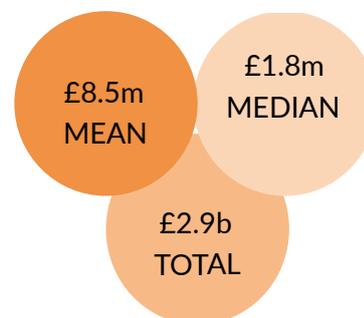
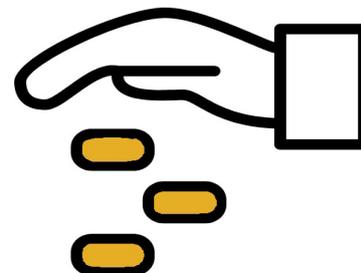
Total Expenditure

3

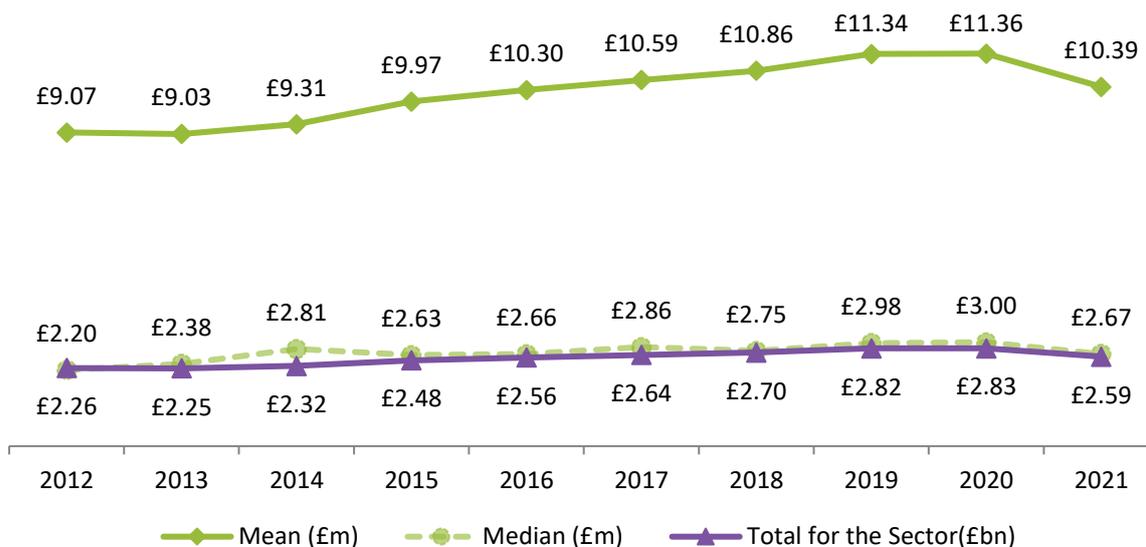
Sector as a Whole

In 2021, the combined expenditure for the professional body sector was £2.9 billion. An average professional body had an expenditure of £8.5 million and a median expenditure of £1.8 million.

Year on year comparisons show a gradual rise in expenditure over the last nine years, although we can note a dip in the cumulative and mean expenditure in 2013 and in the median expenditure in 2015 and 2016. However, this is the first year where there has been a sizeable drop in expenditure, decreasing by almost one million to an average not seen since



Total Expenditure

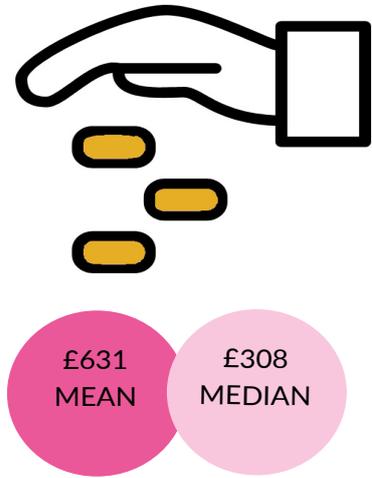


Base: 249

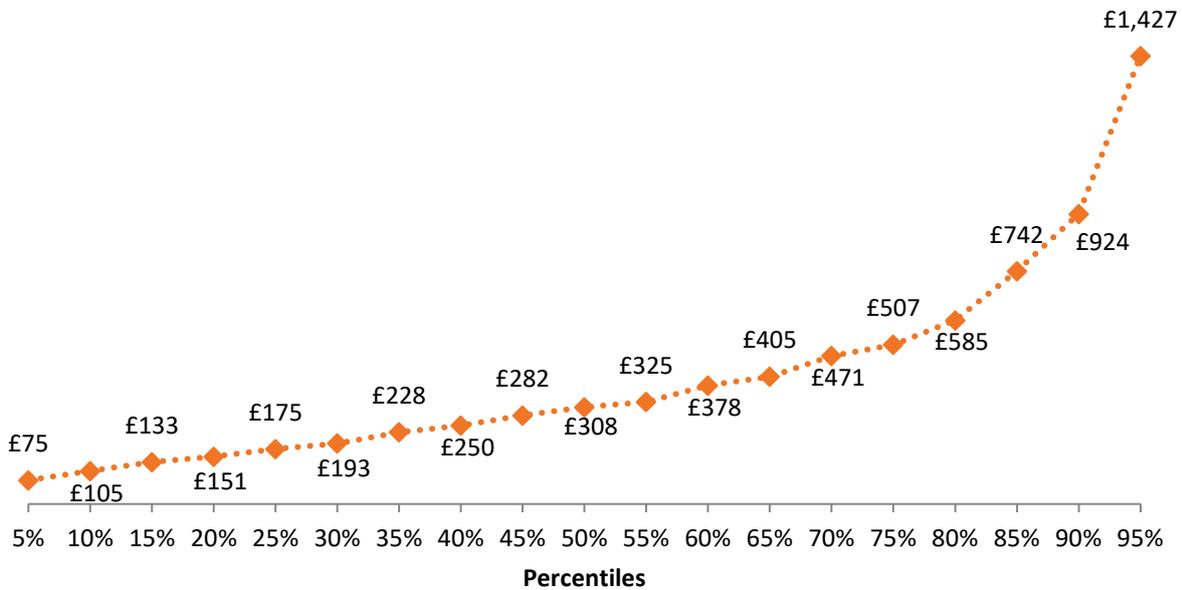
Per Member

The mean expenditure per member in 2021 was £631.1, a 7% decrease from 2020.

The expenditure per member typically ranged between £175 and £507 (25th and 75th percentiles), with a median of £308. 10% of professional bodies had a much larger figure - £924 or more. The highest expenditure per member totalled £19,409 - 21 times the 95th percentile. This was for the same professional body that had the highest income per member.



Total Expenditure Per Member



Base: 218

Total Expenditure

By Sub Sector

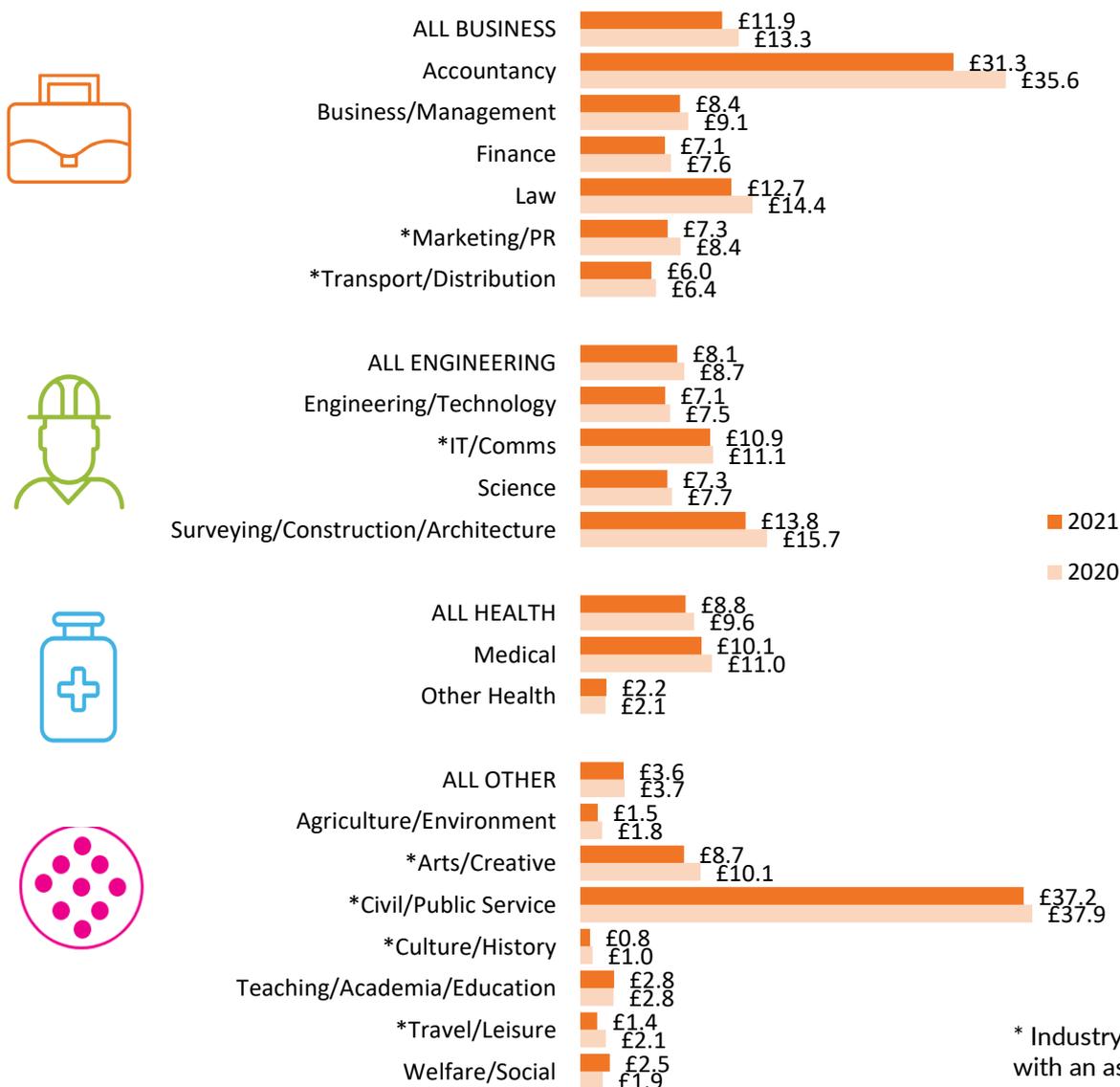
The Business sub sector had the highest total average expenditure (£11.9m), followed by the Health (£8.8m), Engineering (£8.1m) and Other (£3.6m) sub sectors. All sub sectors were subject to decreases in expenditure since 2020, the largest of this being in the Business sub sector (-10.3%).

Reviewing industry sectors, the Accountancy industry sector had the highest average expenditure – £31.3m. Other industry sectors with a high expenditure were Surveying/Construction/Architecture (£13.8m), Law (£12.7m) and Medical (£10.1m). At the other end of the scale, Other Health, Teaching/Academia/Education,

Agriculture/Environment and Welfare/Social industry sectors all had an average expenditure below £3m.

The Agriculture/Environment industry sector saw the largest decrease in the average expenditure since 2019 (-19.3%). The Accountancy, Surveying/Construction/Architecture and Law industry sectors all saw a similar drop in expenditure, around 12%. The Welfare/Social sector saw the highest and most substantial increase, 32%. The only two other industry sectors that increased their expenditure were Other Health and Teaching/Academia/Education- 3.5% and 1.5% respectively.

Total Expenditure by Sub Sector (Average, £ m)



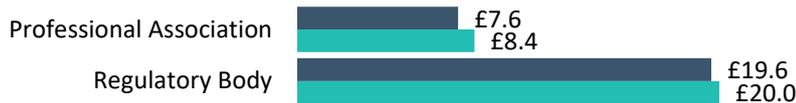
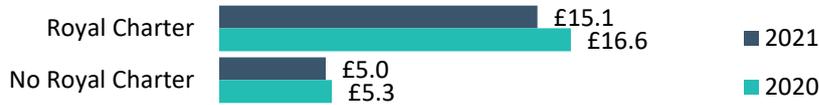
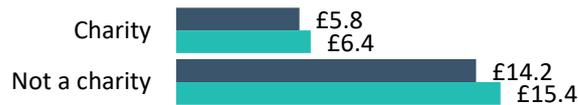
* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Total average expenditure for charities was less than half that for non-charities - £5.8m compared to £14.2m. Similarly, regulatory bodies had a markedly higher expenditure than professional associations (£19.6m compared to £7.6m on average). Professional bodies with a Royal Charter

had roughly three times more average expenditure than non-chartered ones (£15.1m compared to £5m). All groups saw a decrease in their expenditure since 2020, the largest drop witnessed in Royal Charter professional bodies (-9.5%)

Total Expenditure by Constitution (Average, £ m)



By Size

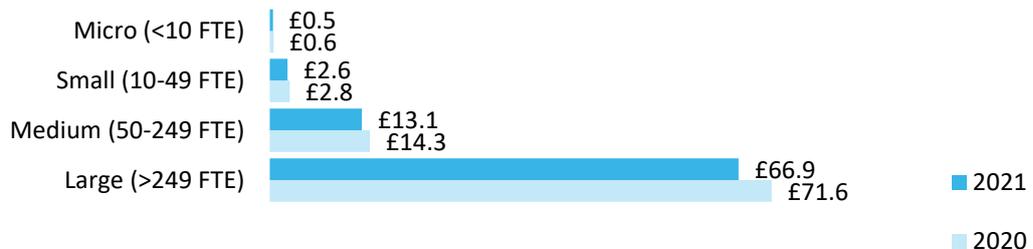
Expenditure was linked with an organisation's size, both in terms of number of employees and members.

£66.9m for the largest professional bodies (over 249 FTE).

For micro professional bodies (under 10 FTE), the average expenditure was just £0.5m, but it rose to £2.6m for small professional bodies (10-49 FTE), £13.1m for medium sized ones (50-249 FTE) and

Professional bodies with a small membership base (under 5,000 members) had a total expenditure of £1.1m on average, while medium and large ones had £5.4m and £31.4m respectively.

Total Expenditure by Size (Average, £ m)



Expenditure Per Member

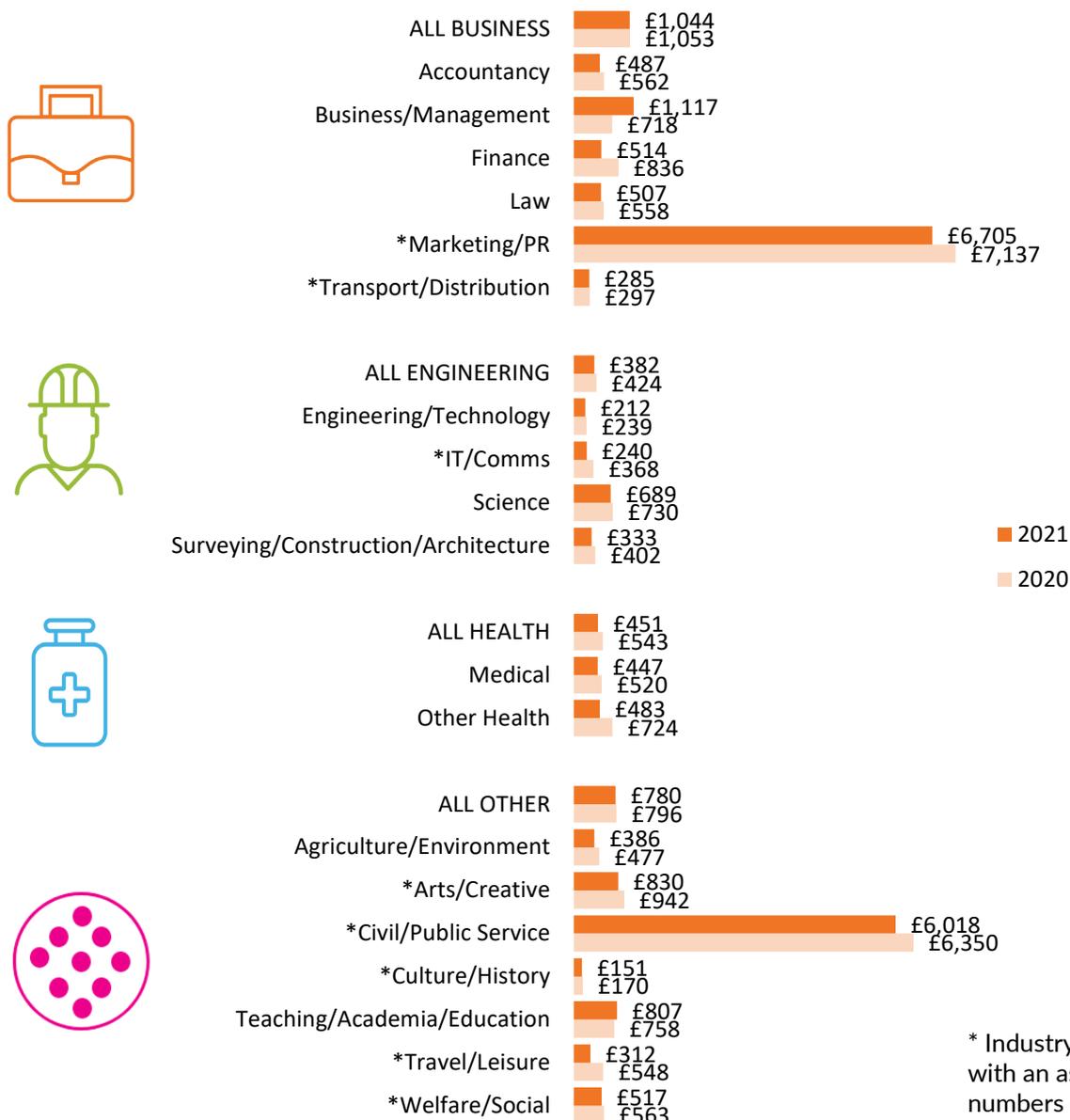
By Sub Sector

The Business sub sector had the highest expenditure per member (£1,044 on average). The other three sub sectors had lower figures, ranging between £382 and £780. All sub sectors witnessed a decrease in this figure when compared to 2020, the largest change coming from Health (-16.9%).

Looking at industry sectors, the Business/Management industry sector stood out as having a particularly high expenditure per member (£1,117 on average). The highest increase from 2020 was also the Business/

Management industry sector (55.5%). The Teaching/Academia/Education industry sector saw the second highest and only other increase in this figure since 2020 - up by 6.5%. The Surveying/Construction/Architecture and Engineering/Technology industry sectors had a particularly low expenditure per member - £333 and £212 on average respectively. The Finance industry sector saw the largest drop (-38.4%) in the average expenditure per member since 2020, followed by Other Health with -33.2%.

Expenditure Per Member by Sub Sector (Average, £)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Charities had a smaller expenditure per member than non-charities- £492 compared with £998 on average. For charities this figure dropped significantly by -14.9% since 2020 while non-charities saw an increase of 5.7%.

Expenditure per member for professional bodies with a Royal Charter was higher than for those without one: £696 compared with £582 on average.

Both groups saw a notable decrease in this figure from 2020, -12.6% for Royal Charters and -1.3% for those without a Royal Charter.

Professional associations had a larger expenditure per member (£648 on average) than regulatory bodies (£425 on average). As with the Chartered grouping, both saw a large decrease, -5.8% for professional associations and -24.6% for regulatory bodies.

Expenditure Per Member by Constitution (Average, £)

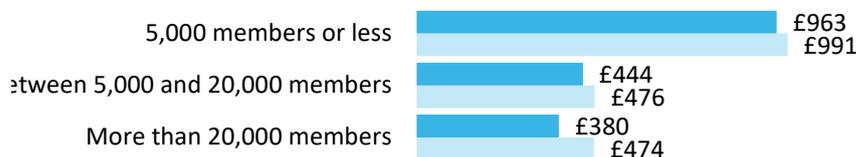
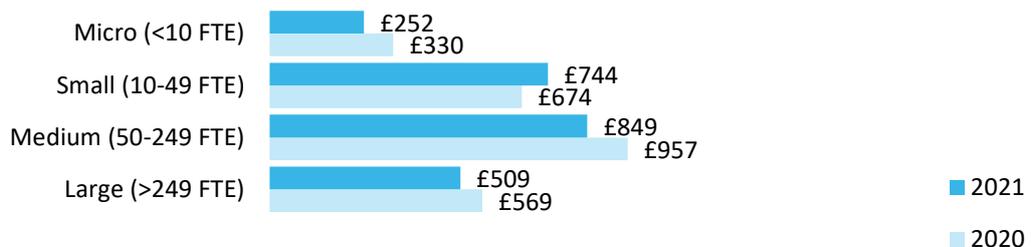


By Size

While expenditure per member stood at £252 on average for micro professional bodies (under 10 FTE), it was £744 for small ones (10-49 FTE). Interestingly, medium organisations (50-249 FTE) had a higher expenditure per FTE when compared to large ones (over 249 FTE) (£849 compared to £509). Only small professional bodies saw an increase in the average expenditure per member when compared to 2020 (10.5%), while the other groups saw a decrease (in ascending order of size -23.8%, -11.3%, and -10.4%).

Professional bodies with a small membership base (under 5,000 members) spent £963 per member on average. This figure reduced to £444 for medium sized organisations (5,000 - 20,000 members) and to £380 for large ones (over 20,000 members). All professional bodies in this assessment witnessed a decrease in expenditure per member (in ascending order of size, -2.9%, -6.6%, and -19.8%).

Expenditure Per Member by Size (Average, £)



Section 4

Sources of Expenditure

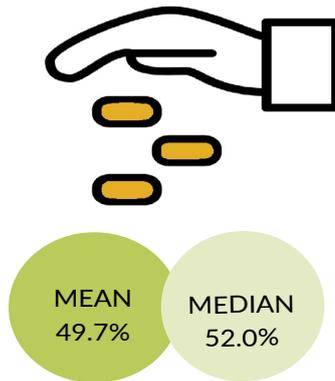
4

Sector as a Whole

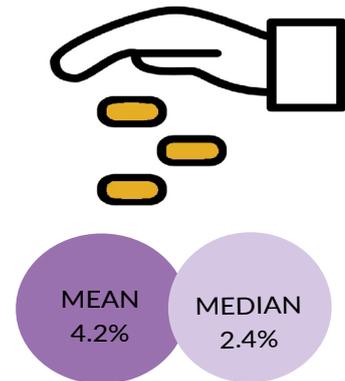
Staff costs constituted under half of total expenditure. Average staff costs were 49.7% of the total expenditure but the median figure was slightly higher at 52%.

Governance costs made up a small proportion of the total expenditure- 4.2% on average, with a median at 2.4%.

Staff Costs % of Expenditure

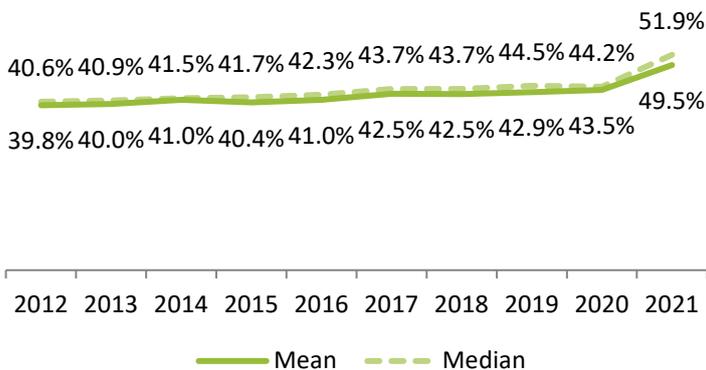


Governance Costs % of Expenditure



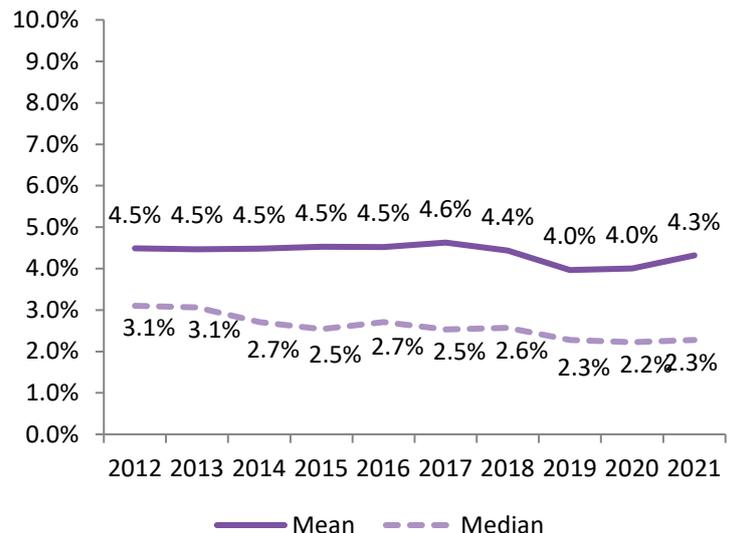
Looking at the longitudinal profile for the sector, the contribution of staff costs has fluctuated consistently over the past nine years. However, the latest year has deviated from this trend, increasing exponentially, and rising 1.7%. Governance costs, meanwhile, again has fluctuated only slightly across the decade. It can be observed that this cost has since increased compared to 2019 and 2020 but has not reached the levels of 2018.

Staff Costs as % of Total Expenditure



Base: 177

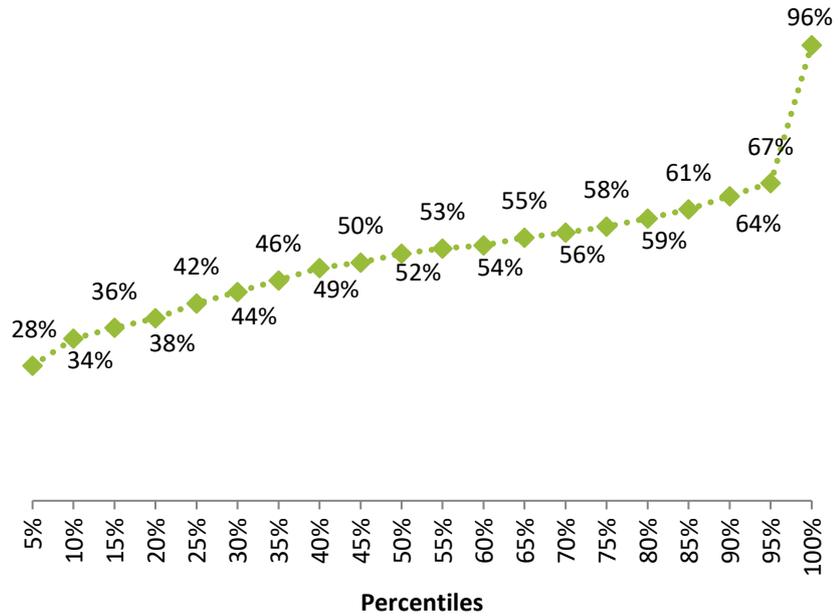
Governance Costs as % of Total Expenditure



Base: 126

Staff Costs as % of Expenditure

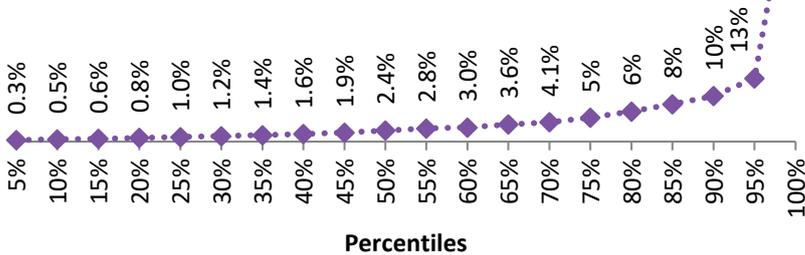
Staff costs usually constituted between 42.0% and 58% of the total expenditure (25th and 75th percentiles). For most professional bodies (95%) this proportion did not exceed 67%. One professional body, however, had staff costs accounting for 96% of its total expenditure.



Base: 254

Governance Costs as % of Expenditure

For most professional bodies (95%) governance costs made up no more than 13% of their total expenditure. Usually, however, they constituted between 1% and 5% of total expenditure (25th and 75th percentiles). The highest contribution of governance costs to the total expenditure was 61%.



Base: 199

Staff Costs

By Sub Sector

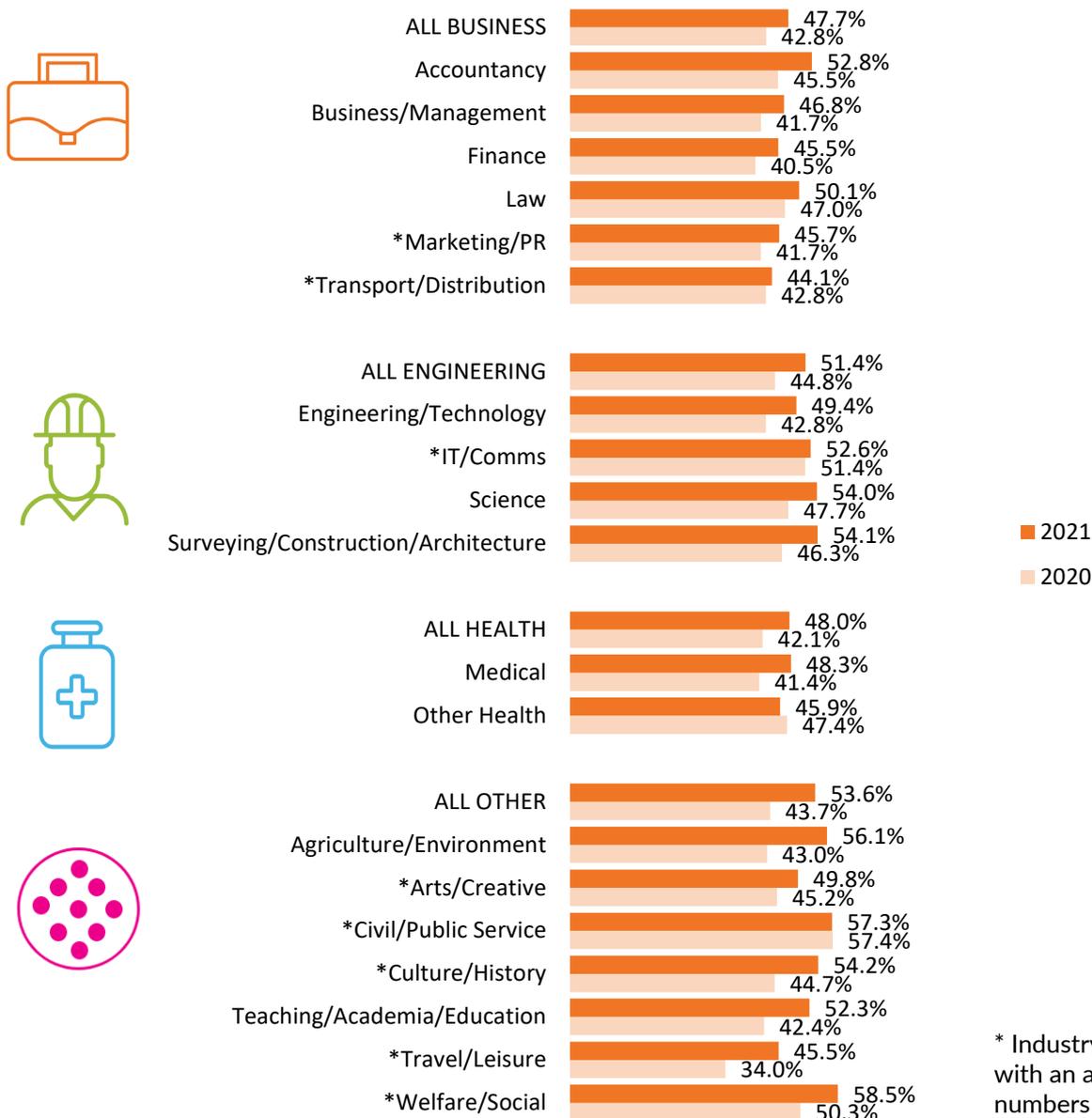
The contribution of staff costs to the total expenditure was very similar across the four sub sectors. It was the highest in the Other sub sector (53.6% on average). The Engineering sub sector followed closely (51.4%). Staff costs amounted to 47.7% of the total expenditure on average in the Business sub sector and to 48% in the Health sub sector.

Among industry sectors, staff costs constituted the largest proportion of the total expenditure in the Agriculture/Environment, Surveying/Construction/

Architecture and Science industry sectors – 56.1%, 54.1%, and 54% on average respectively. On the other hand, the Finance industry sector saw staff costs make up the smallest percentage of the total expenditure, 45.5% on average.

The Agriculture/Environment industry sector saw the biggest increase in this percentage since 2020 (30.4%). The Other Health industry sector experienced the only decrease in this figure since 2020, dropping 3.2%.

Staff Costs as % of Total Expenditure by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

The contribution of staff costs to the total expenditure was marginally higher for non-charities than for charities – 49.8% compared to 49.7% on average.

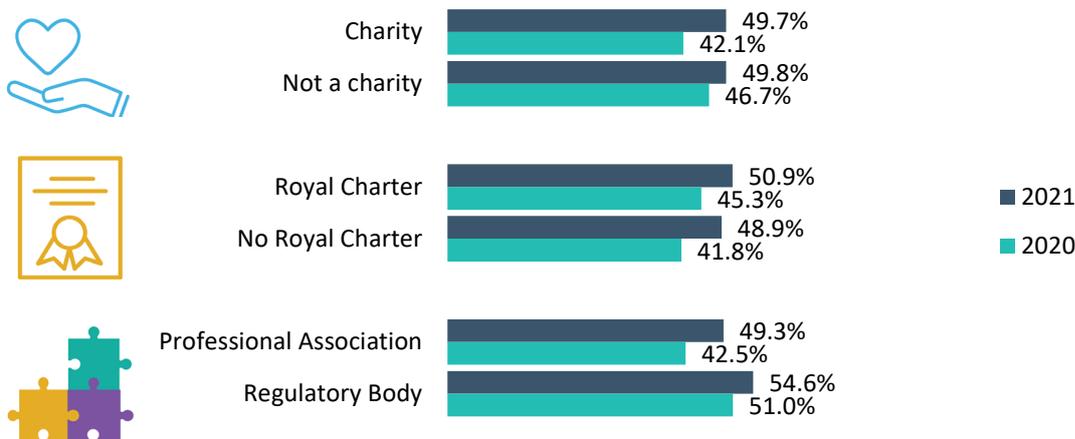
Similarly, staff costs amounted to a slightly higher proportion of the total expenditure for professional bodies with a Royal Charter than for those without one. Their respective average figures were 50.9%

and 48.9%.

Regulatory bodies had a higher proportion of total expenditure attributable to staff costs than professional associations – 54.6% on average, compared with 49.3%.

The contribution of staff costs to the total expenditure has increased since 2020 for all types of organisations.

Staff Costs as % of Total Expenditure by Constitution (Average)



By Size

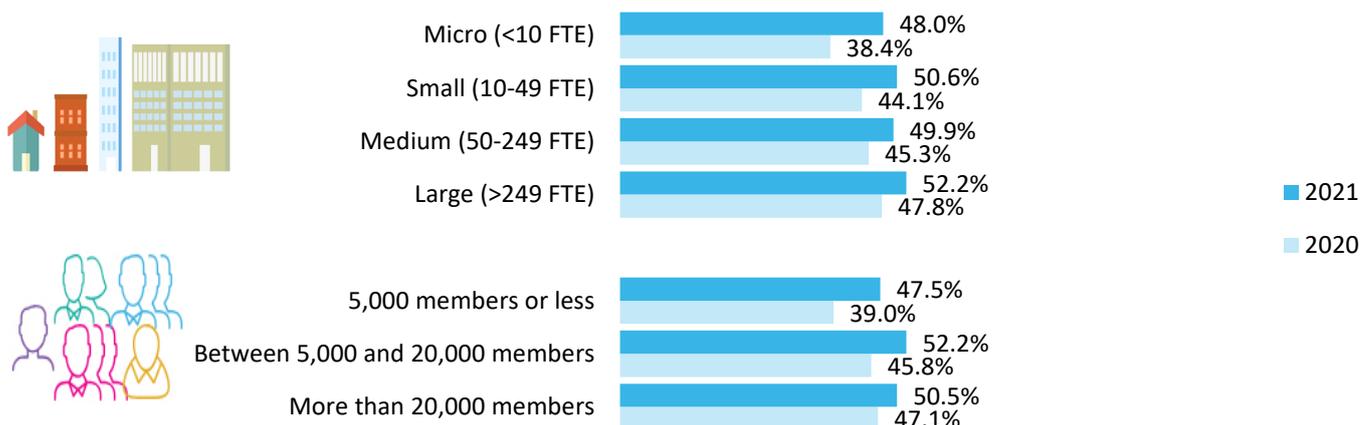
For micro professional bodies (under 10 FTE) staff costs were 48% of the total expenditure on average, while for small ones (10-49 FTE) they were 50.6%, for medium ones (50-249 FTE) they were 49.9% and for large professional bodies (over 249 FTE) they were 52.2%.

The contribution of staff costs to the total expenditure was lowest for professional bodies with a small membership base (under 5,000 members) – 47.5% on average, compared with 52.2% for

medium ones (between 5,000 and 20,000 members) and 50.5% for large ones (over 20,000 members).

All professional bodies, both in terms of number of FTE employees and number of members, saw an increase in this proportion since 2020. The highest increase was for micro professional bodies (under 10 FTE) and for those with 5,000 members or less (25.2% and 21.9% respectively).

Staff Costs as % of Total Expenditure by Size (Average)



Governance Costs

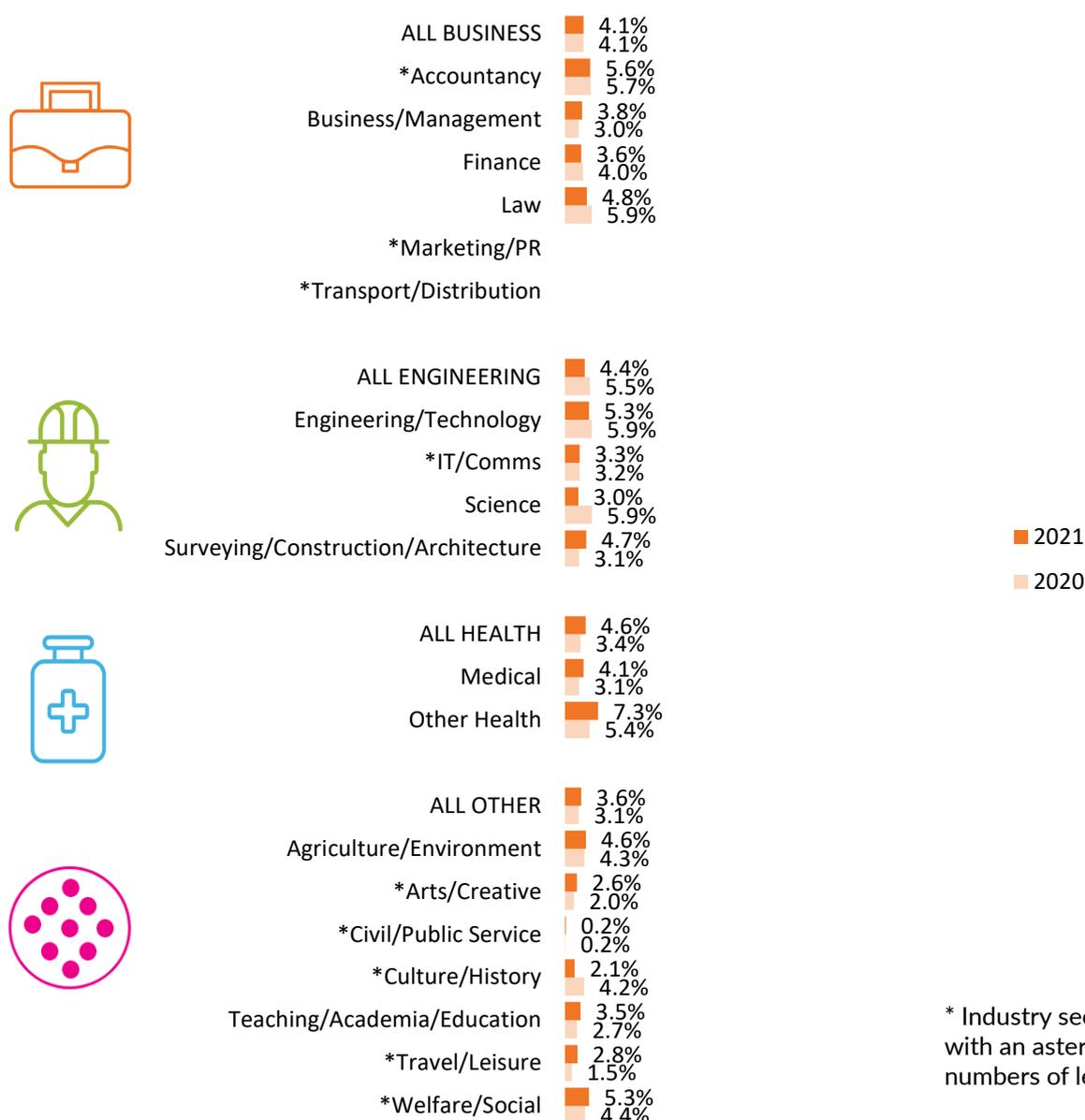
By Sub Sector

The contribution of governance costs to the total expenditure was highest in the Health sub sector – 4.6% on average. For the other sub sectors, it averaged between 3.6% and 4.4%. The Engineering sub sectors saw the only and markedly substantial decrease in this figure from 2020 (-20.9%). The remaining sectors saw an increase, this was marginal in the Business sub sector at 0.3% and sizeable for the Health and Other sub sectors (33.5% and 17% respectively).

In terms of industry sectors, the Other Health industry sector had a higher contribution of

governance costs to the total expenditure – 7.3% on average. On the other end of the scale, the Science industry sector saw governance costs make up 3% of total expenditure. The Other Health industry sector has seen a substantial (34.8%) increase in the average contribution of governance costs to the total expenditure since 2020, but was not the largest increase, this being in the Surveying/Construction/Architecture sector just over doubling with at 51.5% increase. The largest decrease was found in the Science industry sector (by -50.1%).

Governance Costs as % of Total Expenditure by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Governance costs amounted to 4.3% of the total expenditure on average for charities and to 3.4% for non-charities. Non-charities saw a 15.3% decrease in this proportion from 2020.

There was a notable difference in the contribution of governance costs to the total expenditure for professional bodies with and without a Royal Charter. Those without a Royal Charter had a higher

proportion of the total expenditure attributable to governance costs (5% on average, compared to 3.1%).

Regulatory bodies had a higher proportion of total expenditure attributable to governance costs than professional associations (6.3% compared to 4.1% on average). Regulatory bodies saw a large increase in this figure from 2020 (14.4%).

Governance Costs as % of Total Expenditure by Constitution (Average)



Charity	2021	4.3%
Charity	2020	4.0%
Not a charity	2021	3.4%
Not a charity	2020	4.1%



Royal Charter	2021	3.1%
Royal Charter	2020	2.9%
No Royal Charter	2021	5.0%
No Royal Charter	2020	4.9%



Professional Association	2021	4.1%
Professional Association	2020	3.9%
Regulatory Body	2021	6.3%
Regulatory Body	2020	5.5%

■ 2021
■ 2020

By Size

Governance costs constituted a lower proportion of the total expenditure for larger professional bodies, both in terms of FTE employees and number of members.

Micro professional bodies (under 10 FTE) had 5.1% of their total expenditure on average come from governance costs. In small professional bodies (10-49 FTE) this figure was 3.5%. Medium ones (50-249 FTE) had governance costs contributing 2.9% to their total expenditure and large professional bodies (over 249 FTE) had this contribution at 1.5%. The proportion has decreased for micro professional

bodies since 2020 but increased for all other groups. Professional bodies with a small membership base (under 5,000 members) had 5.6% of their total expenditure on average attributable to governance costs. For medium ones (between 5,000 and 20,000 members) governance costs amounted to 4.6% of the total expenditure and for large professional bodies (over 20,000 members) they were 2.1% of the total expenditure. The proportion decreased for large (over 20,000 members) professional bodies since 2020 but increased for the other two groups.

Governance Costs as % of Total Expenditure by Size (Average)



Micro (<10 FTE)	2021	5.1%
Micro (<10 FTE)	2020	5.9%
Small (10-49 FTE)	2021	3.5%
Small (10-49 FTE)	2020	3.2%
Medium (50-249 FTE)	2021	2.9%
Medium (50-249 FTE)	2020	2.8%
Large (>249 FTE)	2021	1.5%
Large (>249 FTE)	2020	1.3%



5,000 members or less	2021	5.6%
5,000 members or less	2020	5.6%
Between 5,000 and 20,000 members	2021	4.6%
Between 5,000 and 20,000 members	2020	4.1%
More than 20,000 members	2021	2.1%
More than 20,000 members	2020	2.1%

■ 2021
■ 2020

Section 5

Operating Surplus/Deficit

5

Sector as a Whole

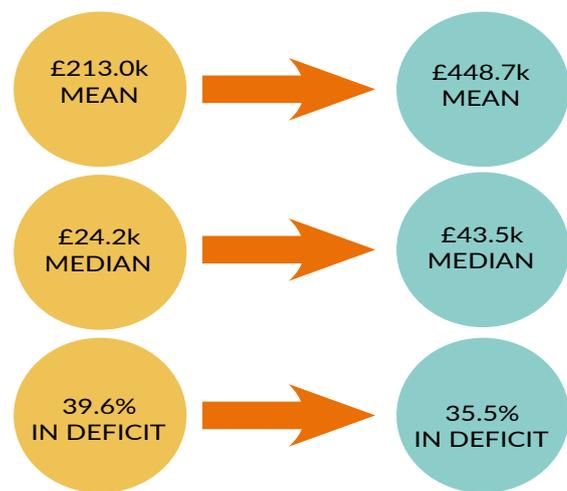
An average professional body had an operating surplus of £212,997. A median professional body was £24,202 in operating surplus. 39.6% of professional bodies were in operating deficit. Colouring this picture with results for gains and losses outside of core operations, we found a more positive result. On average, professional bodies had a surplus of £448,739, with a median value being £43,485. 35.5% were in deficit – a marginally lower proportion compared to those in operating deficit – suggesting that gains were larger than losses overall.

Charting operating surplus/deficit over the last ten years, we note plenty of fluctuations. As expected, the average results were particularly volatile, as they were affected by outlying values. Large year on year variation in operating results may be attributable to substantial changes in a single income stream, such as loss of government grants, or exceptional circumstances, disposal of property or discontinued operations.

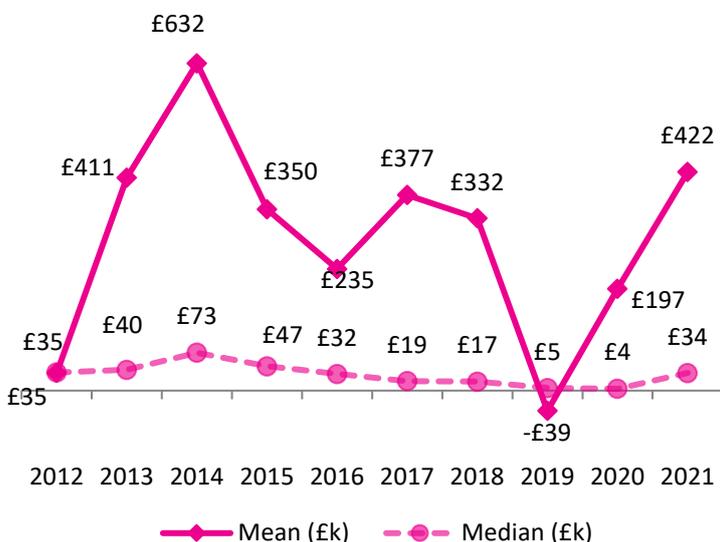
Other than the particularly substantial improvements in 2014, the proportion of professional bodies in operating deficit had been increasing over the last ten years, however, these numbers have now dropped to below 2017 levels when assessing professional bodies operating in deficit and to below 2020 levels for professional bodies in deficit.

Operating Surplus/Deficit
Income less expenditure.

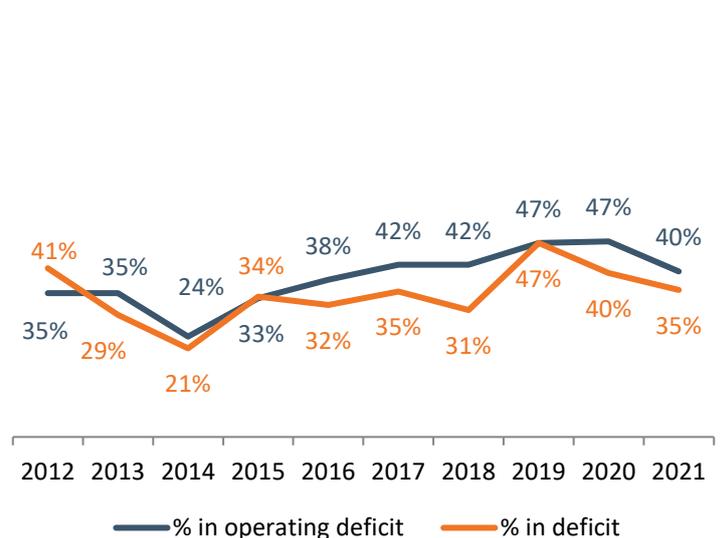
Surplus/Deficit
Operating surplus/deficit plus gains/losses that are not part of core operations as defined in mission statements and organisation's objectives, such as gains/losses on disposal/revaluation of investment assets, pension scheme actuarial gains/losses, depreciation.



Operating Surplus/Deficit

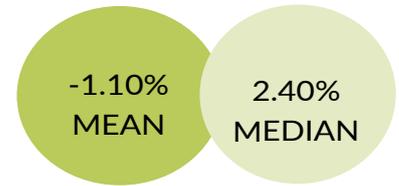


% in Operating Deficit and Deficit

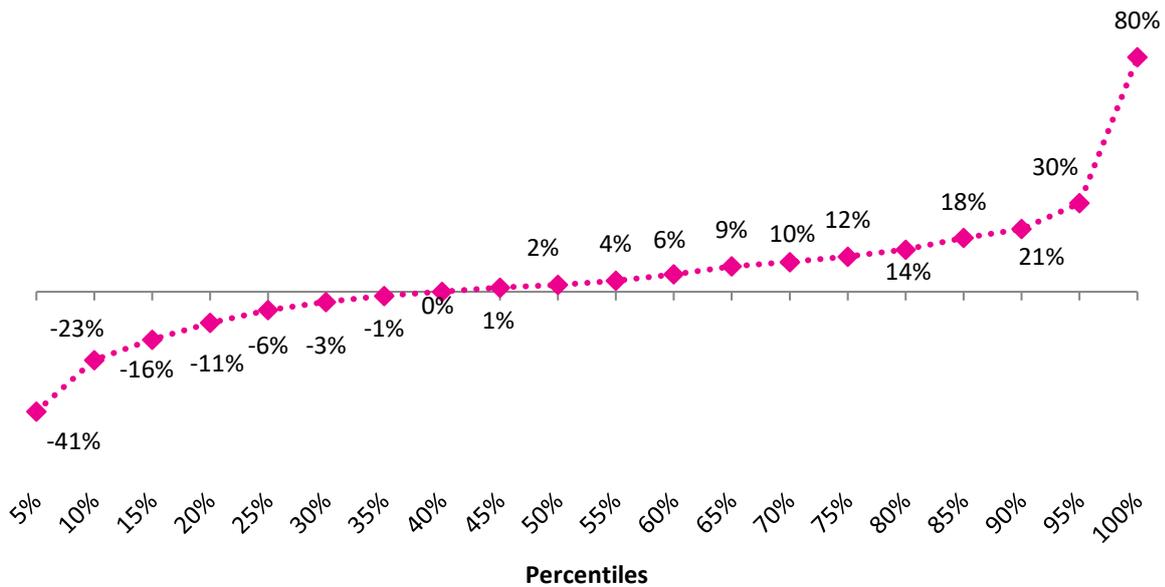


On average, operating deficit was at 1.1% of the total income. The median indicated that operating surplus was equal to 2.4% of total income. The largest operating deficit was 192.68% of the total income and the largest operating surplus was 79.99% of the total income. The bottom ranked 25% of professional bodies had an operating deficit of at least 6% of their total income and the top ranked 25% had an operating surplus of at least 12% of their total income.

Operating Surplus/Deficit as % of Income



Operating Surplus/Deficit as % of Total Income



Base: 341

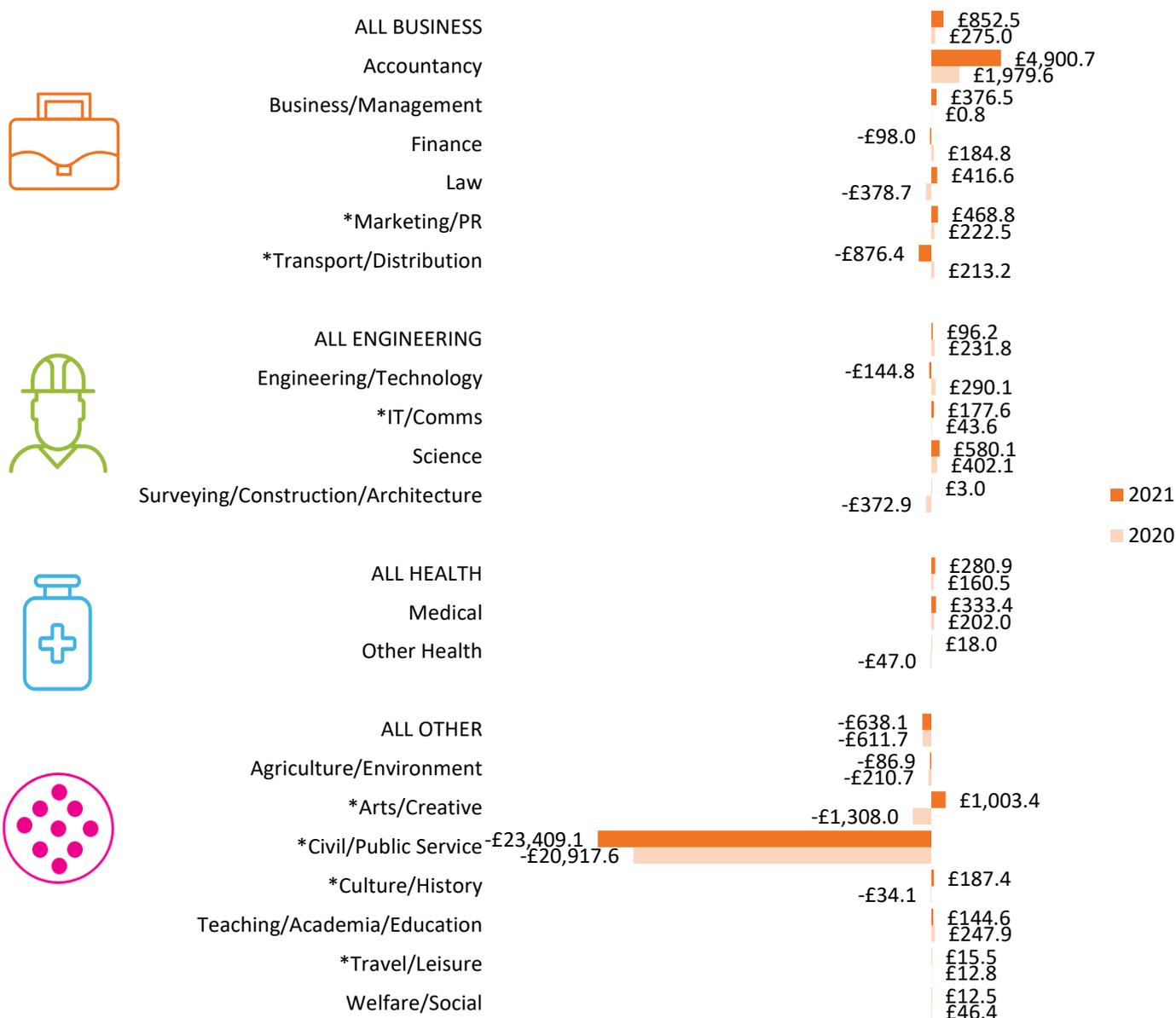
Operating Surplus/Deficit

By Sub Sector

While the Other sub sector returned a moderate operating deficit (£638.1k on average), the Health, Engineering and Business sub sectors achieved an operating surplus (£280.9k, £96.2k and £852.5k respectively).

Looking at industry sectors, the highest average operating surplus was in the Accountancy industry sector (£4,900.7k), followed by the Science and Law industry sectors (£580.1k and £416.6k respectively). The Engineering/Technology industry sector had the largest average operating deficit (£144.8k).

Operating Surplus/Deficit by Sub Sector (Average, £ k)



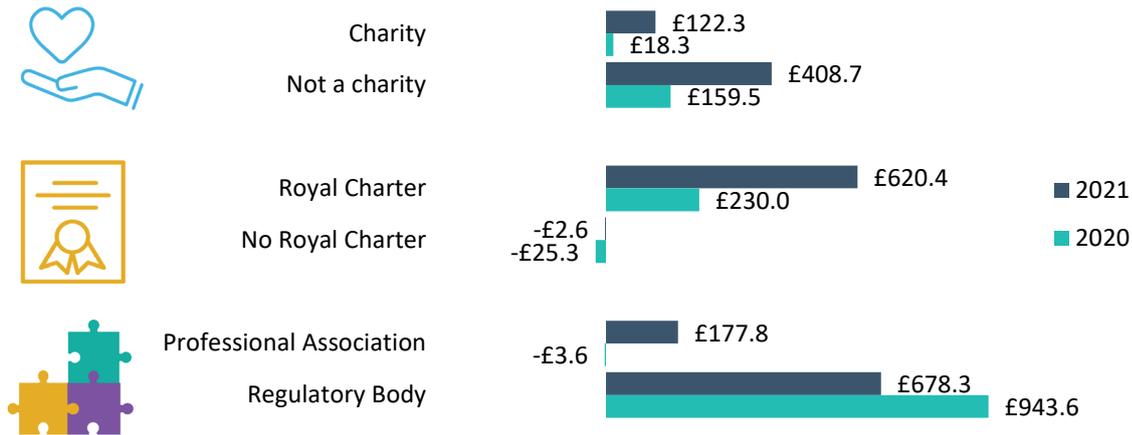
* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Charities had a moderate operating surplus in 2020 (£122.3k on average) while non-charities had a larger surplus (£408.7k). Professional bodies without a Royal Charter returned an operating deficit (£2.6k) and those with a Royal Charter had an operating

surplus of £620.4k on average. Regulatory bodies held an operating surplus (£678.3k on average) while professional associations had an operating surplus of £177.8k on average.

Operating Surplus/Deficit by Constitution (Average, £ k)



By Size

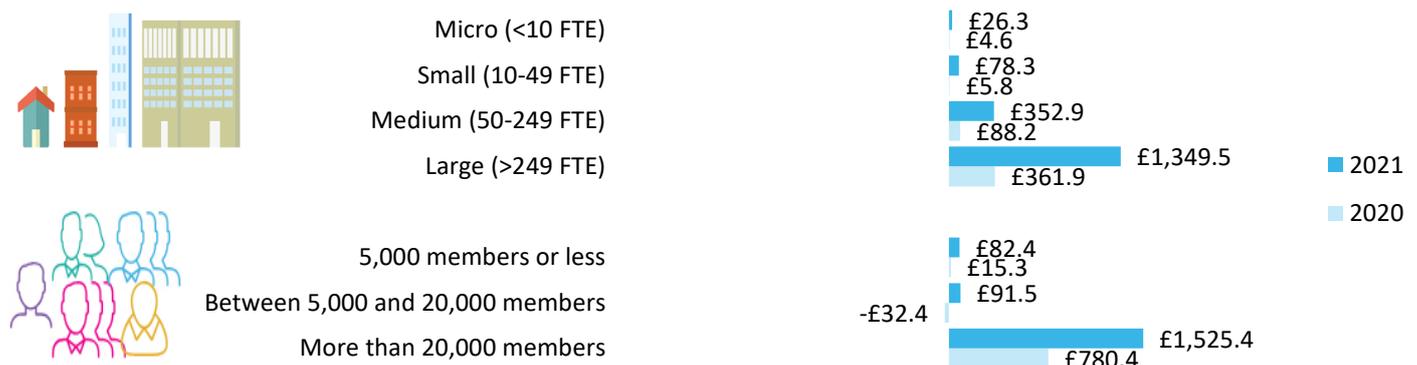
In 2021, operating results were positively correlated with size by FTE employees.

Looking at the size by FTE employees, micro professional bodies (under 10 FTE) had an operating surplus of £26.3k on average. Small and medium professional bodies had £78.3k and £352.9k on average respectively. Large professional bodies (over 249 FTE) had an operating surplus of

£1,349.5k on average.

Assessing professional bodies by membership size, small ones (under 5,000 members) recorded an operating surplus of £82.4k medium ones (between 5,000 and 20,000 members) operated at a surplus of £91.5k on average, and large professional bodies (over 20,000 members) had an operating surplus of £1,525.4k.

Operating Surplus/Deficit by Size (Average, £ k)



Section 6

Current Assets and Liabilities



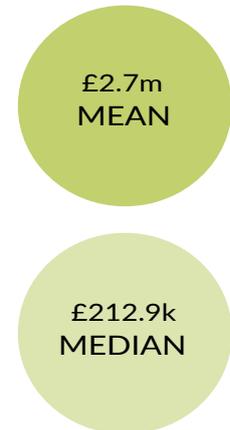
Sector as a Whole

In 2021, current assets were £3.8m on average and current liabilities amounted to £2.7m on average. The median figures were substantially lower – £603k and £213k respectively. This indicated a skewed distribution, where a small number of professional bodies with large current assets and liabilities inflated the average estimates.

Current Assets

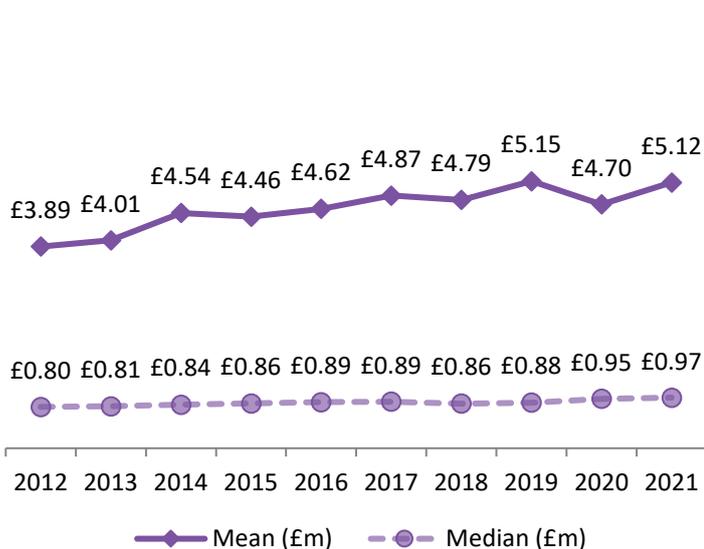


Current Liabilities



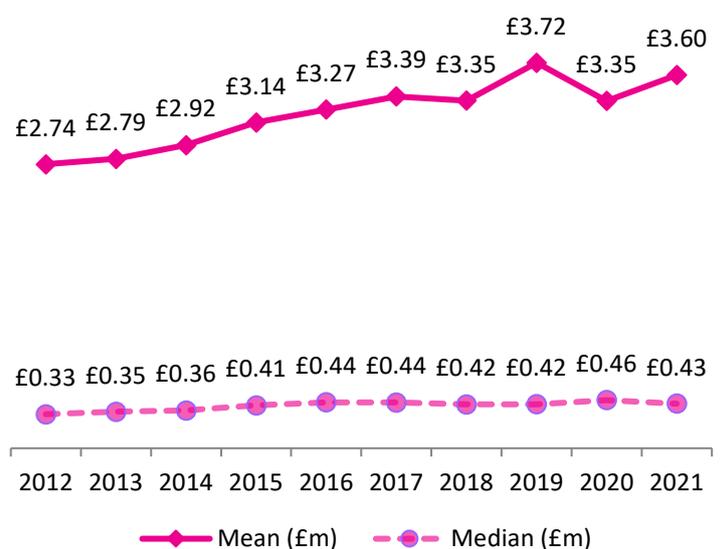
Both current assets and current liabilities have grown since 2012. Current assets fluctuated more in the last ten years than current liabilities, particularly in terms of average values.

Current Assets



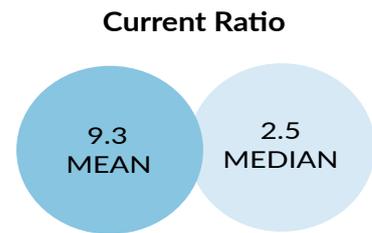
Base: 319

Current Liabilities



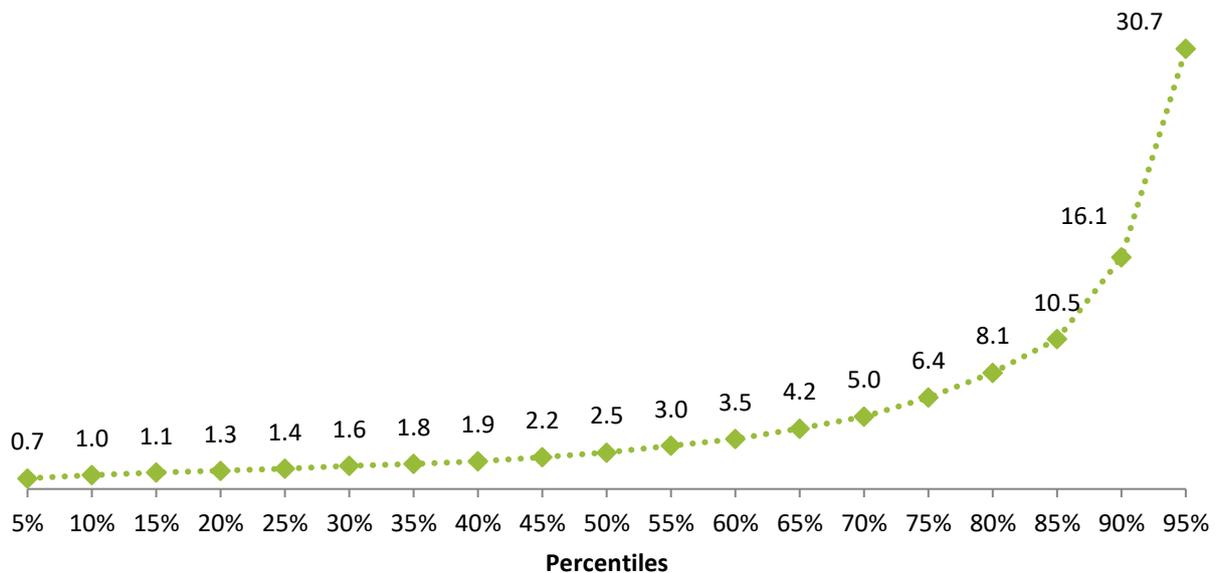
Base: 315

In 2021 the current ratio continued to be healthy. It stood at 9.3 on average and the median value was 2.5 - both above the 2:1 mark, which would be considered a danger point in private companies. Both the average and median have increased since 2020, by 11.1% and 6.5% respectively.



Interestingly, 42% of professional bodies had a current ratio lower than 2:1 and 12% had current liabilities exceeding current assets (a current ratio of less than 1:1). On the other hand, 36% of professional bodies had a current ratio above 4:1, 16% had it above 10:1, and 3% above 50:1.

Current Ratio



Base: 489

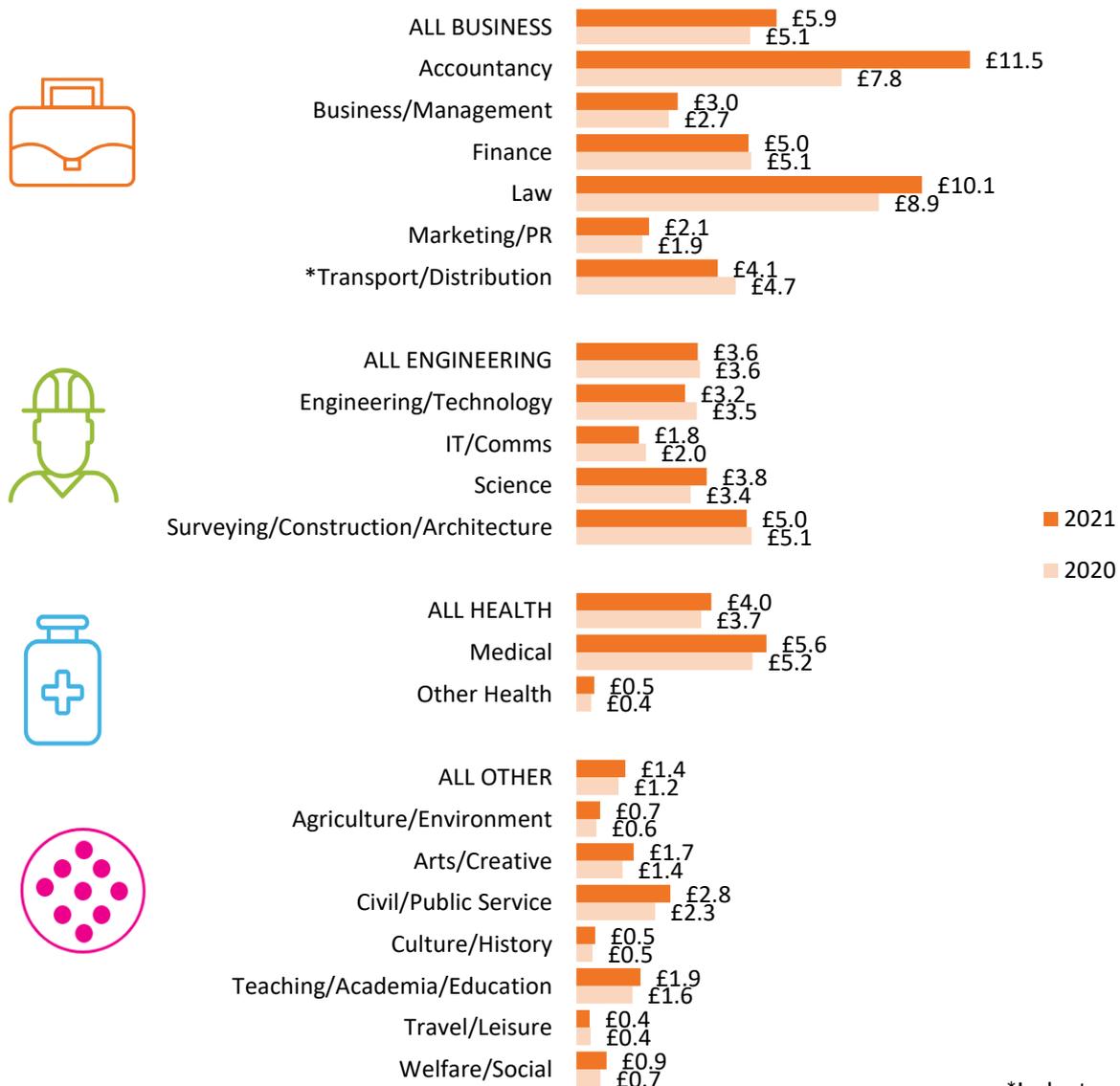
Current Assets

By Sub Sector

The Business sub sector had the highest current assets - £5.9m on average. The Health and Engineering sub sectors followed (£3.6m and £4m respectively). The Other sub sector had the lowest current assets - £1.4m. Engineering was the only sub sector to see a decrease in their average current assets when compared to 2020 (by 1.7%). The Business, Health and Other sub sectors saw an incline (by 15.3%, 8.4%, and 16.1% respectively). In terms of industry sectors, the Accountancy industry

sector had the highest current assets (£11.5m on average). The Law industry sector also had high current assets - £10.1m on average. On the other hand, the Travel/Leisure, Other Health, and Culture/History industry sectors had the lowest current assets - less than £0.6m on average. The Accountancy and Welfare/Social industry sectors saw the largest increases in their average current assets since 2020, while the IT/Comms and Engineering/Technology industry sectors saw the largest declines.

Current Assets by Sub Sector (Average, £ m)



*Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

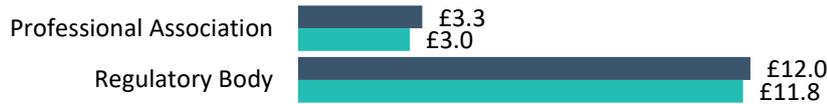
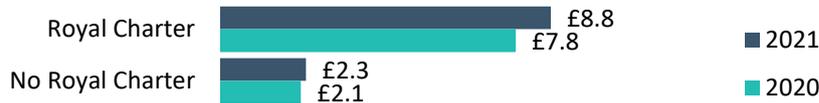
Although the difference was small, non-charities had higher current assets than charities (£4m compared to £3.6m on average). Both saw increases in this figure compared to 2020.

Professional bodies with a Royal Charter had 3.8 times the current assets of professional bodies without one (£8.8m compared to £2.3m on average). Those with a Royal Charter also saw a bigger increase in this average

from 2020.

A similar observation stands for regulatory bodies compared to professional associations. Their current assets were almost four times those of professional associations (£12m compared to £3.3m on average). Both saw this average increase from 2020.

Current Assets by Constitution (Average, £ m)



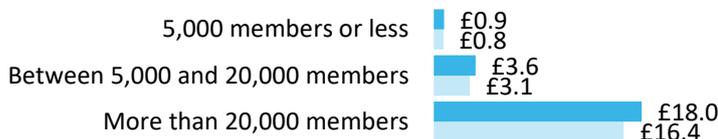
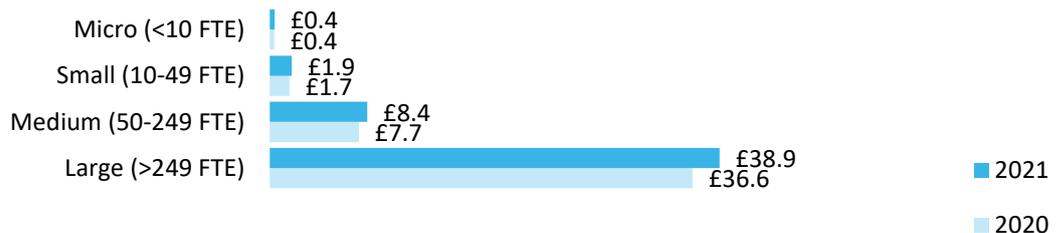
By Size

There was a positive relationship between current assets and the organisation's size, both in terms of number of FTE employees and members.

Current assets stood at £0.4m on average for micro professional bodies (under 10 FTE), at £1.9m for small ones (10-49 FTE), £8.4m for medium ones (50-249 FTE) and £38.9m for large professional bodies (over 249 FTE). Compared to 2020, All professional bodies saw this number increase through this measurement.

Professional bodies with small membership bases (under 5,000 members) had current assets amounting to £0.9m on average. For medium ones (between 5,000 and 20,000 members) they were £3.6m and for large ones (over 20,000 members) they were £18.0m. Once again, average current assets have increased for all three groups since 2020.

Current Assets by Size (Average, £ m)



Current Liabilities

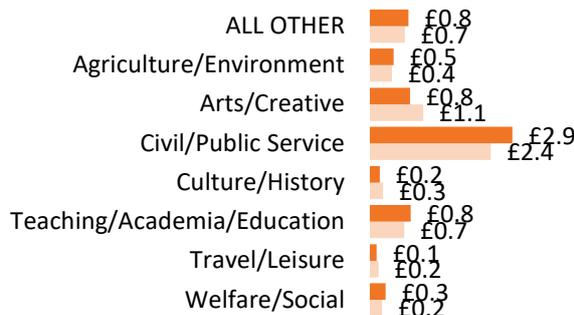
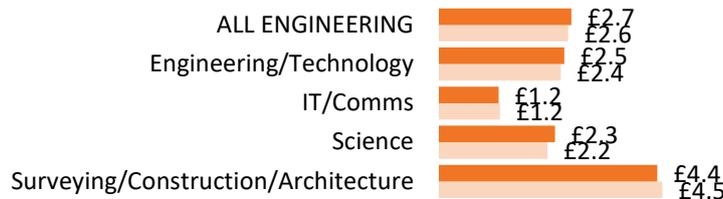
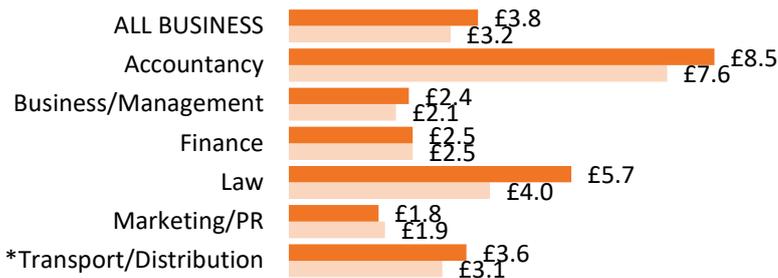
By Sub Sector

Similar to current assets, the Business sub sector had the highest current liabilities (£3.8m on average). It was followed by the Health and Engineering sub sectors that had current liabilities amounting to £3m and £2.7m respectively. The Other sub sector had the lowest current liabilities - £0.8m. Average current liabilities have increased for all sub sectors since 2020.

industry sector had the highest current liabilities by a large margin (£8.5m on average). Current liabilities were also high in the Law industry sector- £5.7m on average. The Travel/Leisure, Culture/History and Welfare/Social industry sectors had the lowest current liabilities - between £0.1m and £0.4m on average. Compared to 2020, the Law industry sector saw the biggest growth in current liabilities, while the Arts/Creative industry sector saw the biggest decline.

In terms of the industry sectors, the Accountancy

Current Liabilities by Sub Sector (Average, £ m)



■ 2021
■ 2020

*Industry sectors marked with an asterisk have base numbers of less than 5

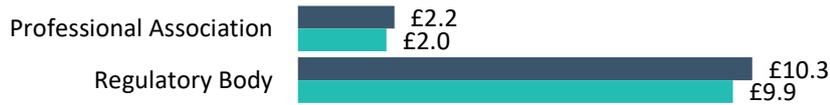
By Constitution

The relationship between current liabilities and professional bodies' constitutional characteristics largely mirrored those uncovered for current assets. Charities had slightly lower current liabilities than non-charities (£2.5m compared to £2.8m on average). Both had this figure increase since 2020 but was stronger incline for non-charities. Professional bodies with a Royal Charter had 3.4 times the average current liabilities of professional

bodies without one (£5.7m compared to £1.7m on average). Non-Chartered professional bodies saw a larger increase from 2020 compared to those with a Royal Charter.

Regulatory bodies had 4.7 times the average current liabilities of professional associations- £10.3m compared to £2.2m. Both types of organisations saw increases in this average when compared to 2020.

Current Liabilities by Constitution (Average, £ m)



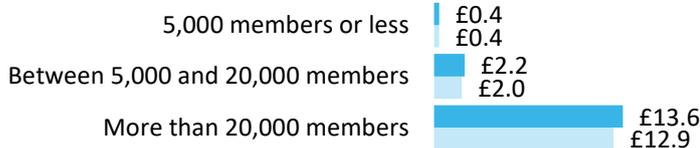
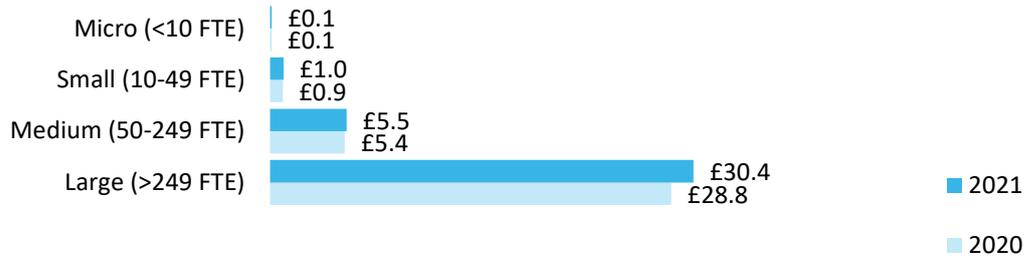
By Size

Echoing current assets again, larger professional bodies, both in terms of number of FTE employees and members, had higher current liabilities.

Current liabilities were £0.1m on average for micro professional bodies (under 10 FTE), £1m for small ones (10-49 FTE), £5.5m for medium ones (50-249 FTE) and £30.4m for large professional bodies (over 249 FTE). All professional bodies in this metric saw their current liabilities increase since 2020.

Looking at the size by number of members, current liabilities stood at £0.4m on average for small professional bodies (under 5,000 members), £2.2m for medium (between 5,000 and 20,000 members) and £13.6m for large ones (over 20,000 members). There was a decrease for small professional bodies since 2020 whilst the larger organisations increased their current liabilities.

Current Liabilities by Size (Average, £ m)



Current Ratio

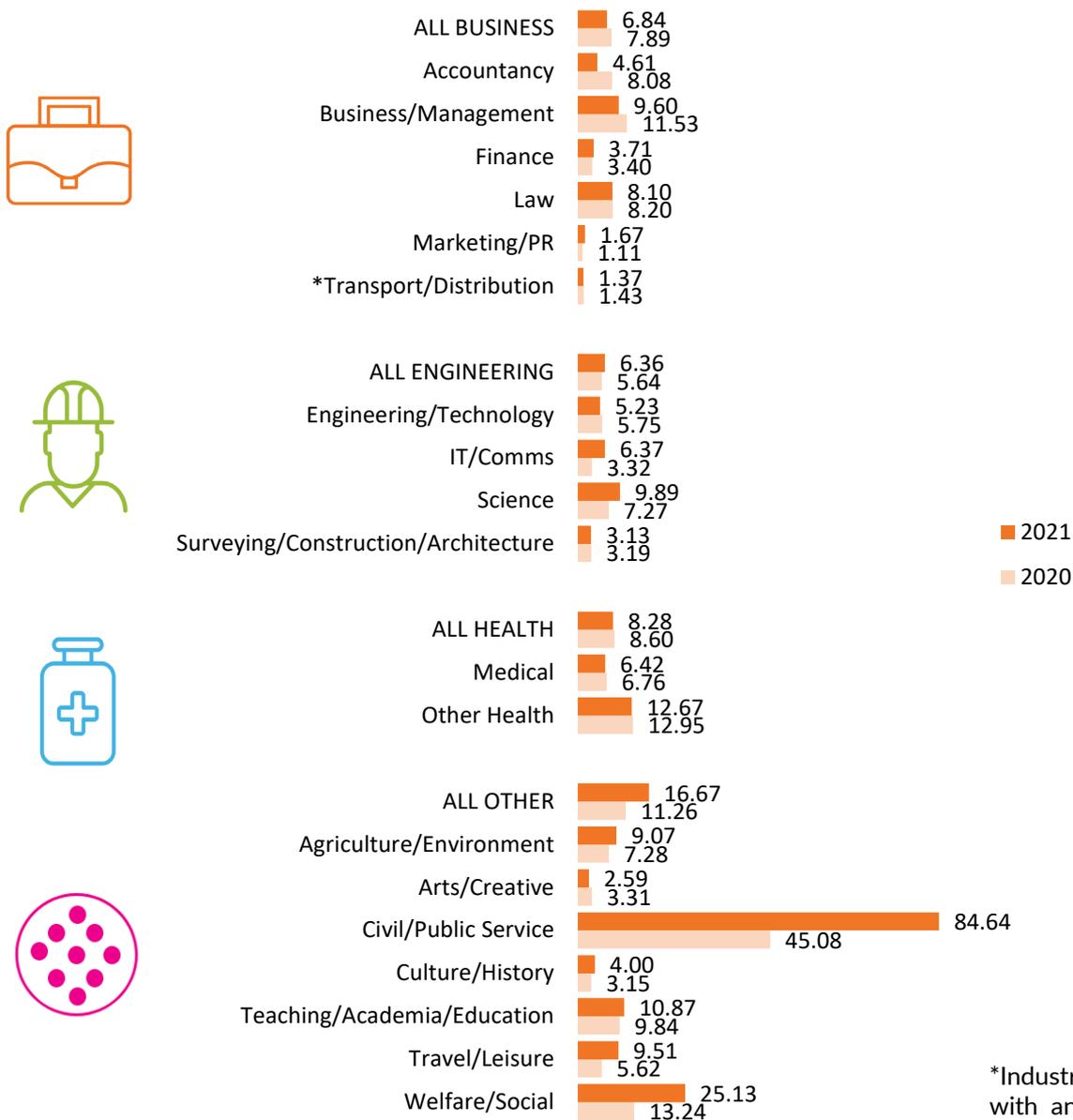
By Sub Sector

The Other sub sector had the highest current ratio- 16.7 on average. The Health and Business sub sectors followed (8.3 and 6.8 respectively). The Engineering sub sector had the lowest current ratio- 6.4 on average. The Engineering and Other sub sectors have seen the average current ratio increase since 2020, but the Business and Health sub sectors have seen it fall.

Several industry sectors stood out as having particularly high current ratios: Civil/Public Service (84.6 on average), Welfare/Social (25.1), Other

Health (12.7) Teaching/Academia/Education (10.9) and Science (9.9). On the other end of the scale, the Marketing/PR and Arts/Creative industry sectors had the lowest current ratios - 1.7 and 2.6 respectively. The largest increases since 2020 in the average current ratio were seen in the IT/Comms, Welfare/Social and Civil/Public Service industry sectors. The largest declines were in the Accountancy, Arts/Creative and Business/Management industry sectors.

Current Ratio by Sub Sector (Average)



*Industry Sectors marked with an asterisk have base numbers of less than 5

By Constitution

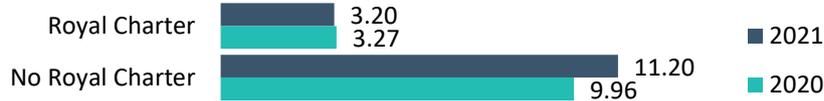
Non-charities had a higher current ratio than charities- 10.7 compared to 7.7 on average. Charities saw a decline in their ratio from 2020, while non-charities saw an increase.

There was a notable difference in current ratios between professional bodies with and without a Royal Charter. Those without a Royal Charter had current ratios 3.5 times of professional bodies with

a Royal Charter- 11.2 compared to 3.2 on average. Average current ratios have increased for non-chartered professional bodies and decreased for Chartered since 2020.

Professional associations had higher current ratios than regulatory bodies- 9.5 compared to 5.2 on average. Both types of organisations have witnessed a moderate increase to this figure since 2020.

Current Ratio by Constitution (Average)



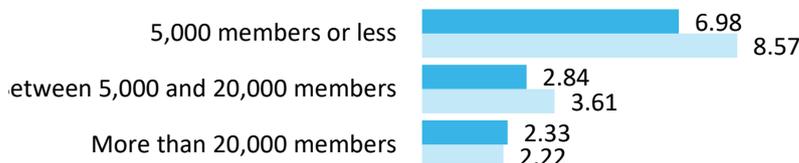
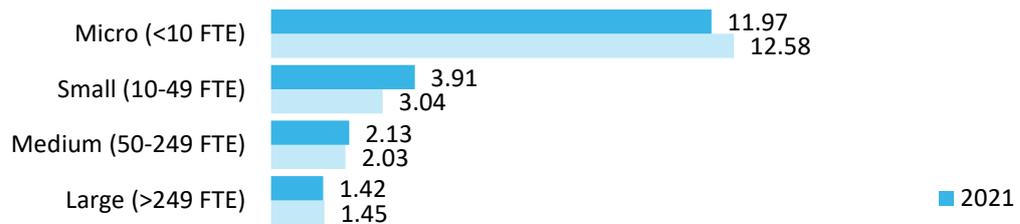
By Size

There was a negative correlation between current ratios and organisation's size, both in terms of number of FTE employees and number of members.

Micro professional bodies (under 10 FTE) had the highest current ratios- 12 on average. They were much lower for small (10-49 FTE), medium (50-249 FTE) and large ones (over 249 FTE) - 3.9, 2.1 and 1.4 respectively. The average current ratio has decreased for micro and large professional bodies but small and medium bodies increased their numbers since 2020.

Similarly, professional bodies with the smallest membership base (under 5,000 members) had the highest current ratios- 7.0 on average. Medium ones (between 5,000 and 20,000 members) had a current ratio of 2.8 and large professional bodies (over 20,000 members) had a current ratio of 2.3. The average current ratios have decreased for small (under 5,000 members) and medium (between 5,000 and 20,000 members) professional bodies but have grown for large (over 20,000 members) ones since 2020.

Current Ratio by Size (Average)



Section 7

Reserves

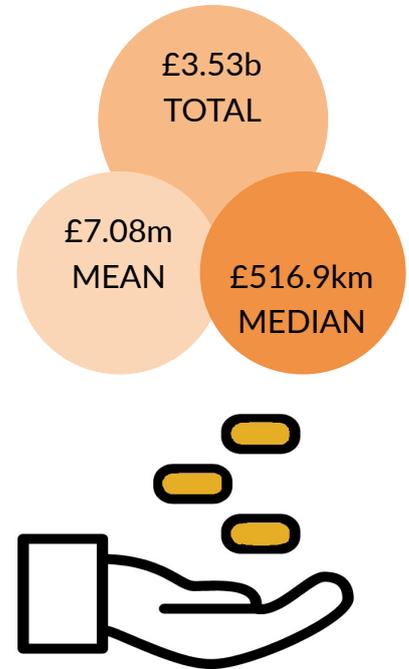


Sector as a Whole

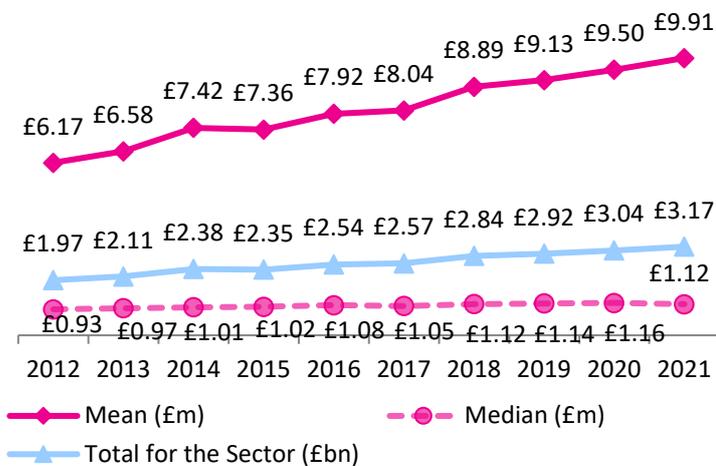
The sector as a whole had a combined level of reserves of £3.53bn. On average, professional bodies had £7.08m in reserves. The median figure was noticeably lower at £516.9k. A small proportion (2.6%) of professional bodies had negative reserves.

Looking at trends for the sector, we see that professional bodies have been increasing their reserves in the last ten years. Apart from modest falls in 2012 and 2015, average and total reserves have grown year on year. This growth was particularly pronounced for average reserves, which increased substantially in 2016 and 2018. Median reserves dipped in 2015, 2017 and 2019, but overall displayed a growing trend between 2012 and 2020 though have now begun to fall marginally.

The proportion of professional bodies with negative reserves has fluctuated during the last ten years. It rose considerably in 2020 but as of 2021, this number has dropped to its lowest percentage in a decade.

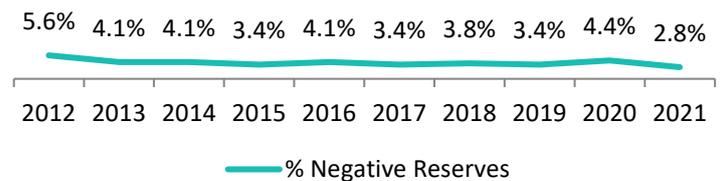


Reserves



Base: 320

% of Professional Bodies with Negative Reserves

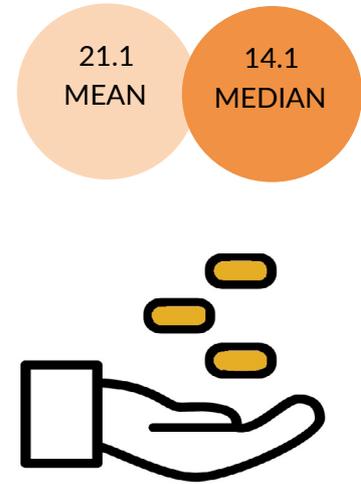


Base: 320

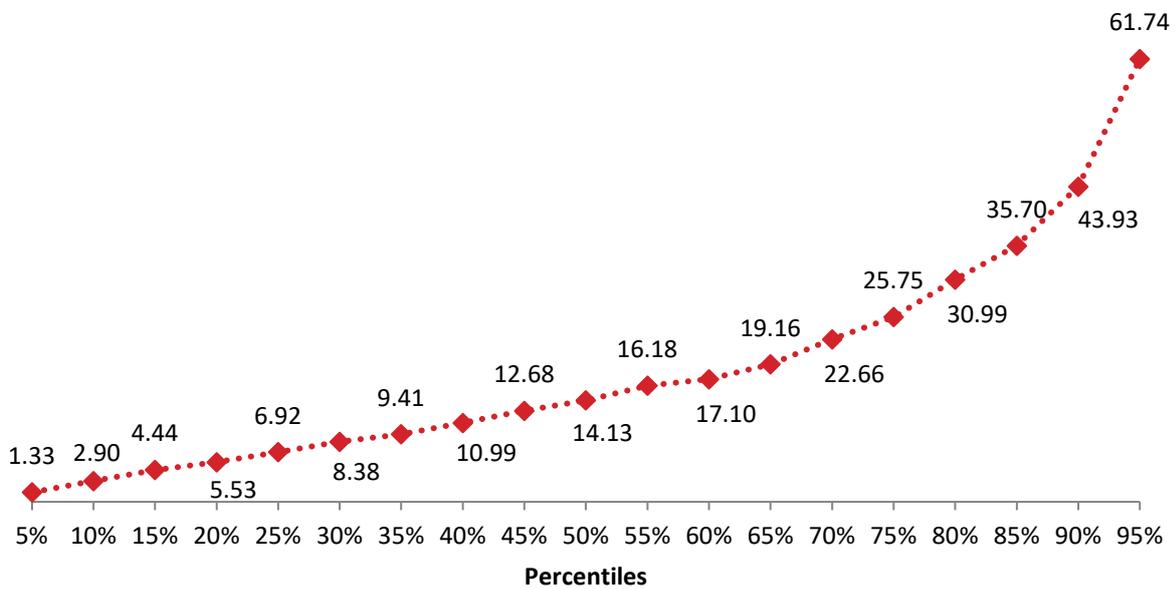
Reserves amounted to 21.1 months of expenditure on average. The median was 14.1 months of expenditure.

The range of this measure was remarkable. Typically, reserves stood at between 6.9 and 25.6 months of expenditure (25th and 75th percentiles). The top 5% of professional bodies had their reserves make up 61.7 months of expenditure or more, with the highest ratio being 217.48, i.e., reserves amounting to over 18 years of expenditure. Professional bodies with the highest ratios had smaller expenditures. Conversely, the bottom 5% of professional bodies had reserves at 1.3 months of expenditure or less. There were nine negative ratios, denoting professional bodies with negative reserves. In one instance negative reserves stood at -28.1 months of expenditure.

Reserves as months of Expenditure



Reserves as Months of Expenditure



Base: 340

Reserves

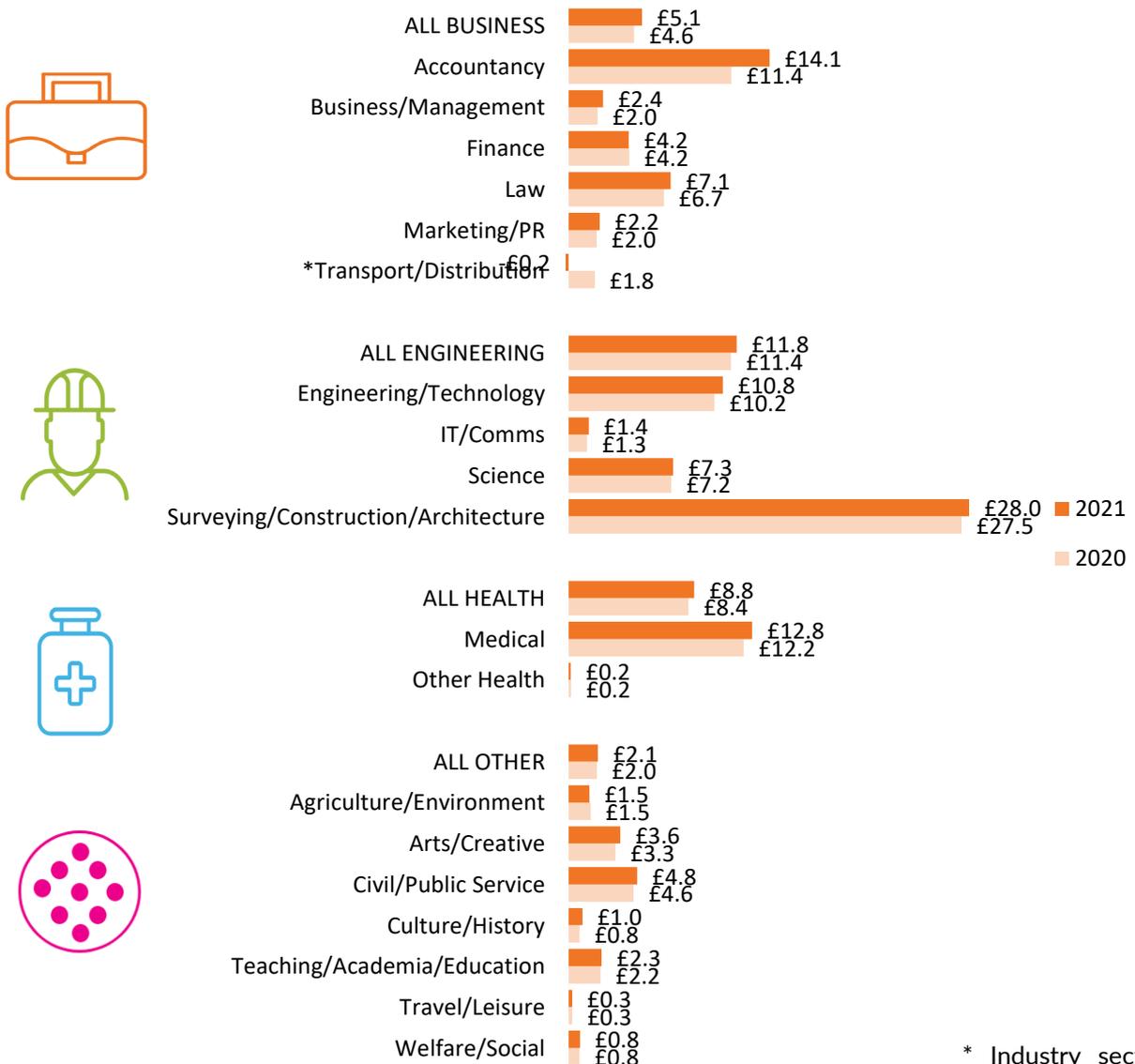
By Sub Sector

Professional bodies in the Engineering sub sector had the highest reserves - £11.8m on average. They were followed by those in the Health (£8.8m) and Business (£5.1m) sub sectors. The Other sub sector returned the lowest reserves- £2.1m. Average reserves have increased for all sub sectors since 2020.

Looking at industry sectors, average reserves were highest in the Surveying/Construction/Architecture, Accountancy and medical industry sectors - £28m, £14.1m and £12.8m respectively. The Accountancy

industry sector retains the second largest increase in average reserves since 2020. On the other end of the scale, the Other Health, Travel/Leisure, and Welfare/Social industry sectors had the lowest reserves - £154.3k, £250.7k and £798k on average, respectively. The Other Health industry sector also saw the biggest decrease in reserves from 2020. The biggest increase in reserves was in the Culture/History industry sector.

Reserves by Sub Sector (Average, £ m)



* Industry sectors marked with an asterisk have base numbers of less than 5

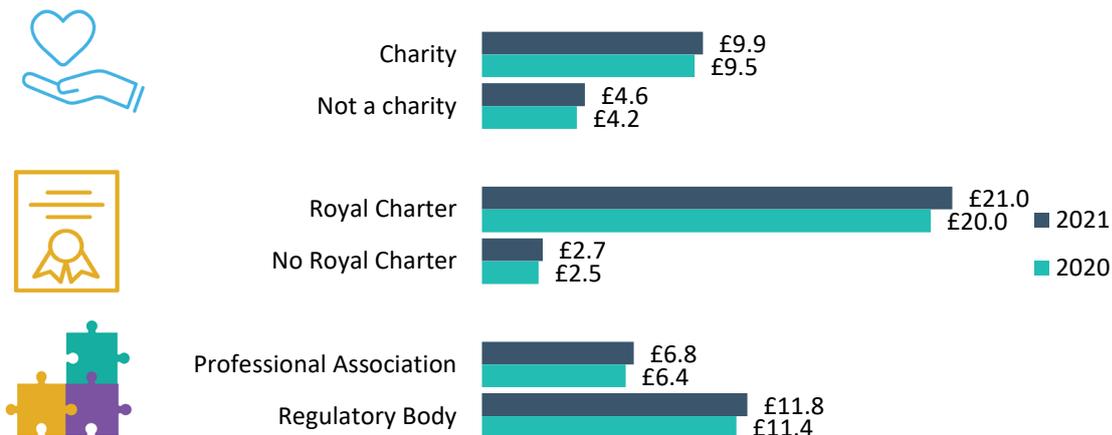
By Constitution

Charities had more than double the reserves of non-charities - £9.9m on average compared to £4.6m. Both charities and non-charities saw an increase in average reserves since 2020, but this increase was bigger for non-charities (8.6% compared to 4%). Professional bodies with a Royal Charter had nearly eight times the reserves of those without a Royal Charter - £21m on average compared to £2.7m. However, non-chartered professional bodies saw

the bigger increase in this average since 2020 (7.2% compared to 4.8%).

The difference between professional associations and regulatory bodies was not as stark. Regulatory bodies had £11.8m in reserves on average while professional associations had £6.8m. Reserves increased for both groups, but the increase was bigger for professional associations (5.7% compared to 4.3%).

Reserves by Constitution (Average, £ m)

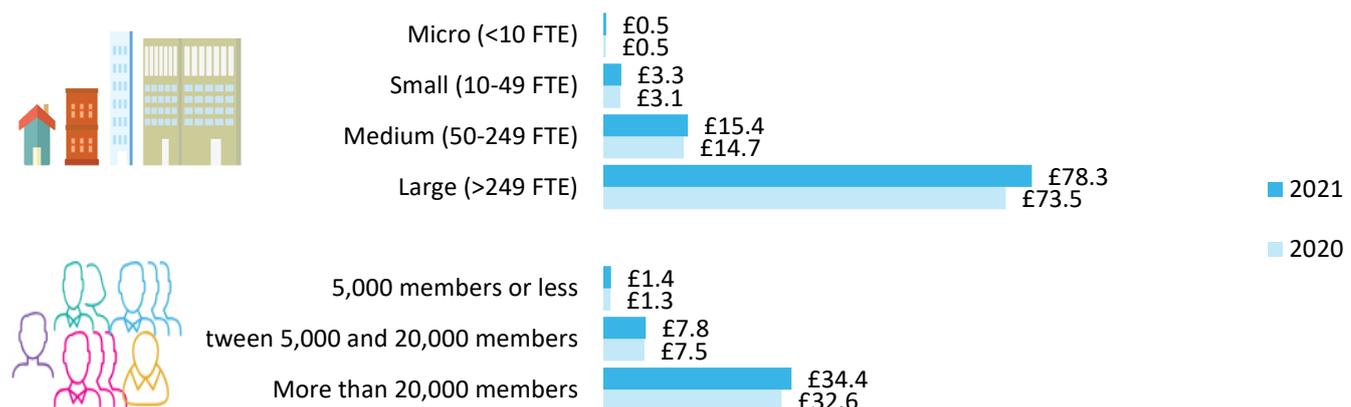


By Size

There was a positive relationship between reserves and the organisation's size, both in terms of the number of FTE employees and number of members. While reserves stood at around £500k on average for micro professional bodies (under 10 FTE), they were £3.3m for small (10-49 FTE) and £15.4m for medium (50-249 FTE) ones, rising dramatically to £78.3m for large professional bodies (over 249 FTE). All professional bodies saw increases in average reserves when compared to 2020. This increase

was greatest for micro professional bodies (7.4%). Professional bodies with a small membership base (under 5,000 members) had £1.4m in reserves on average. Medium (between 5,000 and 20,000 members) and large (over 20,000 members) ones had £7.8m and £34.4m in reserves respectively. All organisations saw an increase in average reserves since 2020. The increase was the largest (8.9%) for small professional bodies (over 20,000 members).

Reserves by Size (Average, £ m)



Reserves as Months of Expenditure

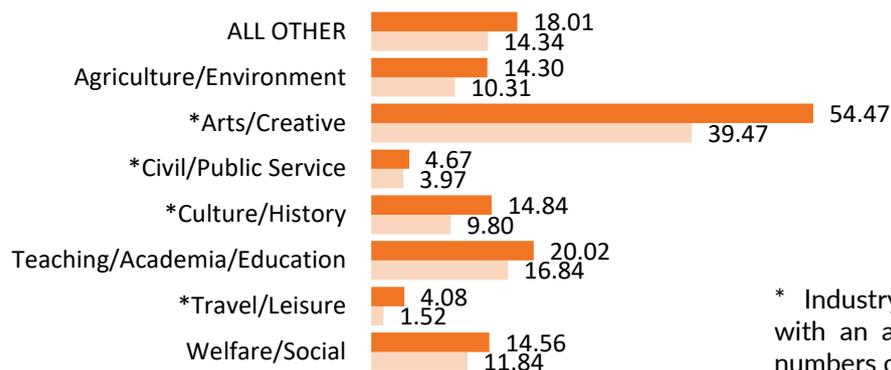
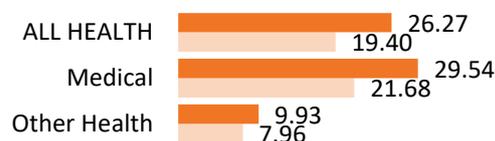
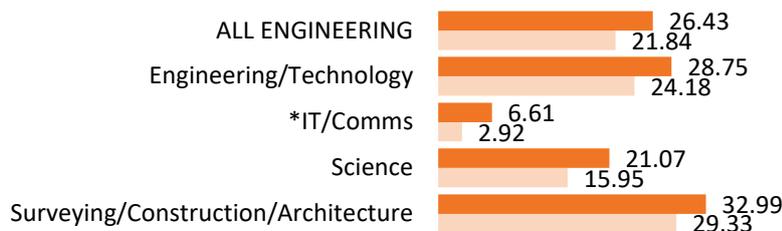
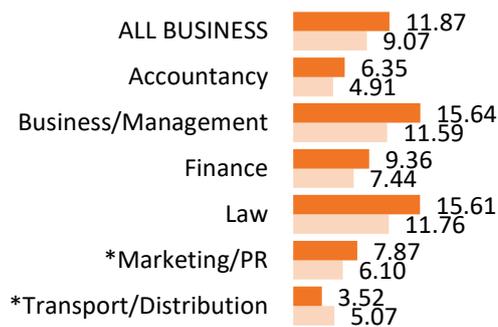
By Sub Sector

The Engineering sub sector returned the highest reserves to months of expenditure ratio – 26.4 on average. The Health sub sector followed, with reserves standing at 26.3 months of expenditure on average. The Other and Business sub sectors had reserves at 18 and 11.9 months of expenditure respectively. The ratio has increased for all sub sectors since 2020.

Construction/Architecture and Medical industry sectors had the highest levels of reserves – 33 and 29.5 months of expenditure on average respectively. Once again, the Agriculture/Environment industry sector, like in 2020, saw the biggest increase once again in 2021. The Finance and Accountancy industry sectors had particularly low ratios, with reserves at 6.4 and 9.4 months of expenditure respectively. No industry sectors saw a decline.

Looking at industry sectors, the Surveying/

Reserves as Months of Expenditure by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

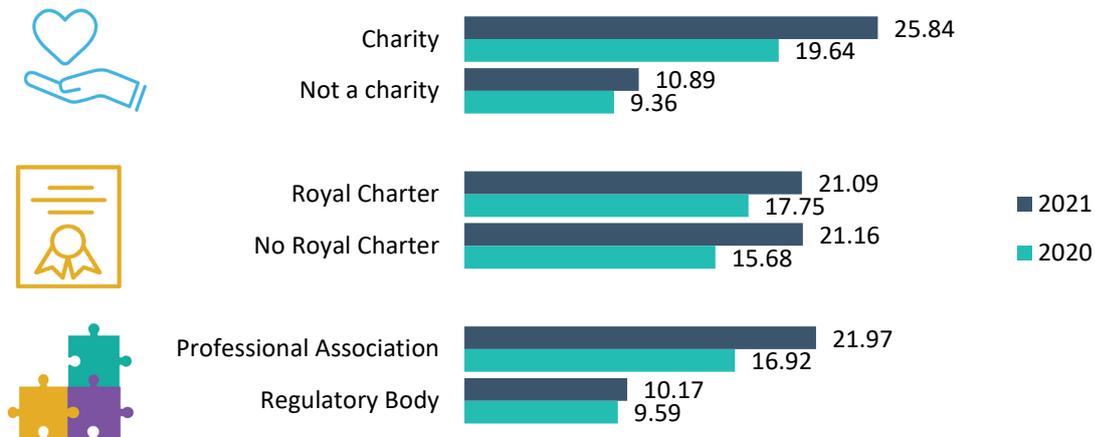
Charities had a substantially higher level of reserves than non-charities – 25.8 months of expenditure on average, compared to 10.9 months of expenditure for non-charities. Both types saw an increase from 2020, this was substantial for charities, rising 31.6%, and fairly for non-charities, increasing by 16.4%.

The difference between professional bodies with and without a Royal Charter were almost identical, as their reserves were 21.1 and 21.2 months of expenditure on average respectively. Both professional bodies

with and without a Royal Charter have seen an increase in this figure since 2020.

Professional associations had substantially higher reserves to months of expenditure ratios than regulatory bodies- 22 and 10.2 on average respectively. Professional associations saw a substantial increase in this figure from 2020 (29.8%) while regulatory bodies saw a smaller increase (6.1%).

Reserves as Months of Expenditure by Constitution (Average)



By Size

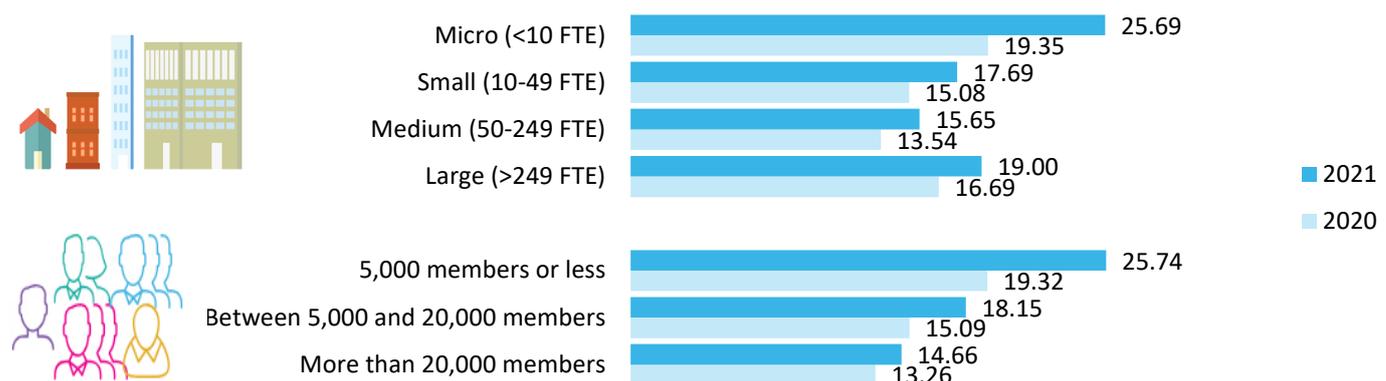
The smallest professional bodies, both in terms of number of FTE employees and number of members, had the largest level of reserves.

Micro professional bodies (under 10 FTE) had reserves standing at 25.7 months of expenditure on average. Small (10-49 FTE) and medium (50-249 FTE) ones had 17.7 and 15.7 months of expenditure in reserves respectively, while large professional bodies (over 249 FTE) had 19 months of expenditure in reserves. This ratio has increased for all types of professional bodies since 2020, but most substantially for micro

ones (under 10 FTE).

Similarly, professional bodies with a small membership base (under 5,000 members) had reserves amounting to 25.7 months of expenditure on average, whereas medium (between 5,000 and 20,000 members) and large (over 20,000 members) ones had reserves to months of expenditure ratios of 18.2 and 14.7 respectively. This figure has increased for all groups since 2020, but most substantially for those with less than 5,000 members.

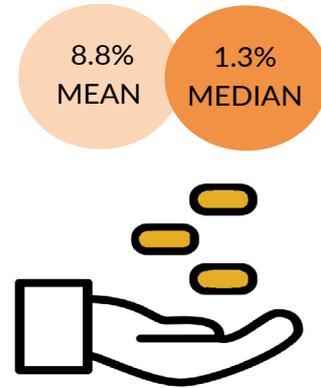
Reserves as Months of Expenditure by Size (Average)



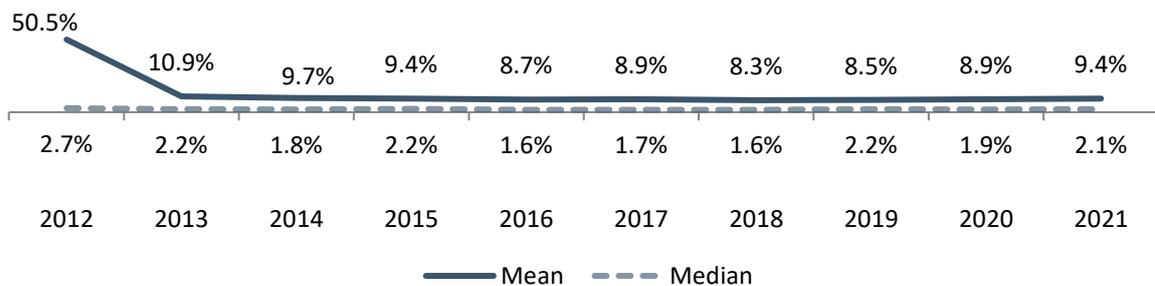
Charities Restricted Reserves

For most charities, restricted reserves constituted only a small proportion of the total reserves- 8.78% on average, with a median at 1.32%.

The contribution of restricted reserves to the total reserves, both as measured by mean and median estimates, has overall been declining over the last ten years, but by both measures, a small incline is observable for both measures. As can be expected, averages were more volatile. There was a particularly sharp increase in the average contribution of restricted reserves to the total reserves in 2012 and smaller increases in 2017, 2019 to 2021. Medians have increased slightly in 2015 and 2017 and more substantially in 2019 and 2021.



Restricted Reserves as % of Total Reserves

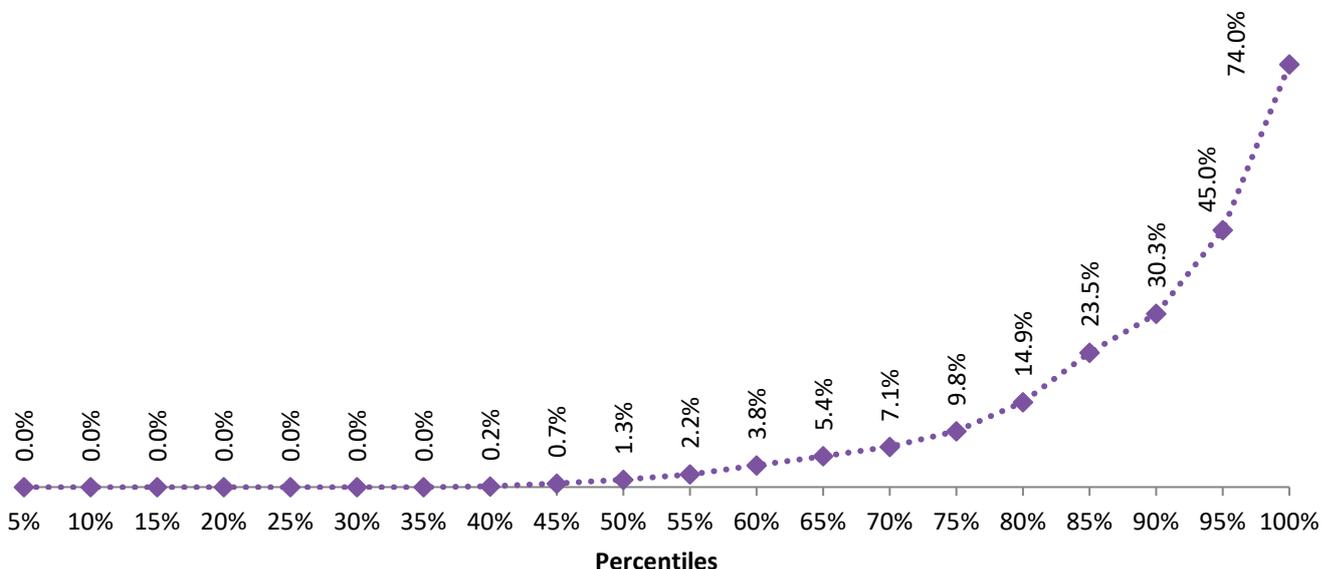


Base: 159

Overall, 40% of charities had no restricted reserves, while 9% had restricted reserves of less than 1% of the total reserves. 26% had restricted reserves amounting to between 1% and 10% of

the total reserves and 14% had restricted reserves constituting between 10% and 30% of the total reserves. In 4% of charities, restricted reserves represented more than a half of the total reserves.

Restricted Reserves as % of Total Reserves



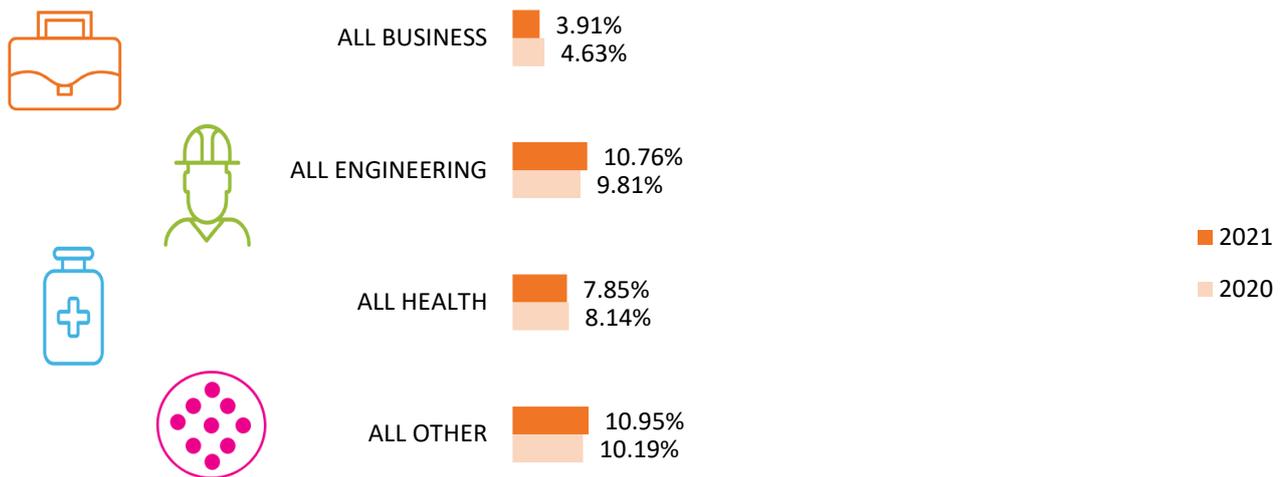
Base: 228

By Sub Sector

Charities in the Other sub sector had the highest proportion of their total reserves held as restricted reserves- 11% on average. They were followed by the Engineering and Health sub sectors, where restricted reserves were 10.8% and 7.9% of the total

reserves respectively. The contribution of restricted reserves to the total reserves was the lowest in the Business sub sector (3.9% on average) and it has decreased since 2020. The Engineering, Health and Other sub sectors saw increases in this figure.

Restricted Reserves as % of Total Reserves by Sub Sector (Average)



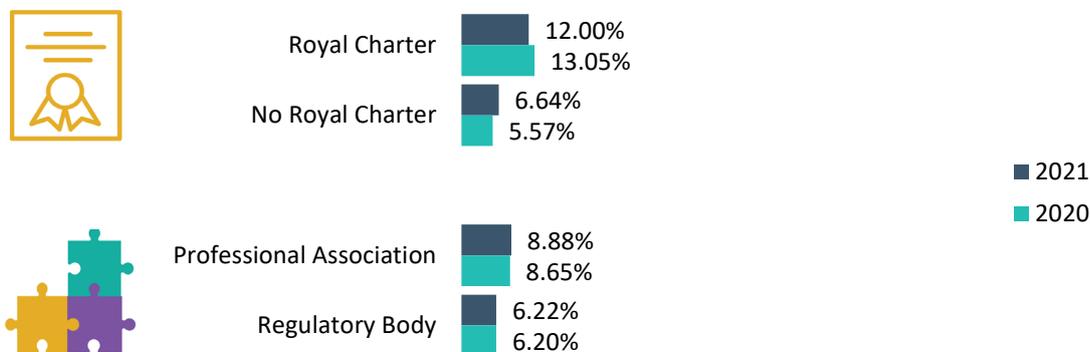
By Constitution

Restricted reserves constituted a higher proportion of the total reserves for charities with a Royal Charter- 12% on average, compared to 6.6% for charities without one. The average contribution decreased for Chartered groups but increased for those without a Charter.

Professional associations held 8.8% of their total

reserves as restricted on average while regulatory bodies held a slightly lower level of restricted reserves- 6.2% of the total reserves. The average contribution of restricted reserves to the total reserves has increased for both professional associations and regulatory bodies by a small degree since 2020.

Restricted Reserves as % of Total Reserves by Constitution (Average)

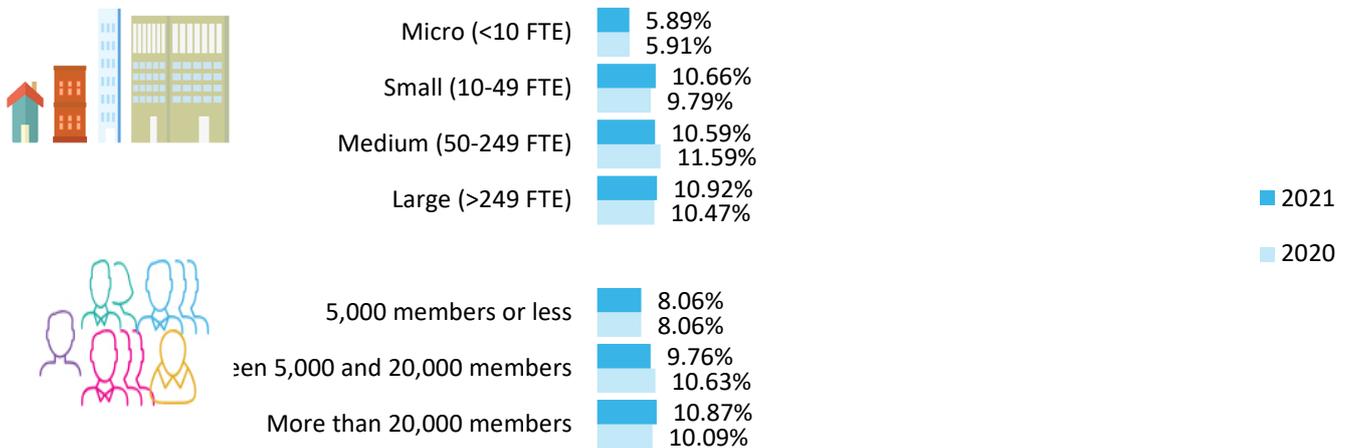


By Size

Micro charities (under 10 FTE) held 5.9% of their total reserves as restricted on average. Small (10-49 FTE) and medium (50-249 FTE) charities had restricted reserves constitute 10.7% and 10.6% of the total reserves respectively and large ones (over 249 FTE) had this contribution at 10.9%. This proportion has increased for small (8.9%) and large organisations (4.3%) but has fallen for micro (-0.3%) and medium sized (-8.7%) ones when compared to 2020.

Charities with a small membership base (under 5,000 members) held 8.1% of their total reserves as restricted on average. Medium sized ones (between 5,000 and 20,000 members) had 9.8% of total reserves as restricted and large charities (over 20,000 members) had 10.9%. This ratio has stayed the same for small organisations, decreased for medium sized organisations, and increased for large organisations.

Restricted Reserves as % of Total Reserves by Size (Average)



Section 8

Remuneration Packages for CEO and Most Senior Finance Role



About the Survey

Focusing solely on remuneration packages provided by UK professional bodies, this survey sought to fill a gap in the market for such information.

The survey examined remuneration packages for two senior roles:

- Chief Executive (or most senior member of staff)
- Most senior finance role

Survey respondents

We opened the survey by asking respondents about key characteristics of their organisations, such sector, location and number of employees.

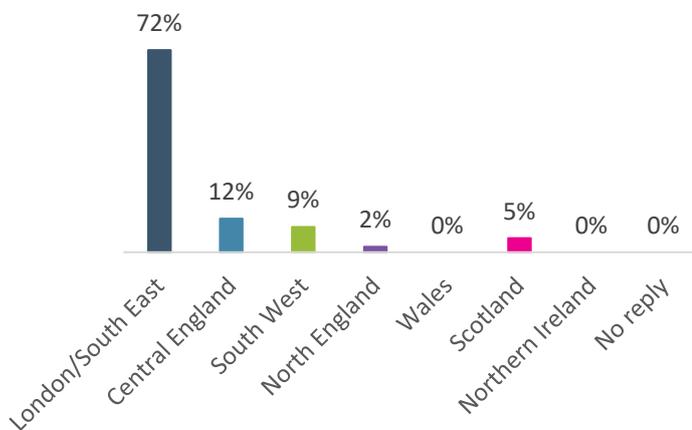
The majority of survey respondents were **located** in London/South East (72%). 19% were in the Business sub sector, 26% were in the Engineering sub sector, 25% in the Health sub sector and 30% in the Other sub sector, returning a reasonably accurate representation by **sector**. Representation by number of **FTE employees** was not as good. While medium sized (50-249 FTE) and large (>249 FTE) professional bodies were well represented, micro ones (<10 FTE)

It covered salary, bonuses, benefits and post-holder's background. There was also has a short section about respondents' organisation.

This survey was sent to 320 UK-based professional bodies and was open for responses between 14 July and 9 September 2022. A total of 57 professional bodies responded, representing a 18% response rate.

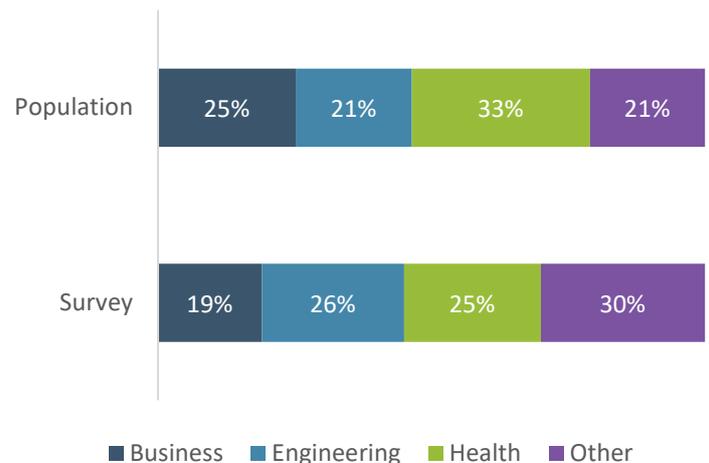
were under represented while small ones (10-49 FTE) were over represented. Ranging from 4 to 327, the average number of FTE employees was 46.5 and the median value was 24.4. The average **gross annual income** among survey respondents was £4.8m and the median was £2.8m. It ranged between £156k and £35m. **Gross annual payroll** (including salaries, bonuses and overtime and excluding National Insurance, employer's pension costs and other benefits) stood at £1.9m on average and ranged between £109k and £14.9m.

Where is your organisation's UK head office?



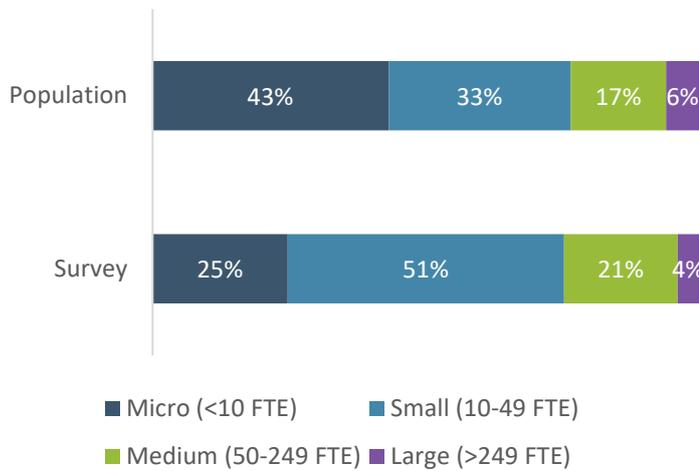
Base: 57

Which sector is your organisation in?



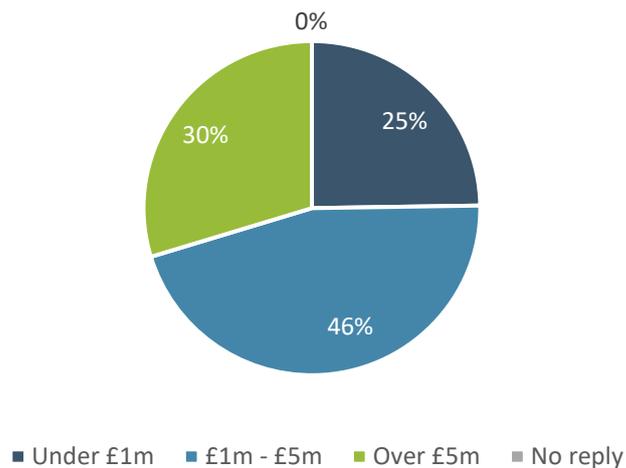
Bases: Survey: 57; Population: 500

How many full time equivalent (FTE) employees (UK and overseas in total) work at your organisation?



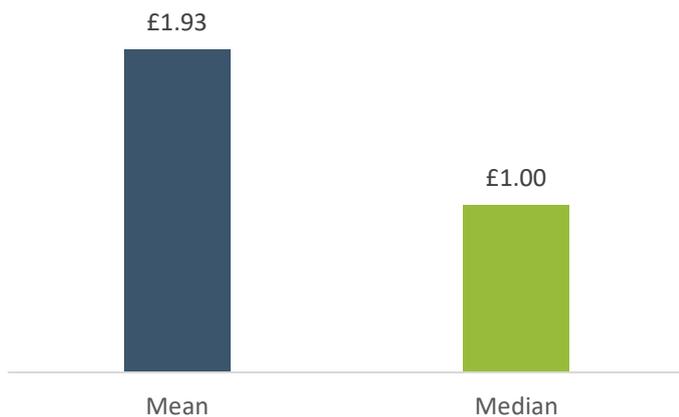
Bases: Survey: 57; Population: 396

What was your organisation's total gross annual income last year?



Base: 57

How much was your organisation's gross annual payroll in the last 12 months (£m)?



Base: 53

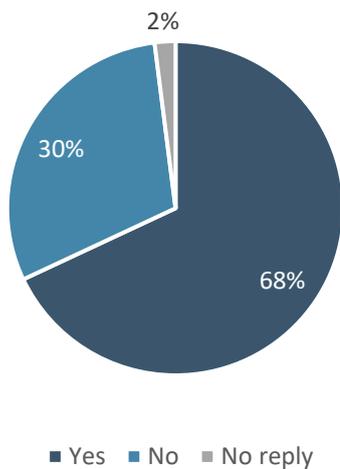
Professional Bodies as Employers

Before moving on to ask specifically about remuneration for the most senior member of staff and the most senior finance role, we asked a number of questions about employment and remuneration across professional bodies as a whole, including questions about employee turnover and pay ratios.

68% of respondents were **living wage employers**. This was particularly common in the Health and Other sub sectors, where 79% and 76% respectively were living wage employers. **Employee turnover** (as measured by employees who left to the average number of employees) in the last year was 12.9% on average – an increase on the year before, when it

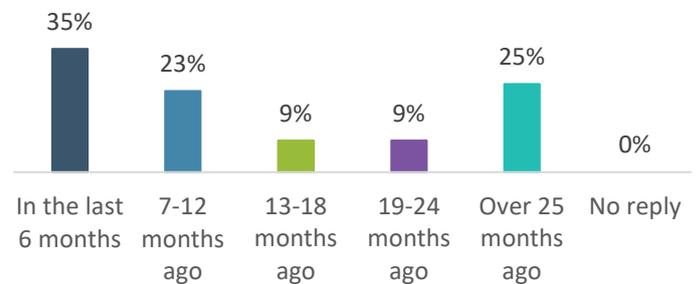
was 11.1% on average. The range for both periods was between 0% and 38%. The **ratio of pay between the highest paid and lowest paid employee** was 5.02 on average. The median was 4.05 and the range was from 1.5 to 14.7. Across all staff at responding organisations, the average **salary increase** was 3.9%. The median was 4.0% and the figure ranged from 0% to 8.2%. Over half of survey respondents undertook a **benefits review** within the last 12 months (58%). This was particularly common in the Other sub sector, where 77% did so in the last 12 months. However, a quarter have not reviewed their benefits so for more than two years.

Is your organisation a living wage employer?



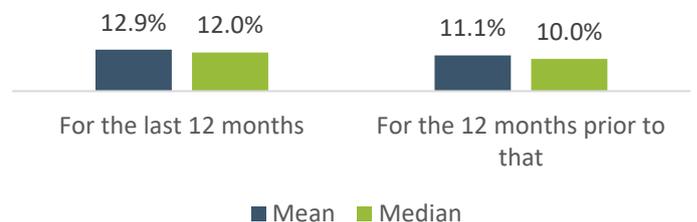
Base: 57

When did your organisation last undertake a benefits review?



Base: 57

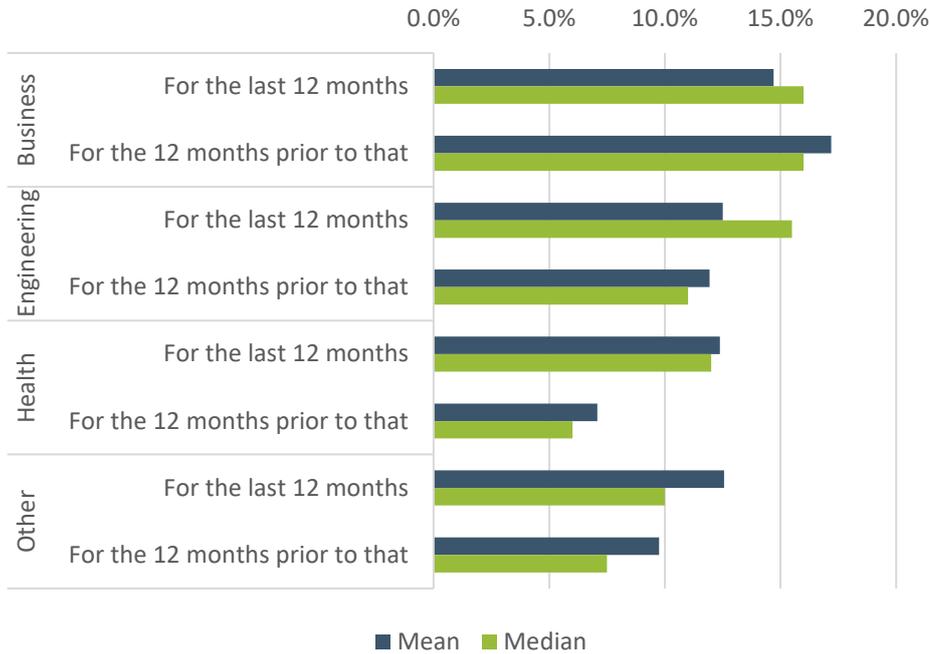
What was your organisation's employee turnover ..?



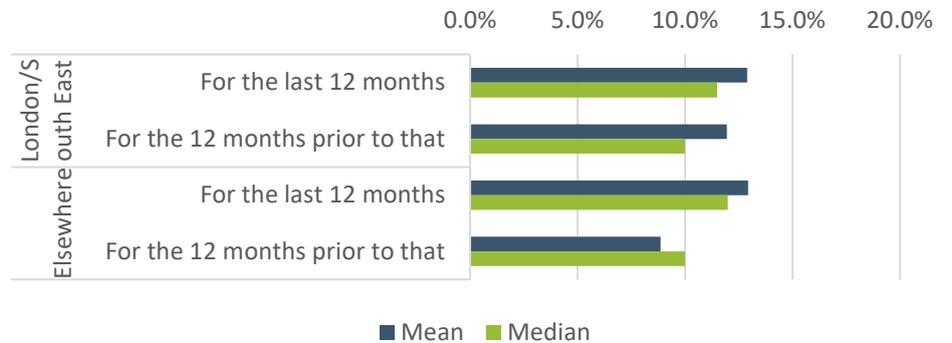
Base: 53

What was your organisation's employee turnover ..? (cont.)

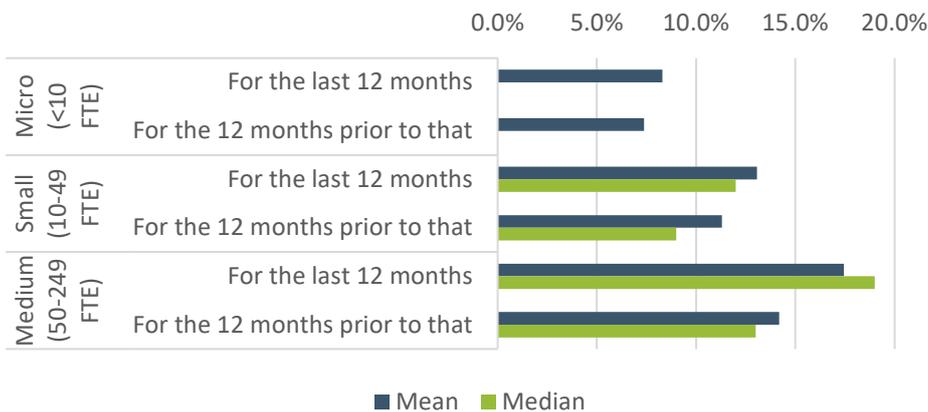
By sub sector



By location

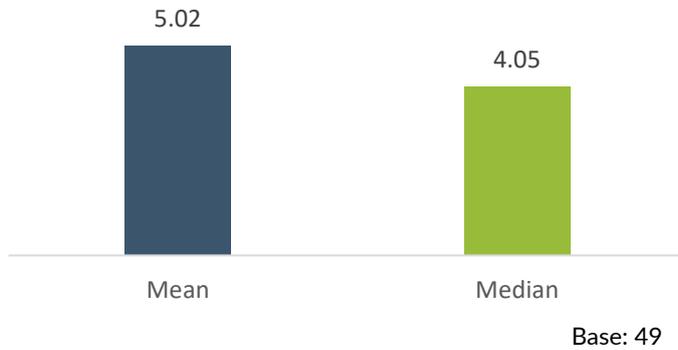


By number of FTE employees

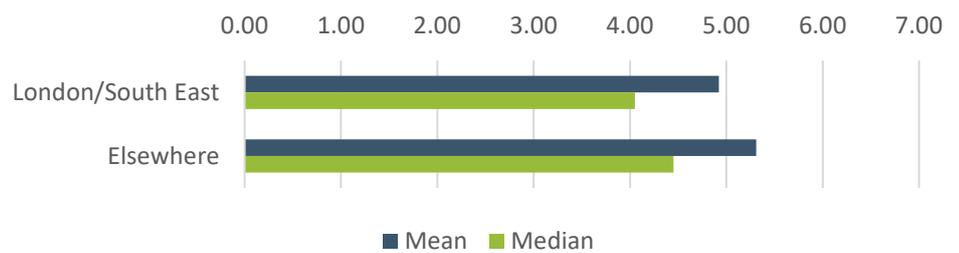


What is the ratio of pay between the highest paid and lowest paid employee?

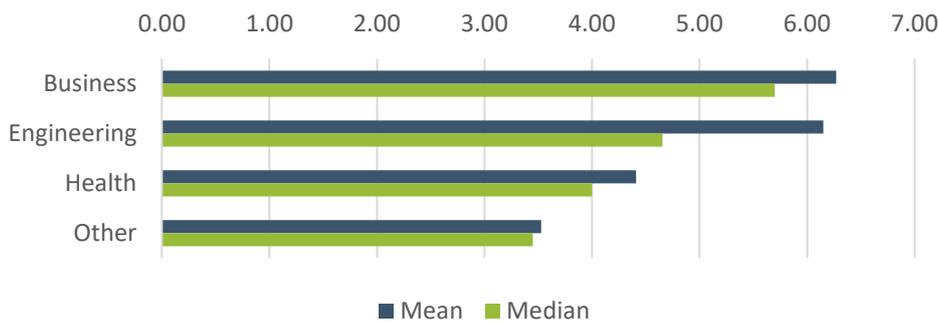
Overall



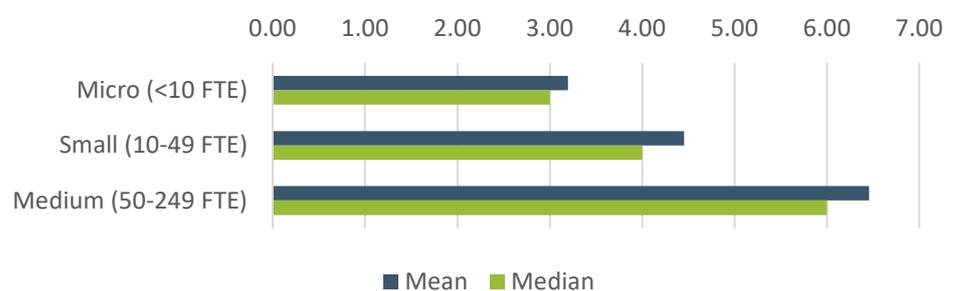
By location



By sub sector

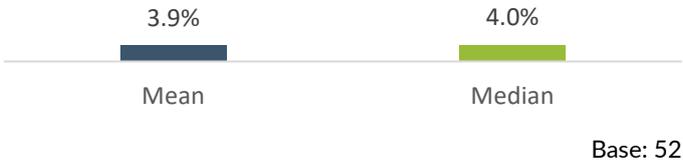


By number of FTE employees

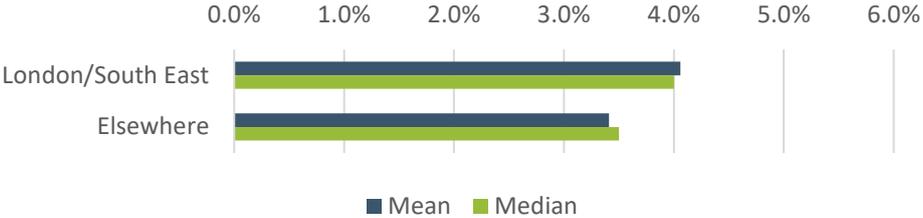


Across all staff at your organisation, what was the average salary increase in the last 12 months?

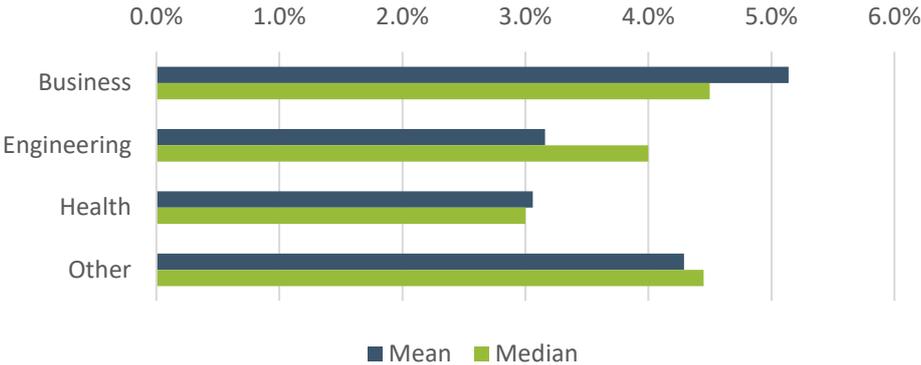
Overall



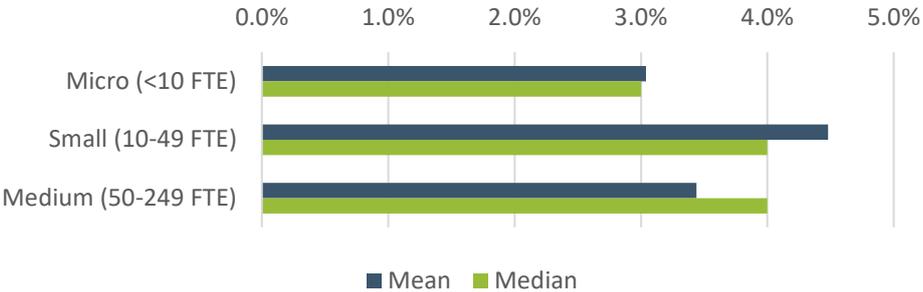
By location



By sub sector



By number of FTE employees



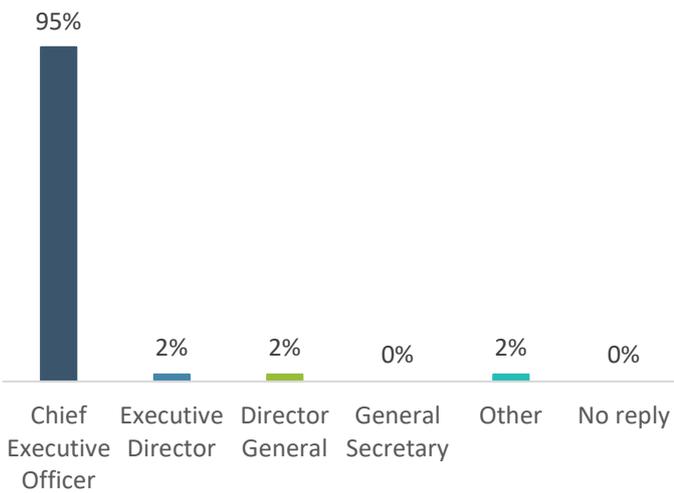
Chief Executive

Function

The **job title** of most senior member of staff was almost always Chief Executive Officer (95%). This role typically had a **very significant strategic power and influence** (61%). However, 35% of respondents told us their most senior member of staff's role was a balance of administrative support and strategic, policy power and influence. Results showed that the shift from a balance of administrative and strategic function to a purely strategic function correlated with

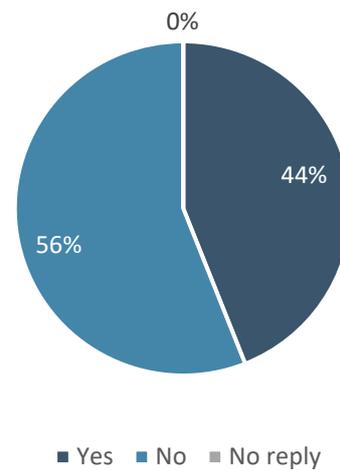
the size of organisation. There was almost an equal split between respondents who told us that their most senior member of staff **sat on the governing body** and those who told us that they did not (44% and 56% respectively). A caveat to this question is capacity in which the most senior member of staff sat on the governing body – as a voting member or as a non-voting member.

What is the job title for this role?



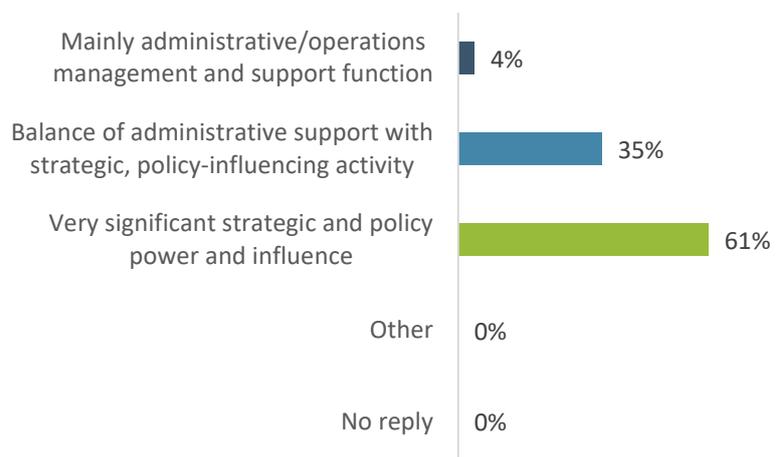
Base: 57

Does the post-holder sit on the governing body?



Base: 57

Which of the following best describes the function of this role?



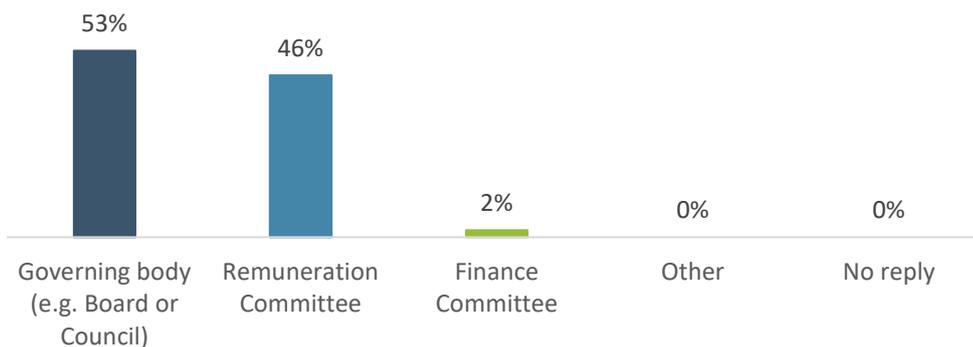
Base: 57

Salary

The average **basic annual salary** for this role was £120.9k. The median figure was £107.0k. The basic annual salary ranged between £30.0k and £300.0k. The average **salary increase** was 3.7%. The median was 3.0% and the range was between 0% and 20%. The **final decision about pay** for this

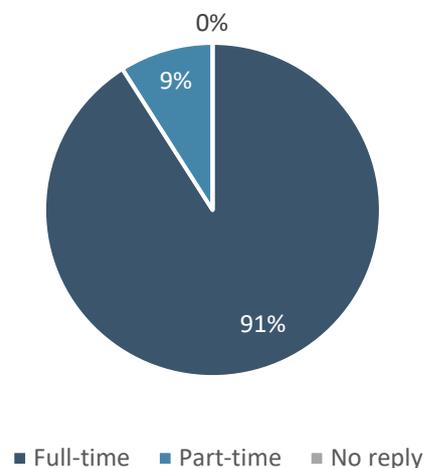
role was made either by the governing body (53%) or by the remuneration committee (46%). In smaller professional bodies this decision was typically with the governing body and in larger ones it was typically with the remuneration committee. This role was predominantly **full time** (91%).

Who makes the final decision regarding pay at this level?



Base: 57

Is this role full-time or part-time?



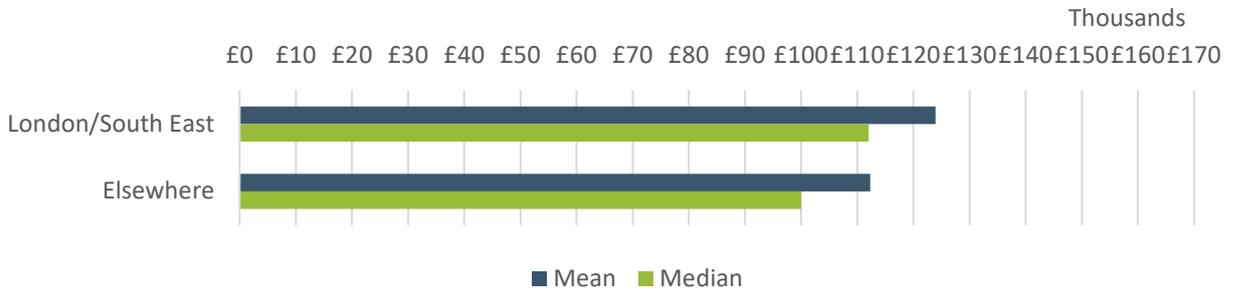
Base: 57

How much is the basic annual salary for the most senior member of staff?

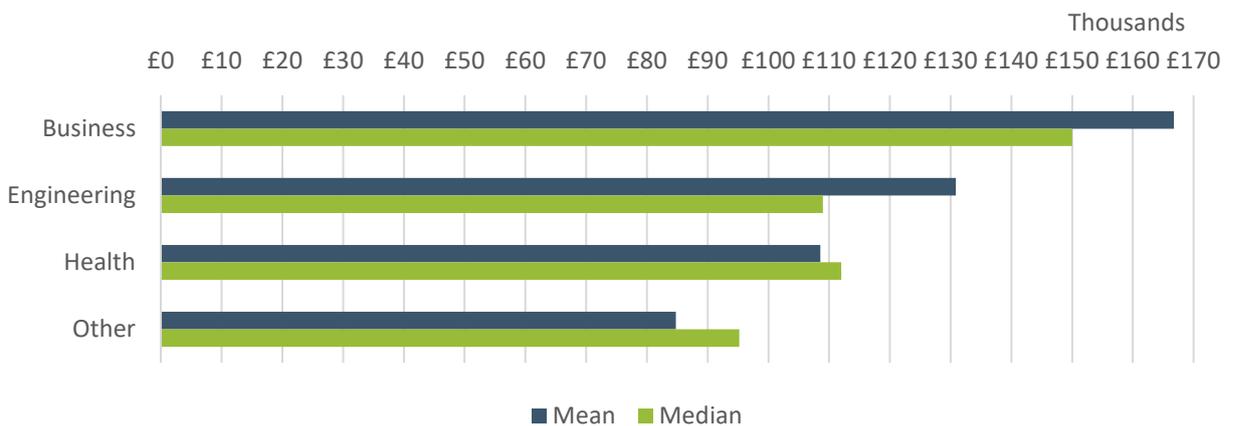
Overall



By location



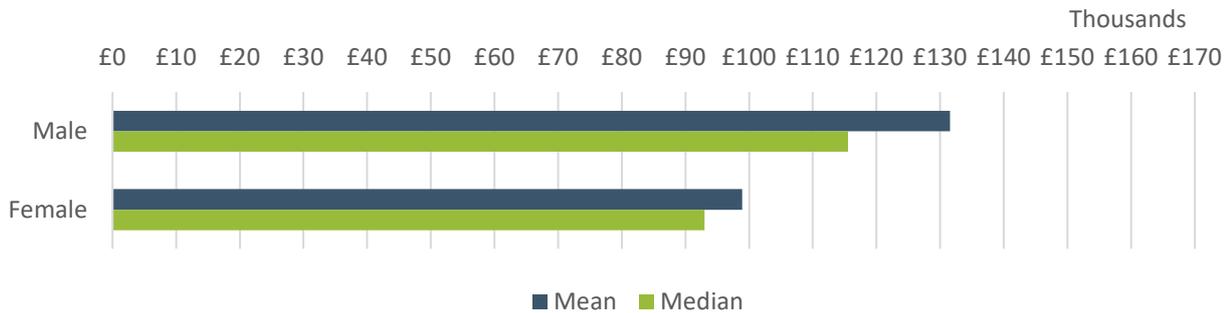
By sub sector



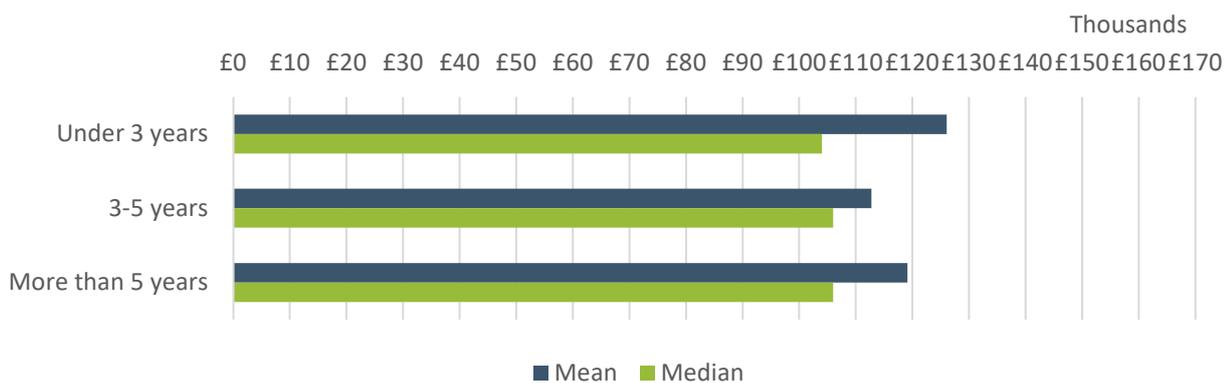
By number of FTE employees



By post holder's gender



By post-holder's length of service

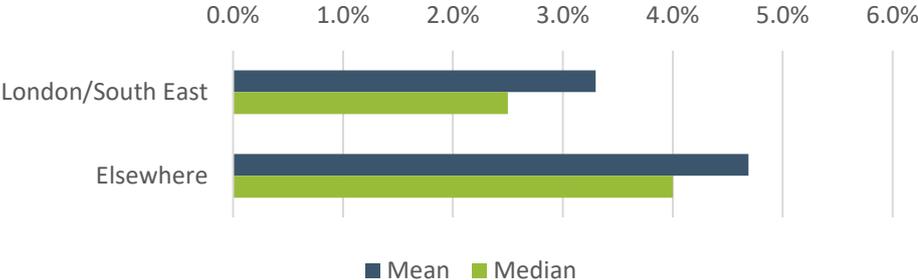


By what percentage has the salary for the most senior member of staff increased this year compared to last year?

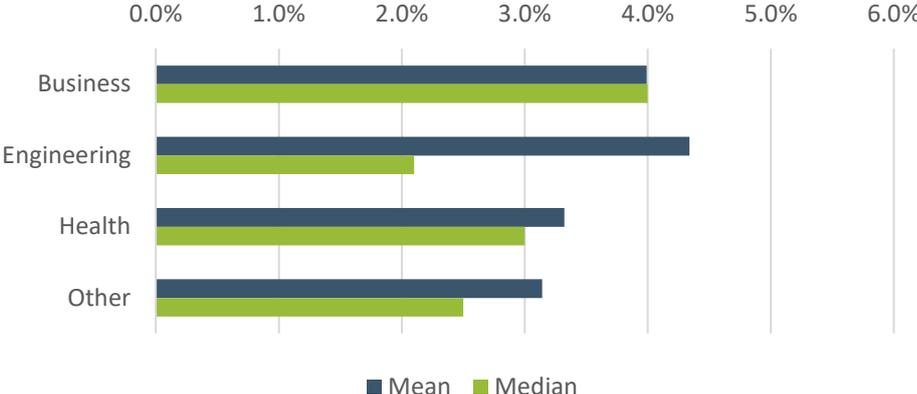
Overall



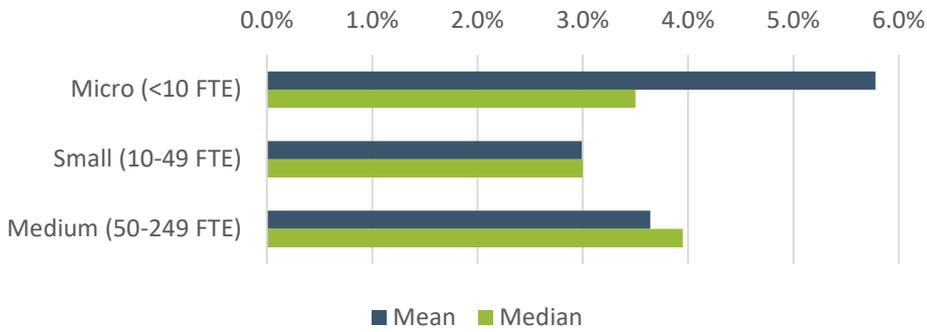
By location



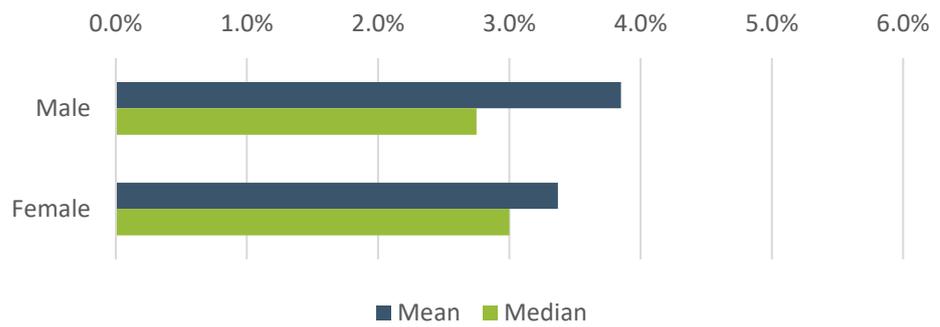
By sub sector



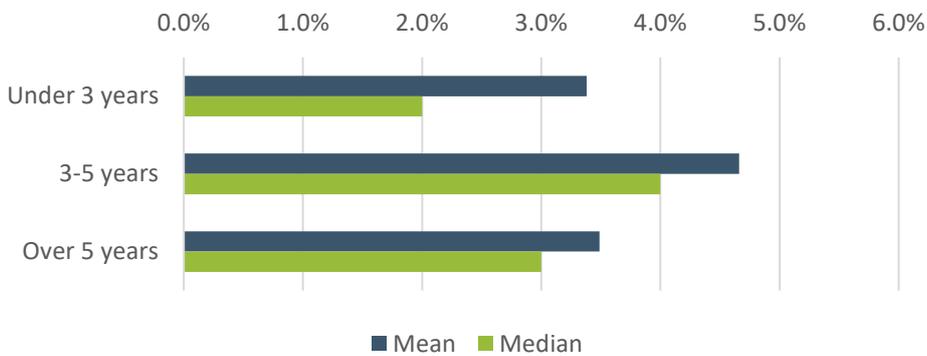
By number of FTE employees



By post holder's gender



By post-holder's length of service

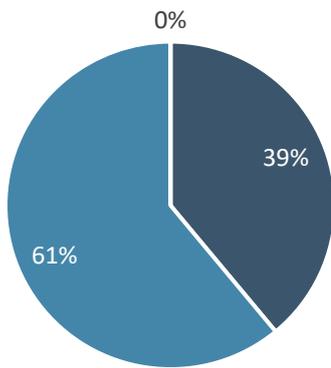


Bonuses

Only just over a third of survey respondents paid their most senior member of staff a **bonus** (39%). This practice was particularly common in the Business and Engineering sub sectors, where 55% and 53% of CEOs were paid a bonus. Typically, bonuses were

performance related (86%). On average, a bonus was 11.9% of the basic annual salary. The median figure was 9.8% and the range was between 0% (meaning no bonus was paid in the last 12 months) and 36.0%.

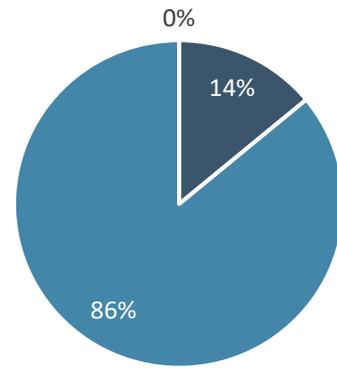
Does the post-holder receive bonus payments?



■ Yes ■ No ■ No reply

Base: 57

If so, are these fixed at a set level or performance related?



■ Fixed at set level ■ Performance related ■ No reply

Base: 22

How much was paid as a bonus last year (as a percentage of the basic annual salary)?



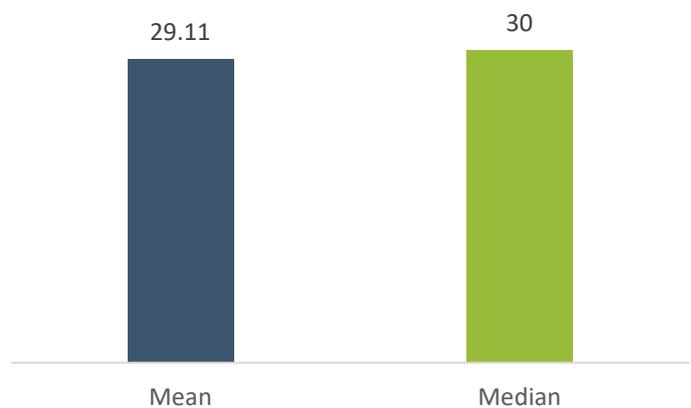
Base: 20

Benefits

The annual **holiday allowance** for this role averaged 29.1 days. The median was 30 days and the range was between 22 and 35 days. By far the most common **benefit** was a pension plan (88%). Following this, at 49%, were season ticket loan and wellbeing resources and support. Where a pension plan was provided, this was a defined contribution pension plan (84%). Employer contributions averaged 11.4% (median 9.0%, minimum 2.6% and maximum 100%).

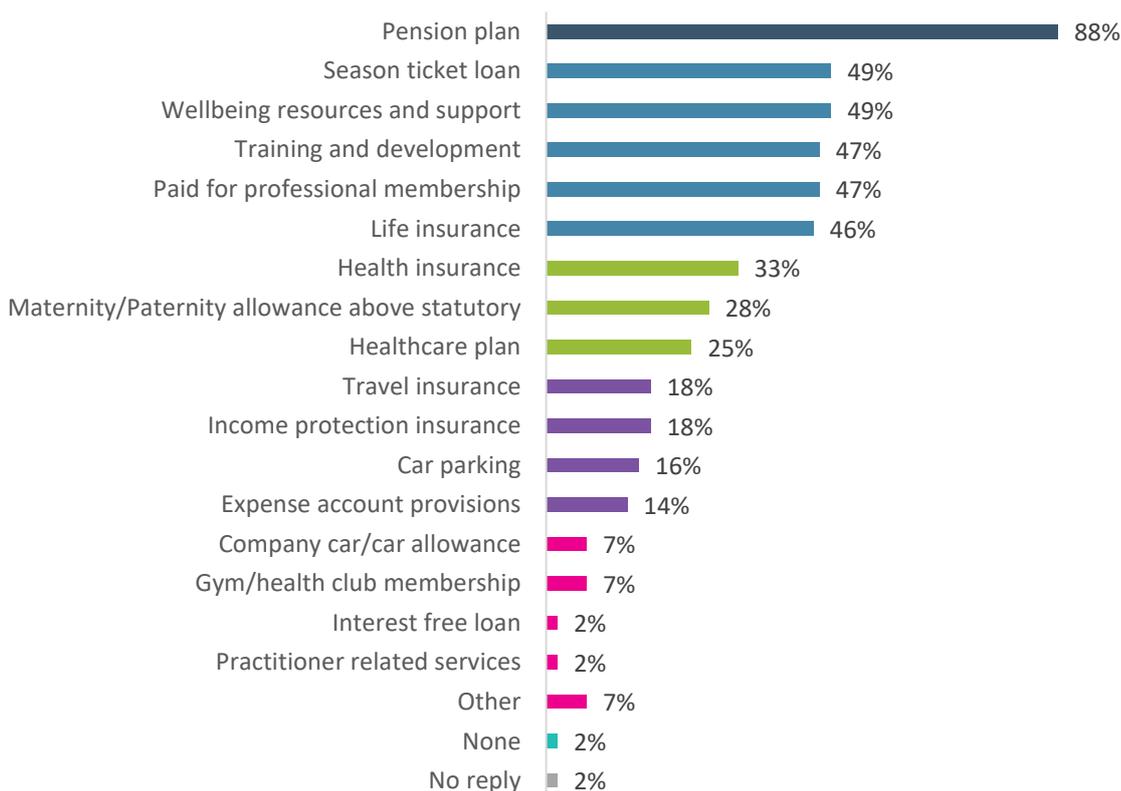
Employee contributions averaged 6.4% (median 5.0%, minimum 0% and maximum 40%). Where training and development was provided, this was in the form of a budget for training (63%). Working from home and flexible working hours were widely available for this role (95% and 68% respectively). Where working from home was available, this was supported by the provision of the necessary equipment (93%).

What is the current annual holiday allowance for this position? (number of days, excluding public holidays)



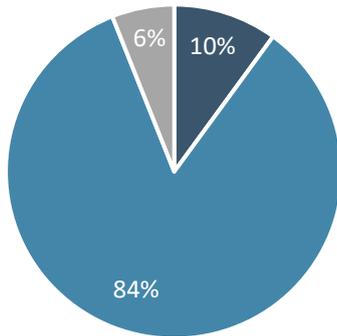
Base: 53

Which of the following benefits are provided for this position?



Base: 57

If a pension is provided, is this...?

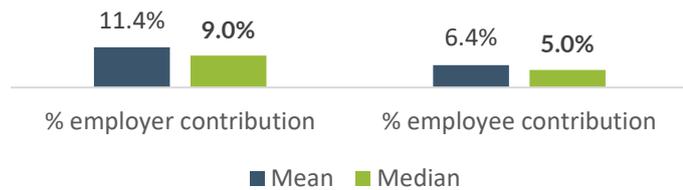


■ Defined benefit ■ Defined contribution ■ No reply

Base: 50

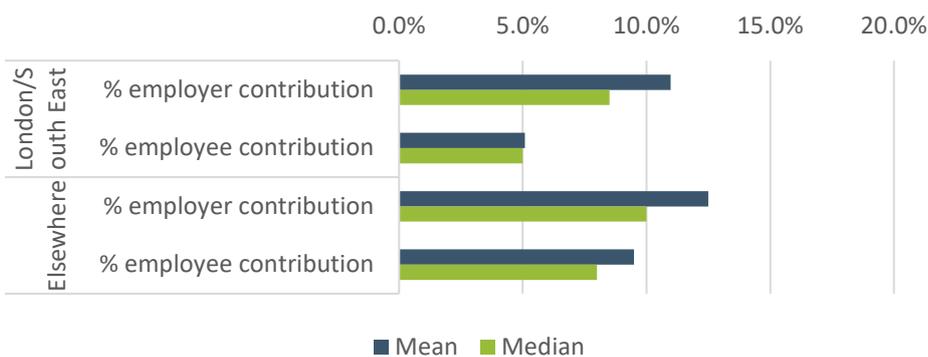
How much is contributed by the organisation and the post-holder? Please express as a percentage of the basic annual salary

Overall

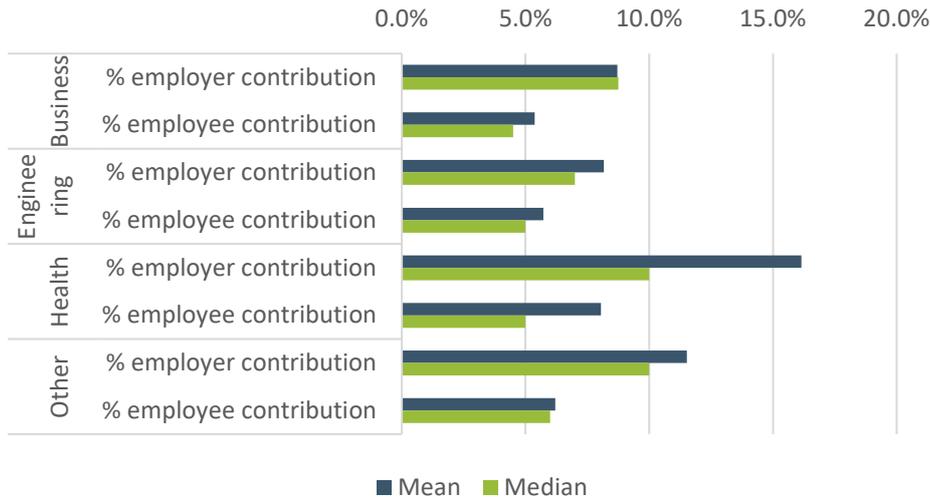


Bases: Employer contribution 47; Employee contribution 45

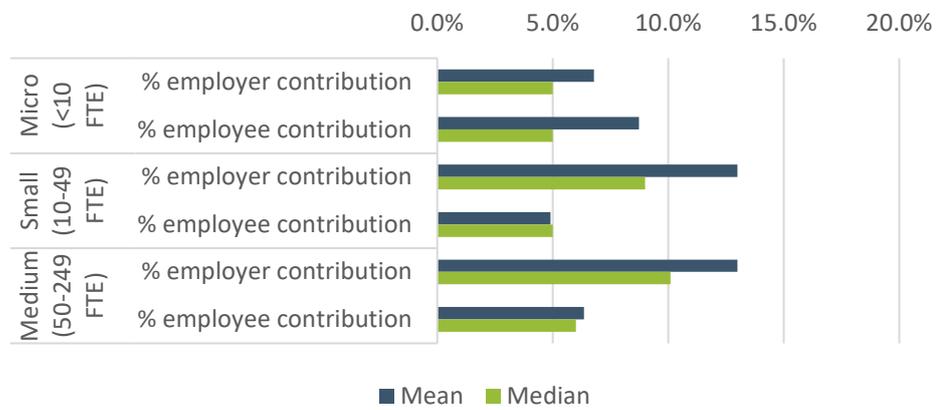
By location



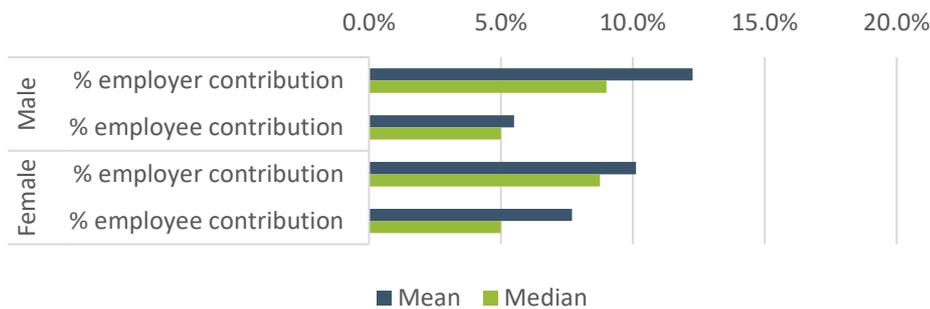
By sub sector



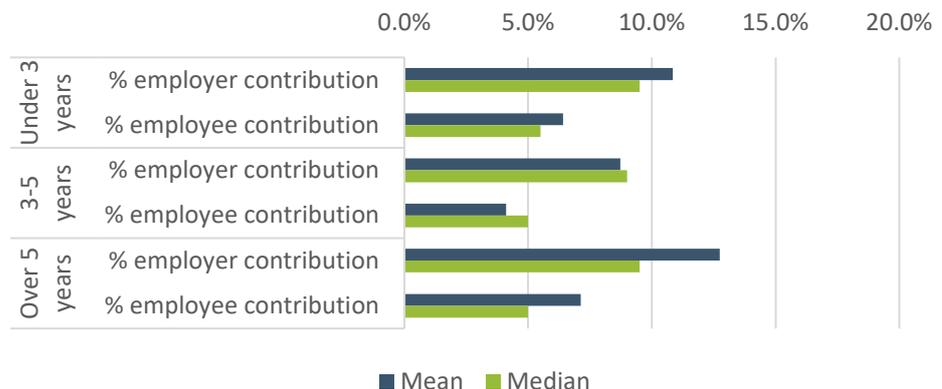
By number of FTE employees



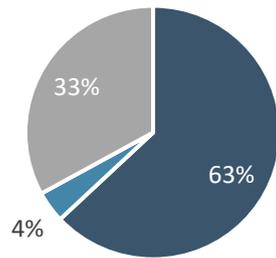
By post holder's gender



By post-holder's length of service



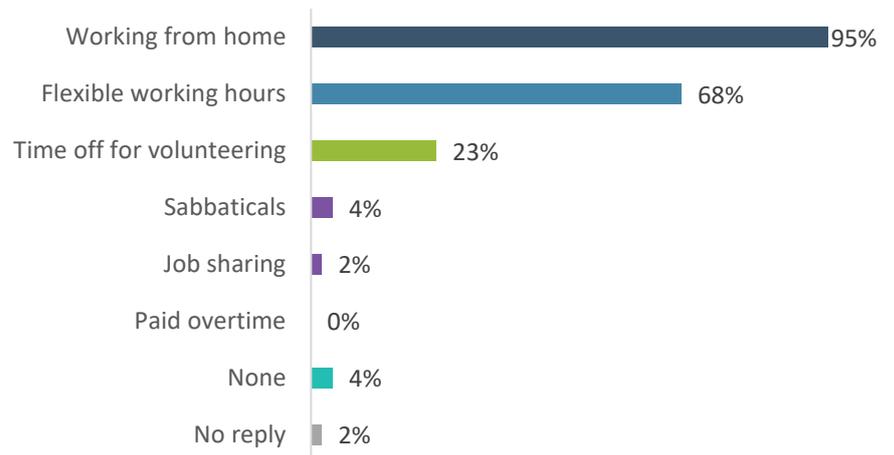
If training and development is provided, is this in the form of...?



- Fixed amount of money "set aside" for course fees
- Fixed number of hours "set aside" for courses, training, etc
- No reply

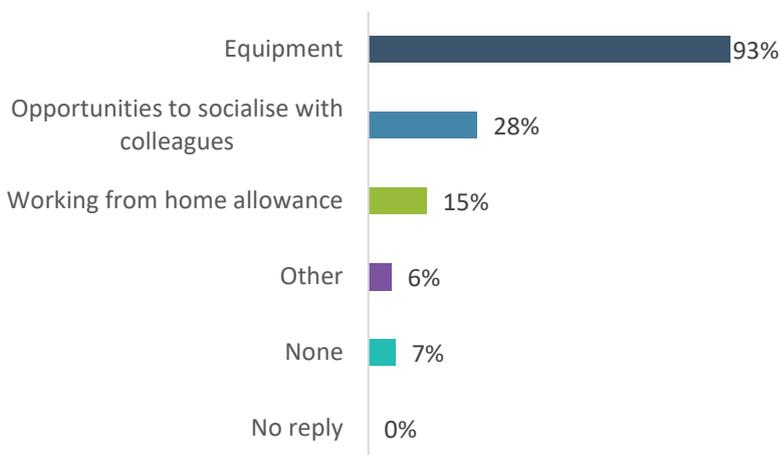
Base: 27

Are any of the following available for this role?



Base: 57

If working from home is available, what support is provided?

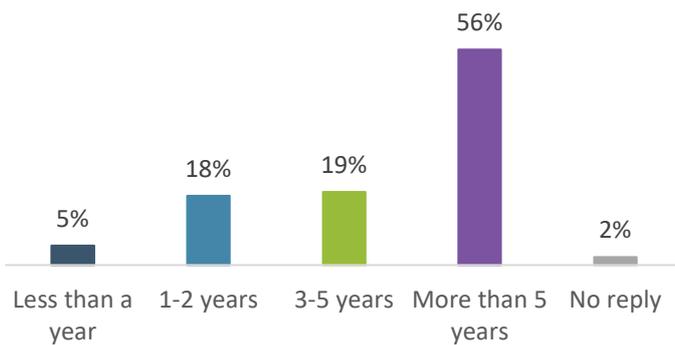


Base: 54

Post-holder's background

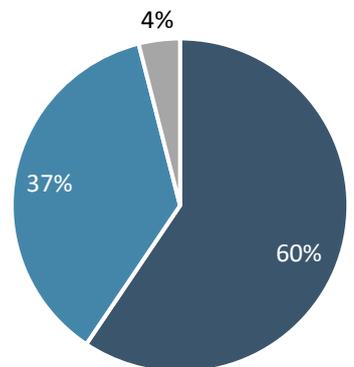
The current post-holder had worked in this role for more than five years (56%). 5% have been only fairly recently recruited. Commonly, the post-holder was male (60%). Post-holder's age varied widely, with the most common brackets being 56-60 (35%), 61-65 (18%) and 46-50 (16%).

How many years has the post-holder worked in this role at your organisation?



Base: 57

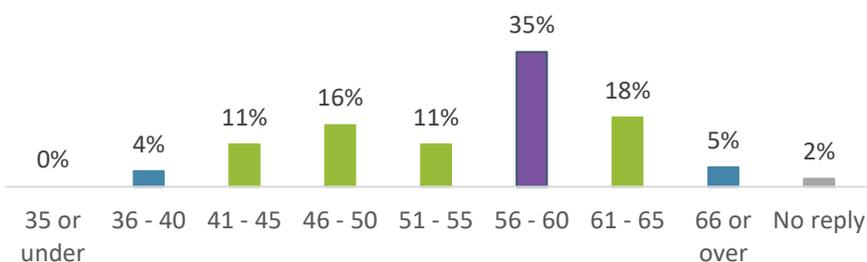
Is the post-holder male or female?



■ Male ■ Female ■ No reply

Base: 57

Please select the post-holder's age group



Base: 57

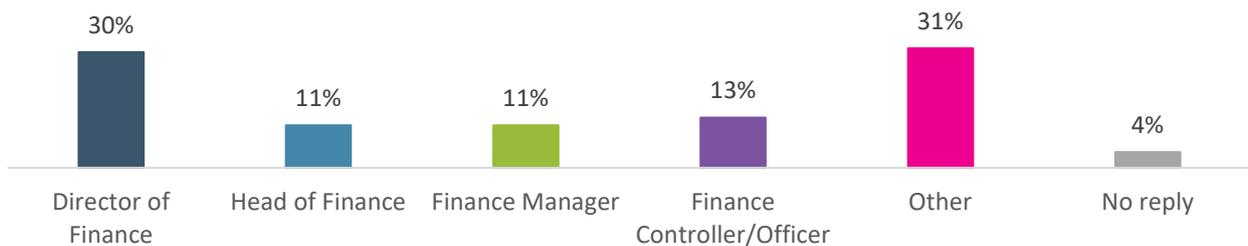
Most Senior Finance Role

Function

The **job title** for the most senior finance role varied greatly, with the most common response being 'Other' (31%). This included three respondents who told us that there was no dedicated senior finance role at their organisations. Two of them told us that this function was within the remit of the COO or CEO

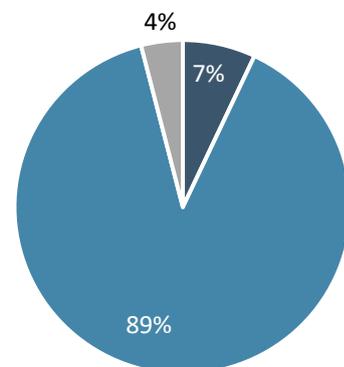
and one explained that this role was contracted out. Just under a third of survey respondents titled the most senior finance role as Head of Finance (30%). This role did not typically **sit on the governing body** (89%).

What is the job title for this role?



Base: 54

Does the post-holder sit on the governing body?



■ Yes ■ No ■ No reply

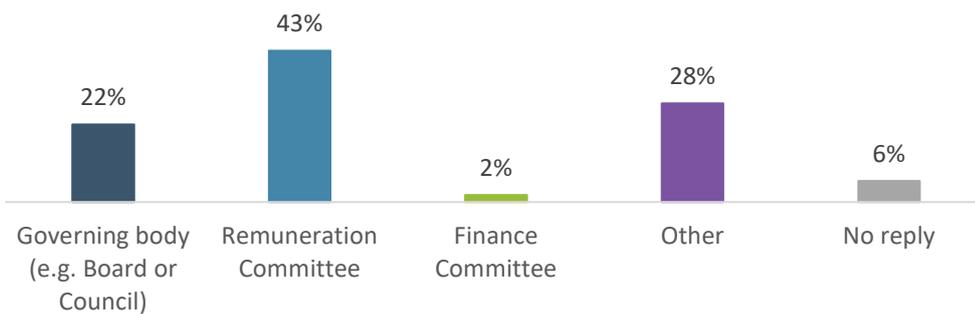
Base: 54

Salary

The basic **annual salary** for this role averaged £78.5k. The median was £72.5k. The figure varied between £28.0k and £150.0k. The average **salary increase** was 4.5%, with the median at 4.0%. The range was between 0% and 36%. The **final decision about pay**

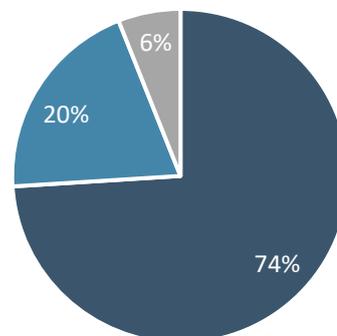
for this role was made by the remuneration committee (43%), although the next most common answer was 'Other' (28%), implying that other practices were also present. This role was usually **full time** (74%).

Who makes the final decision regarding pay at this level?



Base: 54

Is this role full-time or part-time?



■ Full-time ■ Part-time ■ No reply

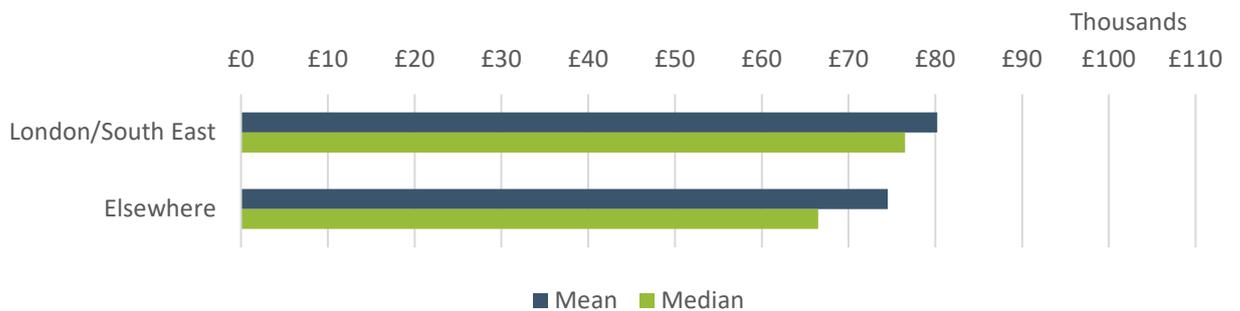
Base: 54

How much is the basic annual salary for the most senior finance role?

Overall



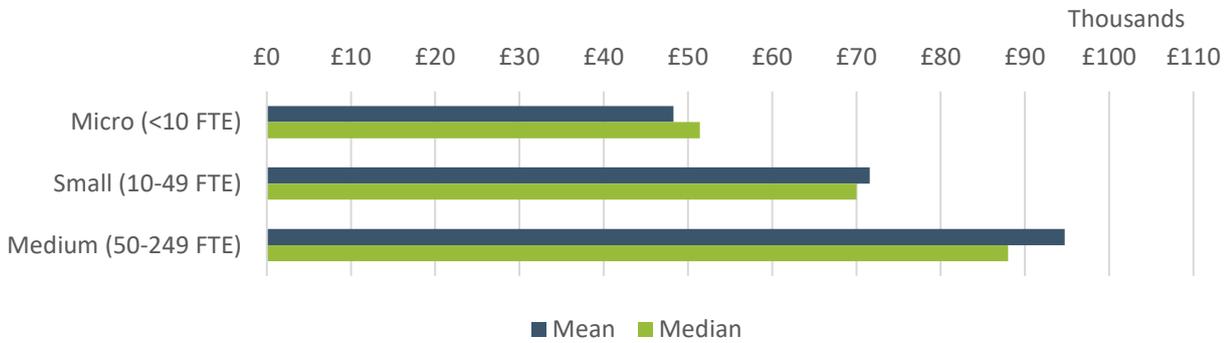
By location



By sub sector



By number of FTE employees



By post holder's gender



By post-holder's length of service

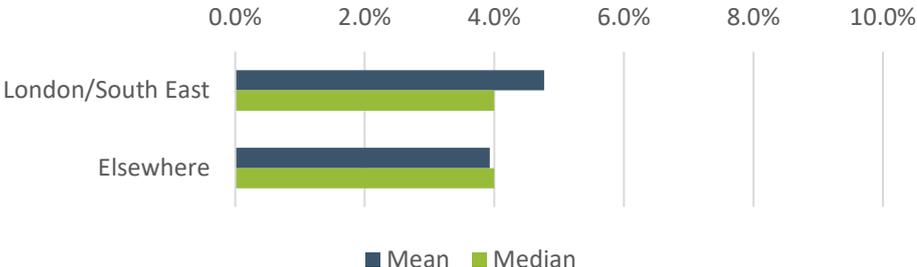


By what percentage has the salary for the most senior finance role increased this year compared to last year?

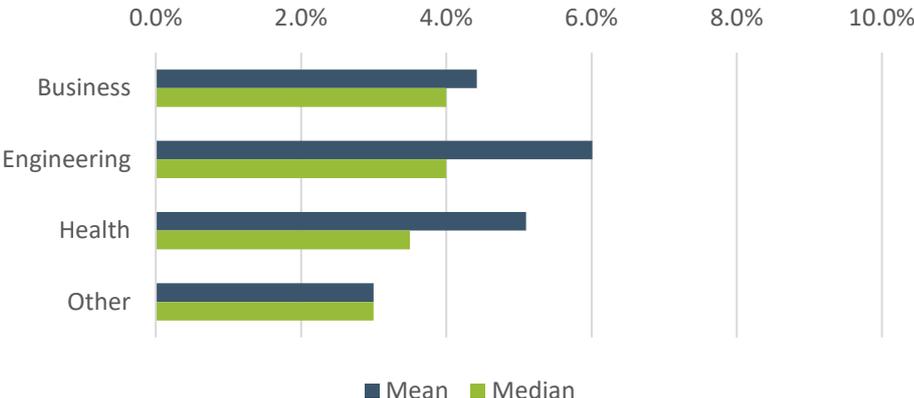
Overall



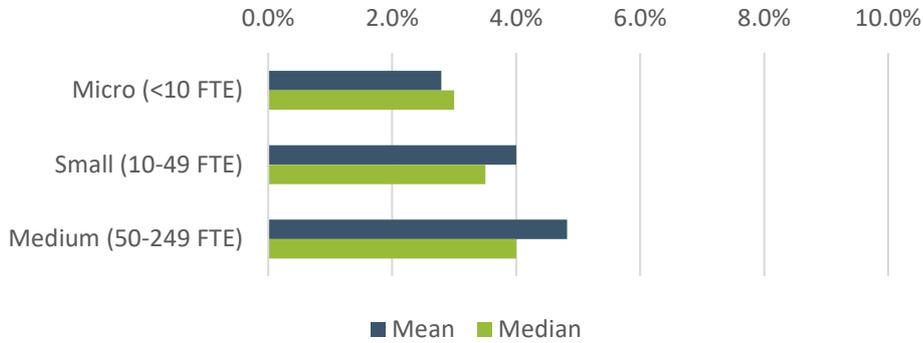
By location



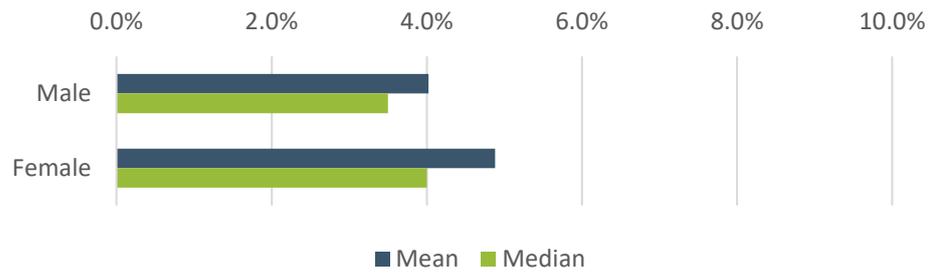
By sub sector



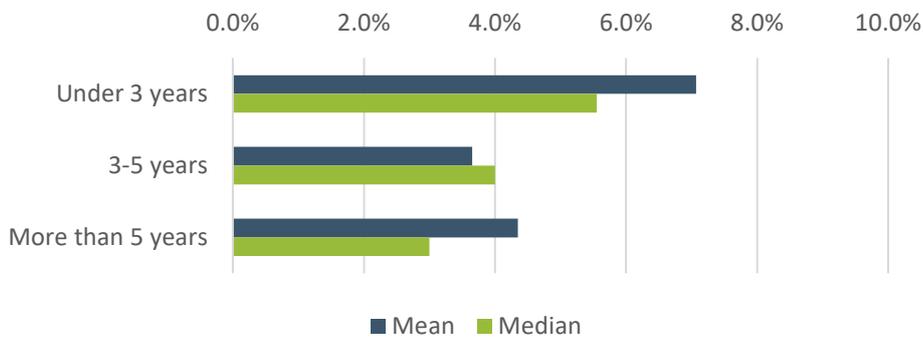
By number of FTE employees



By post holder's gender



By post-holder's length of service

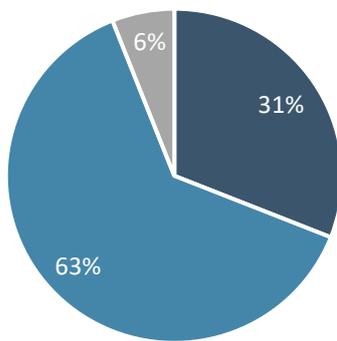


Bonuses

Only just under a third of respondents (31%) paid a **bonus** to this role. This was particularly common in the Business sub sector, where 55% paid a bonus to their most senior finance role. When a bonus was

paid, it was performance related (94%). The average bonus was 8.7% of the basic annual salary. The median was 4.0% and the range was between 0% and 29%.

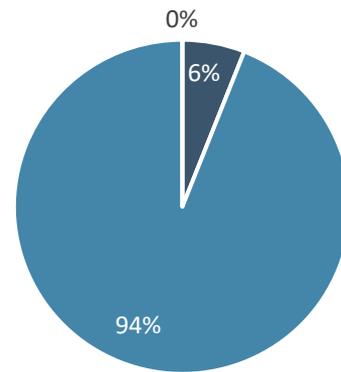
Does the post-holder receive bonus payments?



■ Yes ■ No ■ No reply

Base: 54

If so, are these fixed at a set level or performance related?



■ Fixed at set level ■ Performance related ■ No reply

Base: 17

How much was paid as a bonus last year (as a percentage of the basic annual salary)?



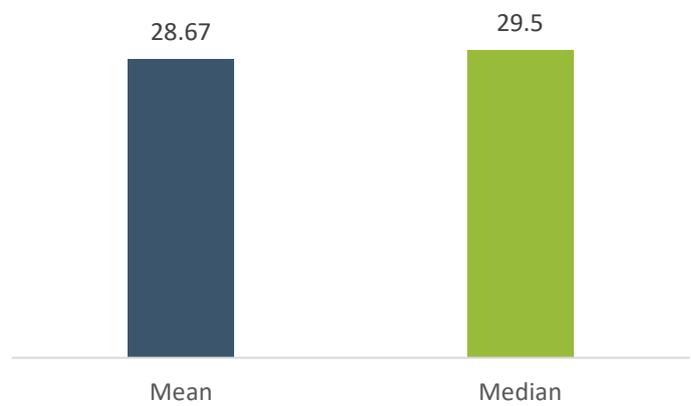
Base: 15

Benefits

The annual **holiday allowance** averaged 28.7 days. The median was 29.5 days and the range was between 22 and 37 days. A pension plan was the most commonly provided **benefit** (85%). Season ticket loan, training and development and paid for professional membership followed, all at 50%. Where a pension plan was provided, this was a defined contribution pension plan (87%). Employer contributions averaged 8.9% (median 7.5%, minimum 2.0% and maximum 25.8%). Employee contributions

averaged 5.5% (median 5.0%, minimum 0% and maximum 24.8%). Where training and development was provided, this was in the form of a budget set for training (70%). Working from home and flexible working hours were widely available for this role (89% and 67% respectively). To support working from home, equipment was almost always provided (94%). 40% provided opportunities to socialise with colleagues.

What is the current annual holiday allowance for this position? (number of days, excluding public holidays)



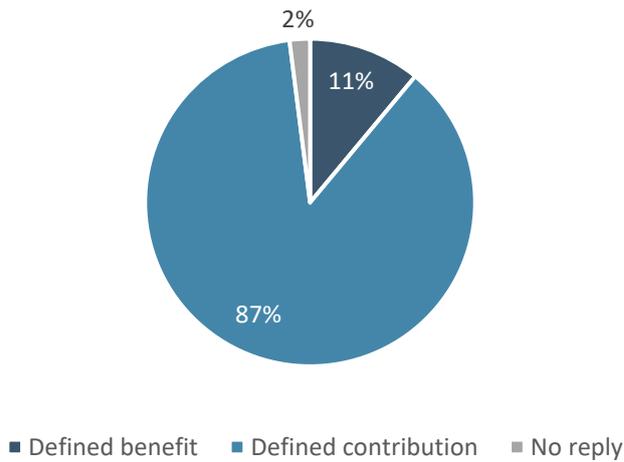
Base: 48

Which of the following benefits are provided for this position?



Base: 54

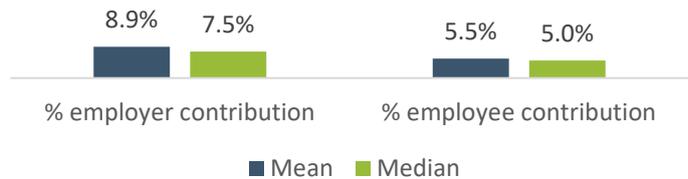
If a pension is provided, is this...?



Base: 46

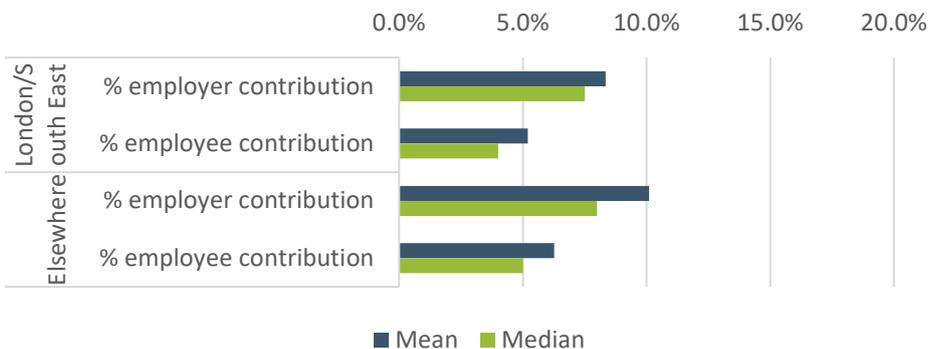
How much is contributed by the organisation and the post-holder? Please express as a percentage of the basic annual salary

Overall

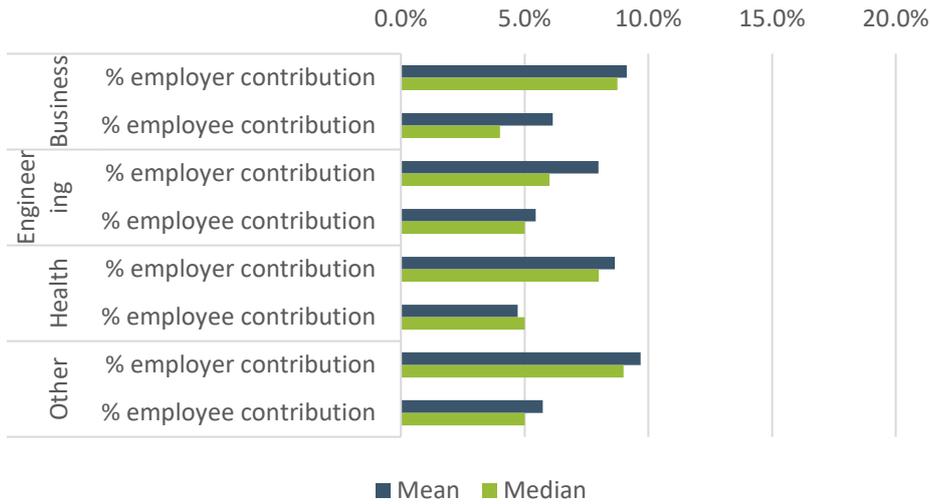


Bases: Employer contribution 45; Employee contribution 42

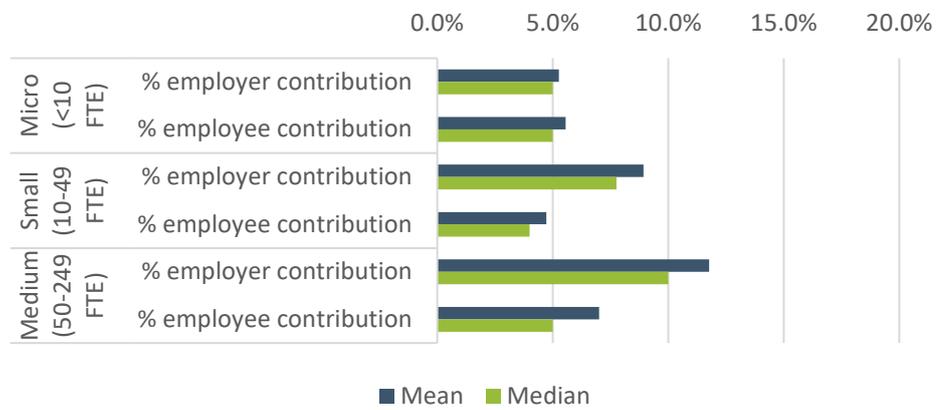
By location



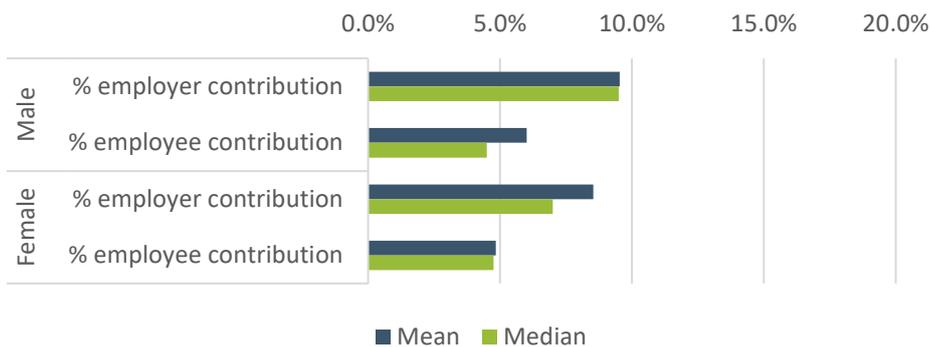
By sub sector



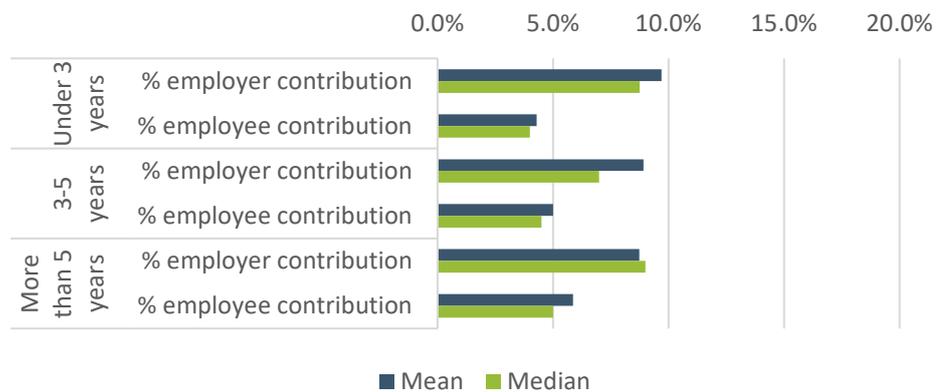
By number of FTE employees



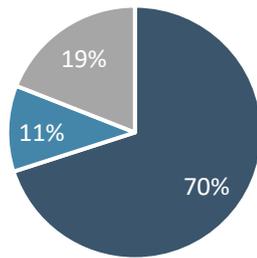
By post holder's gender



By post-holder's length of service



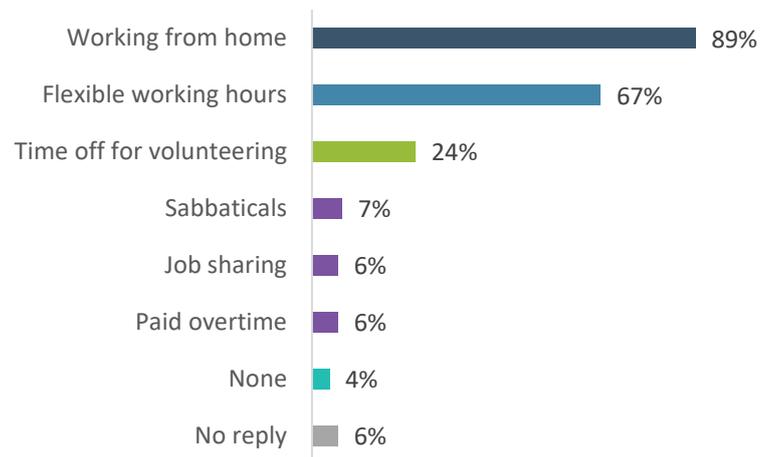
If training and development is provided, is this in the form of...?



- Fixed amount of money "set aside" for course fees
- Fixed number of hours "set aside" for courses, training, etc
- No reply

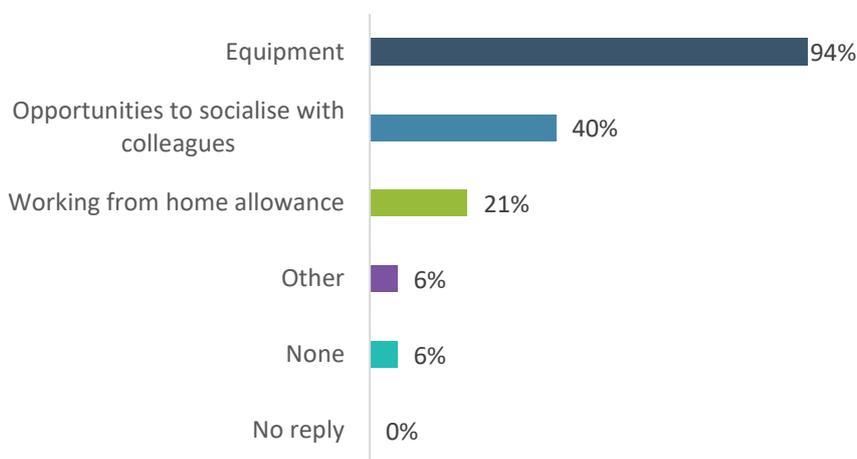
Base: 27

Are any of the following available for this role?



Base: 54

If working from home is available, what support is provided?

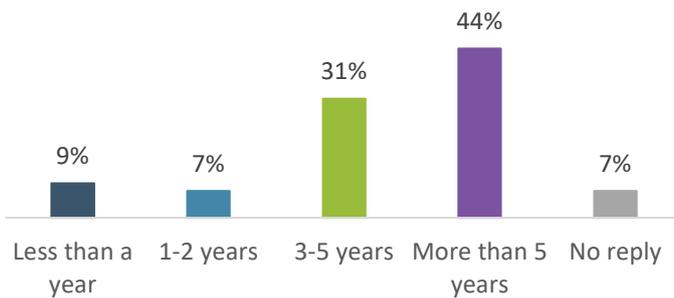


Base: 48

Post-holder's background

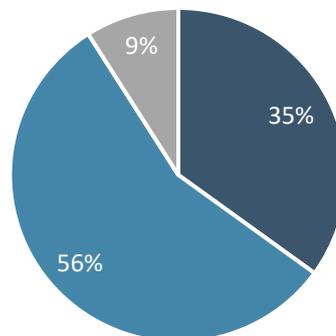
The current post-holder had worked three years or more in this role (31% - 3-5 years, 44% - more than 5 years). The post-holder was usually female (56%). All age brackets between 41 and 65 were fairly equally populated.

How many years has the post-holder worked in this role at your organisation?



Base: 54

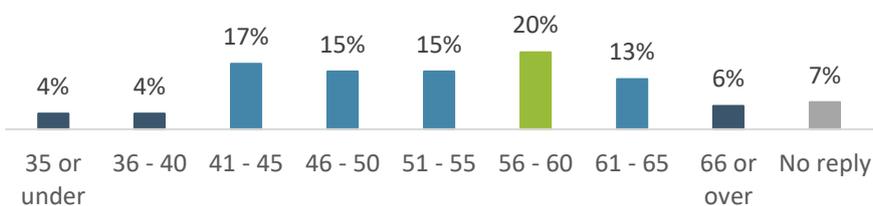
Is the post-holder male or female?



■ Male ■ Female ■ No reply

Base: 54

Please select the post-holder's age group



Base: 54

Section 9

Overview of 2021 Data



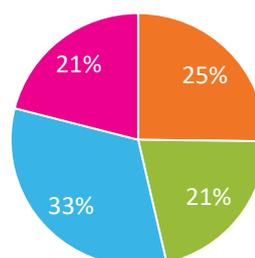
Sector as a whole

Sub Sectors and Industry Sectors

25% of professional bodies were in the Business sub sector, 21% were in the Engineering sub sector, 33% were in the Health sub sector and 21% were in the Other sub sector.

These four sub sectors represent the following industry sectors:

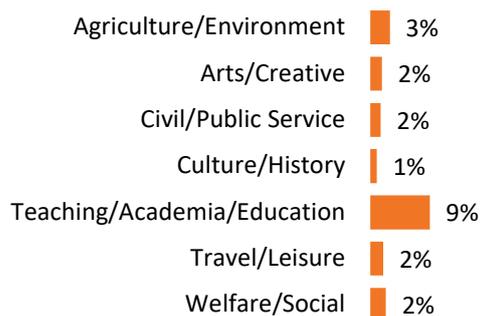
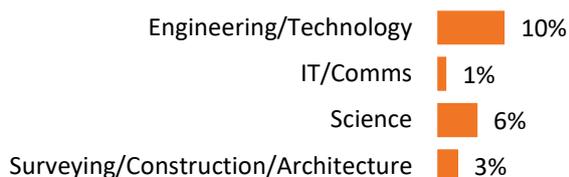
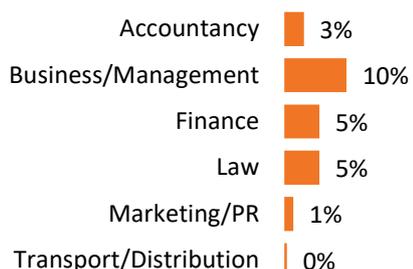
Sub Sectors



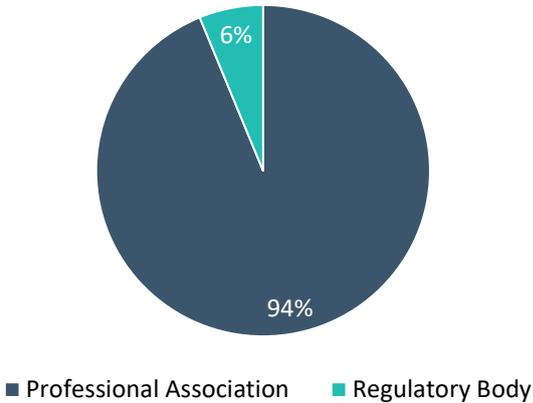
- All Business
- All Engineering
- All Health
- All Other

Base: 500

Industry Sectors

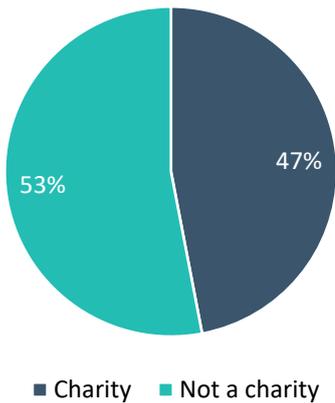


Type of Professional Body



Base: 500

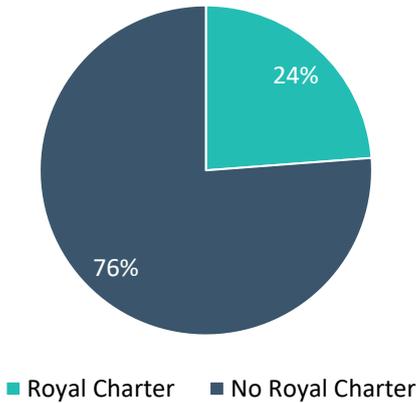
Incidence of Charitable Status



Base: 500

94% of professional bodies were professional associations, with or without regulatory functions, and 6% were purely regulatory bodies. 76% were charities and 24% had a Royal Charter.

Incidence of Royal Charter

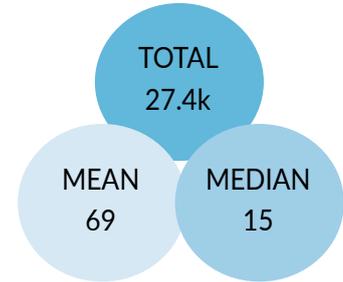


Base: 500

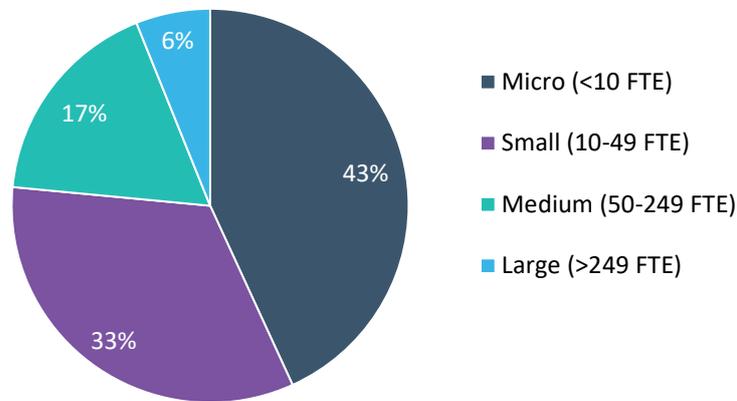
Size by Number of FTE Employees

The sector employed a total of 27.4k people in 2020. The sector benefited from a substantial contribution from volunteers (mostly members and registrants). On average, professional bodies employed 69.2 FTE employees and the median was 15 employees.

43% of professional bodies were micro sized organisations, employing less than 10 FTE employees. 33% were small companies, having between 10 and 49 FTE employees. 17% were medium sized organisations with between 50 and 249 employees. Only 6% were large organisations with 250 FTE employees or more.



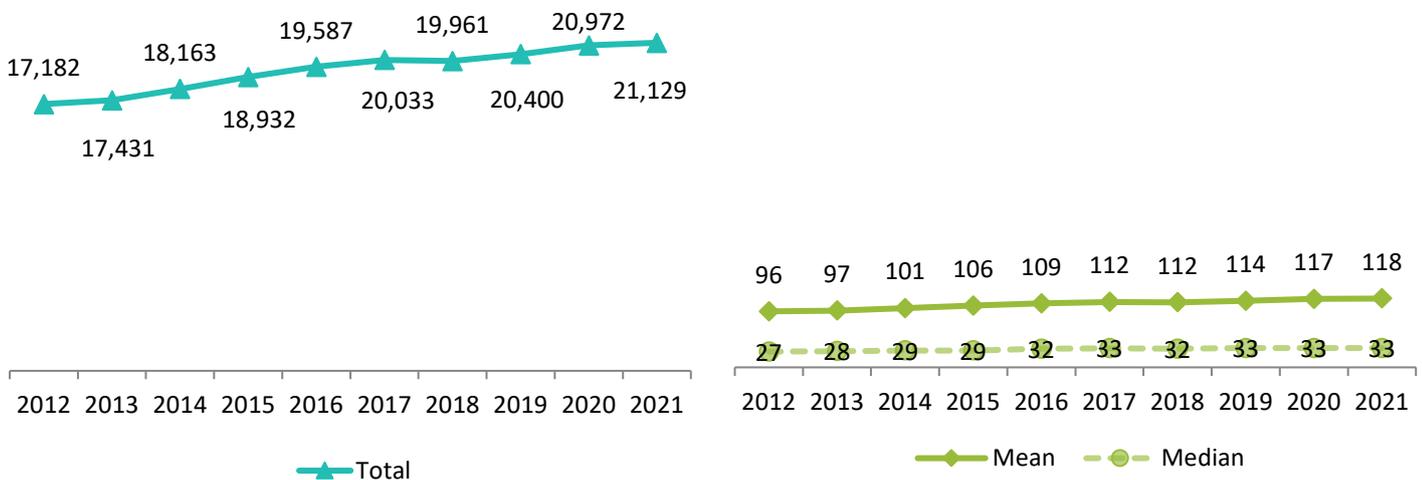
2021 FTE Employees



Base: 396

The number of FTE employees has been generally increasing over the last ten years. Total and average estimates grew year on year between 2012 and 2017, decreased slightly in 2018 and has since been increasing once again. Median estimates, while following the growth trend, fluctuated more.

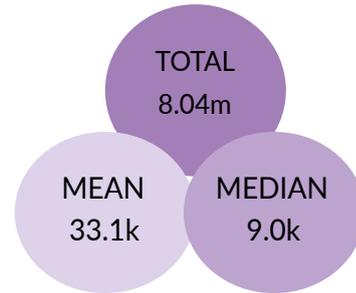
FTE Employees



Base: 179

Size by Number of Members

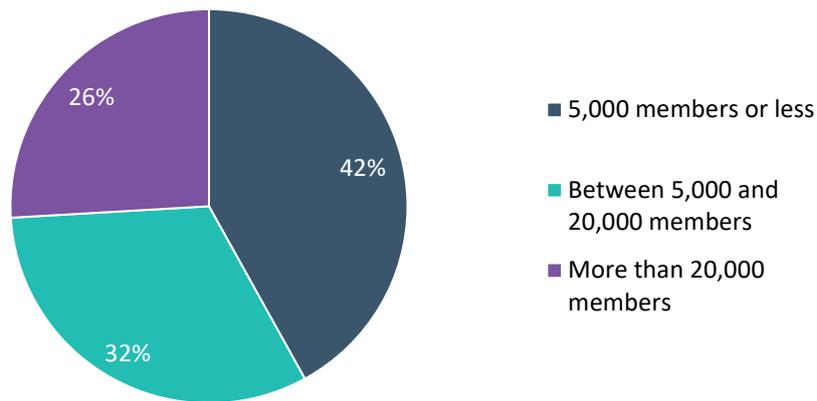
The significance of the professional body sector is enormous when measured by the number of members and registrants, with the sector representing around 8 million professionals.



Almost half of professional bodies (42%) had 5,000 members or fewer. 32% had between 5,000 and 20,000 members, and a quarter (26%) had more than 20,000 members. The average membership size was 33,088 members, while the median was 9,000 members.

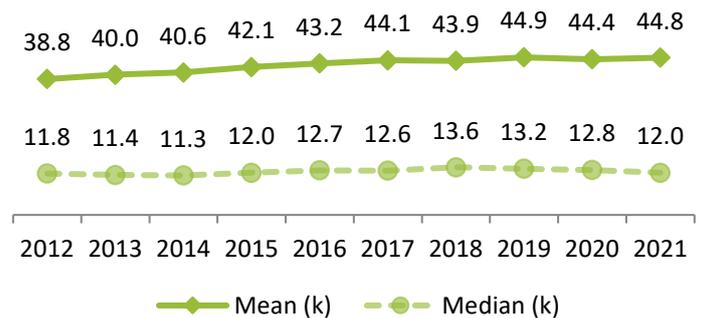
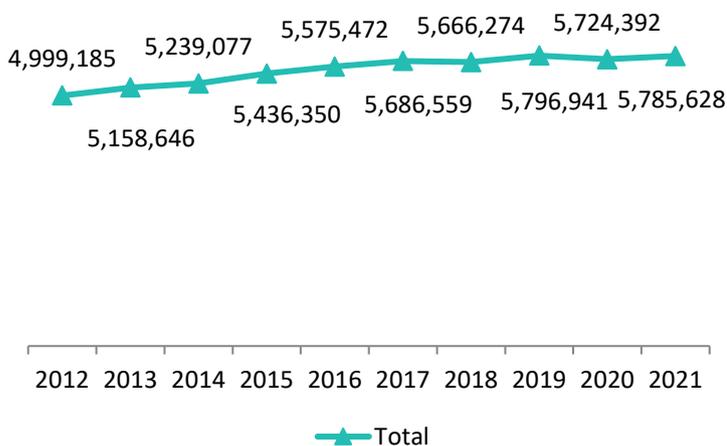
Membership numbers have been generally rising over the last ten years. However, they have fluctuated since 2017 in terms of the total, average and median values. The mean rose slightly and the median fell in a relatively similar amount in 2021.

2021 Members



Base:243

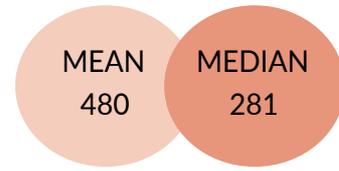
Number of Members



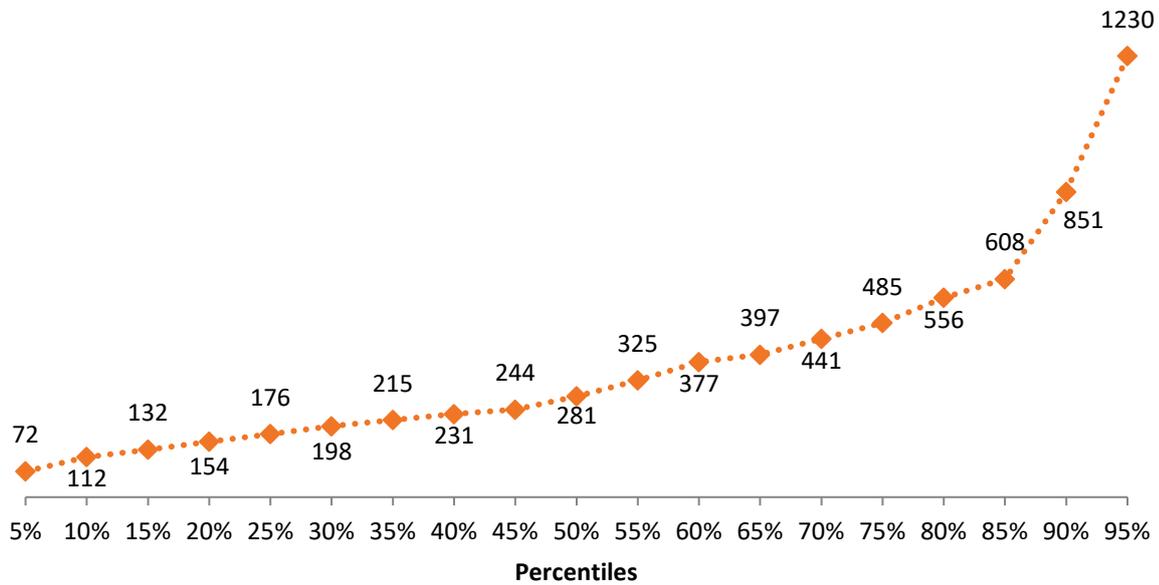
Base: 129

Members per Staff

On average, professional bodies had 480 members per staff. Typically, the ratio was between 176 and 485 (25th and 75th percentiles). The median was 281 members per one employee. Two professional bodies had very high ratios – 7,156 and 6,444, though these professional bodies should be noted to be a meta regulator and an umbrella organisation. Subsequently, the following two professional bodies with the highest ratios had 5,717 and 5,000 members per employee. These organisations are observed to be much more reliant on volunteer support, rather than employing staff for the same duties



Members per Staff



Base: 215

Interrelationships Between Organisational Characteristics

	All Business	All Engineering	All Health	All Other
Charities	26.2%	64.2%	52.1%	46.7%
Regulatory bodies	4.8%	2.8%	12.3%	1.9%
Chartered bodies	23.8%	40.6%	16.6%	18.1%
5,000 members or less	30.6%	43.9%	40.7%	58.1%
Between 5,000 and 20,000 members	38.7%	26.3%	30.9%	32.6%
More than 20,000 members	30.6%	29.8%	28.4%	9.3%
Micro (< 10 FTE)	35.2%	42.5%	44.0%	53.9%
Small (10-49 FTE)	36.1%	36.8%	27.2%	35.5%
Medium (50-249 FTE)	23.1%	12.6%	20.8%	9.2%
Large (> 249 FTE)	5.6%	8.0%	8.0%	1.3%

The proportion of professional bodies that were charities varied widely between the four sub sectors. The Engineering sub sector had a substantial majority of registered charities, while the Business sub sector had just over a quarter with charitable status. The Health and Other sub sectors had roughly a half each.

The Health sub sector had a much higher proportion of regulatory bodies than the other sub sectors.

The Engineering sub sector had a relatively high proportion of professional bodies with a Royal Charter compared to the other three sub sectors.

When considering size of membership, the Other sub sector had a particularly high proportion of professional bodies with 5,000 members or less, while the Business and Engineering sub sectors had the highest number of large sized organisations.

In terms of size by FTE employees, the Health and Engineering sub sectors had the highest proportion of organisations with over 249 FTE, while very few organisations in the Other sector had this number of FTE employees.

FTE Employees

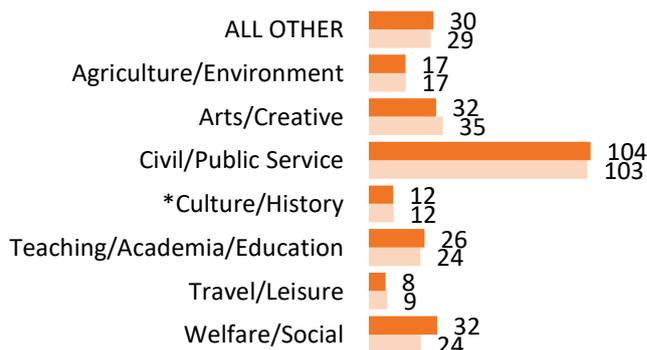
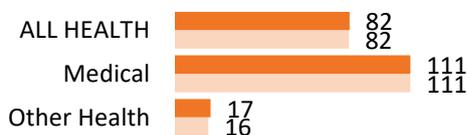
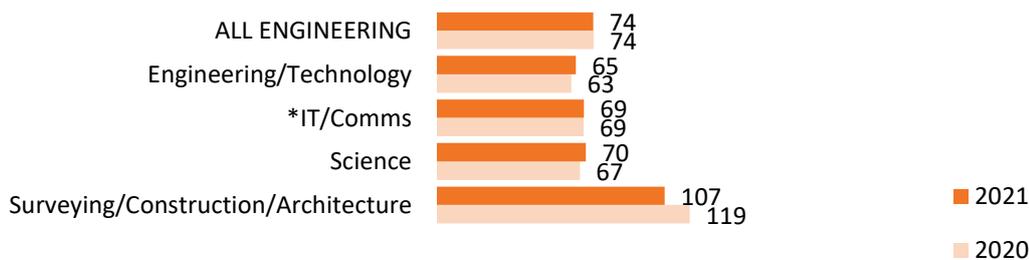
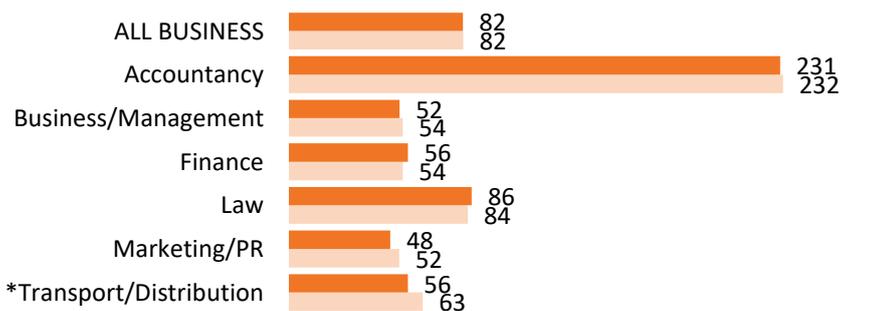
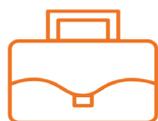
By Sub Sector

The Health and Business sub sectors employed the most staff, both 82 FTE on average. The Other sub sector was the smallest, employing only 30 FTE employees on average. The Business and Engineering sub sectors were the only ones to experience a very slight decline since 2020 in the average number of FTE employees. The Other sub sector has had the largest increase (4.6%).

Looking at industry sectors, the Accountancy, Medical and Surveying/Construction/Architecture industry sectors employed the most employees - 231, 111

and 107 FTE on average respectively. On the other end of the scale were the Travel/Leisure with an average of 8 members of staff. The Other Health and Agriculture/Environment industry sectors followed, both possessing 17 FTE employees on average. The Welfare/Social industry sector had, by far, the largest increase in the average number of FTE employees since 2020 (31.6%). The largest decrease was in the Surveying/Construction/Architecture industry sector (-9.9%).

FTE Employees by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

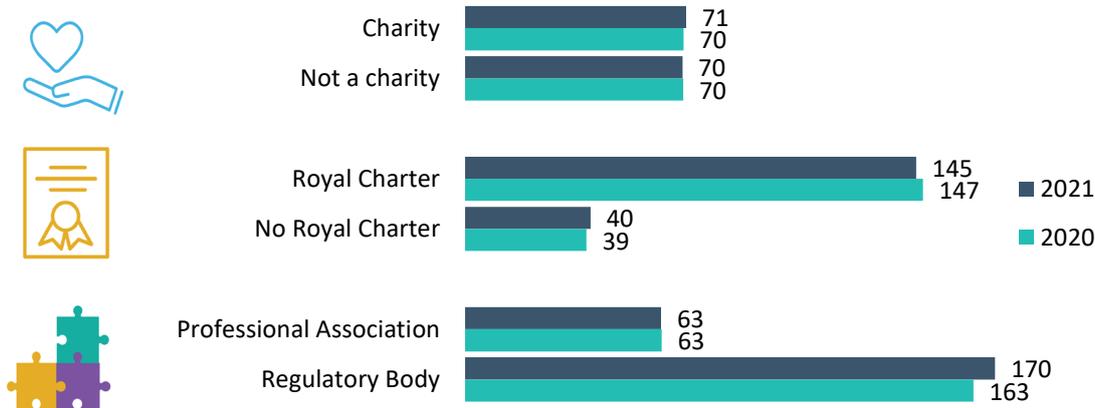
Charities and non-charities employed a similar number of employees – 71 compared to 70 FTE on average.

The difference in FTE employees was very pronounced between professional bodies with and without a Royal Charter and between professional associations and regulatory bodies. Professional bodies with a Royal Charter employed 3.6 times the employees of those without. Regulatory bodies had

2.7 times the staff of professional associations (170 compared to 62 FTE).

The number of employees had decreased for one of each category, though in each, a very small amount, there were non-charities, Royal Chartered, and professional body organisations since 2020. Regulatory bodies saw the biggest increase once again in 2021.

FTE Employees by Constitution (Average)

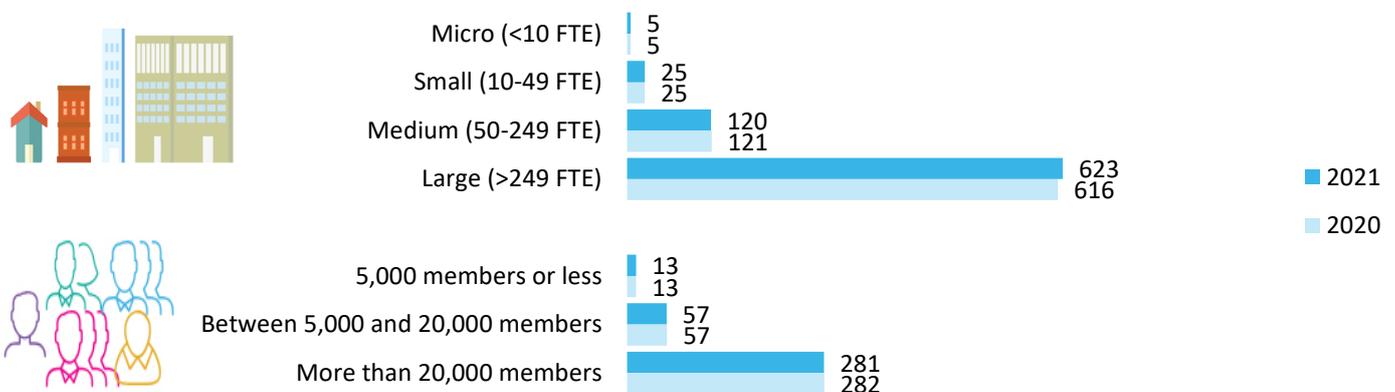


By Size

As can be expected, professional bodies with larger membership bases employed more staff. While professional bodies with under 5,000 members were supported by 13 FTE employees on average, those with between 5,000 and 20,000 members

employed 57 FTE and those with over 20,000 members employed 281 FTE. Average staff numbers have fallen in medium and large professional bodies since 2020, while the percentile has grown for smaller ones (under 5,000 members).

FTE Employees by Size (Average)



Members

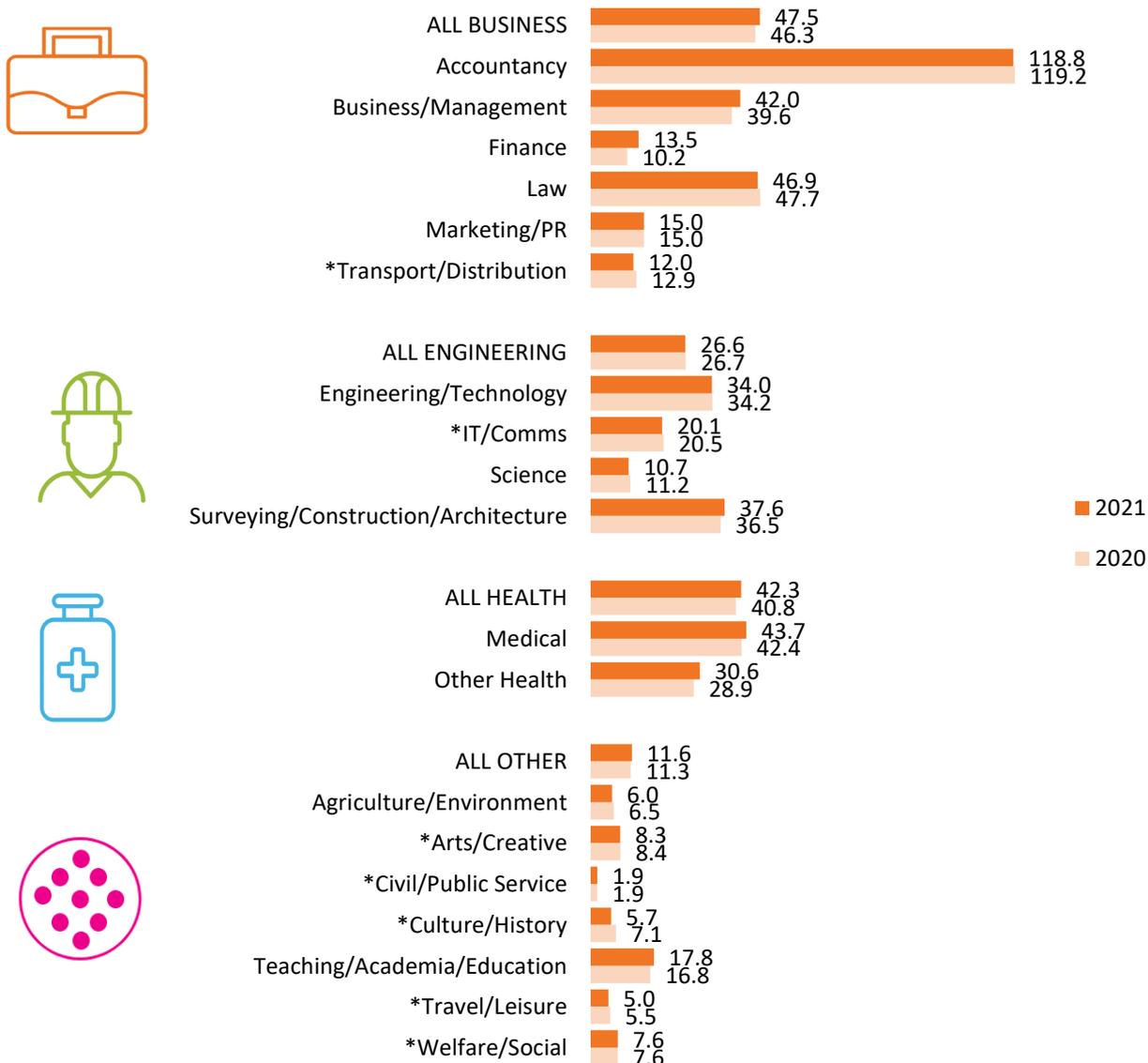
By Sub Sector

As well as having the largest number of FTE staff, the Business and Health sub sectors had the largest number of members (47.5k and 42.3k respectively on average), while the Other sub sector had the lowest (11.6k). These three sub sectors have experienced growth in this figure since 2020 though the Engineering sub sector has fallen.

Looking at industry sectors, the Accountancy, Law and Medical industry sectors had the largest

membership bases – 118.8k, 46.9k, and 43.7k on average respectively. The Agriculture/Environment and Science industry sectors had the smallest membership bases – 6k and 10.7k. The Agriculture/Environment industry sector has seen the largest decrease in the average number of members since 2020. The largest increase was in the Finance industry sector.

Members by Sub Sector (Average, k)



* Industry sectors marked with an asterisk have base numbers of less than 5

By Constitution

Echoing our observations about the number of FTE employees, charities had fewer members than non-charities (25.9k compared to 51.4k on average), professional bodies with a Royal Charter had more members than those without (46.4k compared to 25.9k) and regulatory bodies had more registrants

than professional associations had members (133.5k compared to 25.9k). Across the board, average number of members has increased since 2020, the most being at non-Royal Chartered and regulatory body organisations (both increasing 4.5%).

Members by Constitution (Average, k)

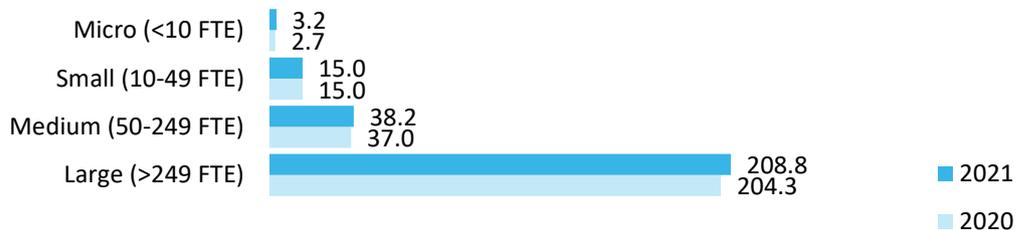


By Size

Again, as expected, professional bodies with more staff had larger membership numbers. While micro professional bodies (under 10 FTE) had 3.2k members on average, small (10-49 FTE) and medium ones (50-249 FTE) had 15k and 38.2k members,

while large professional bodies (over 249 FTE) had 208.8k members. Average number of members has increased for all groups with notable growth from the micro (under 10 FTE) professional bodies (19.8%).

Members by Size (Average, k)



Members Per Employee

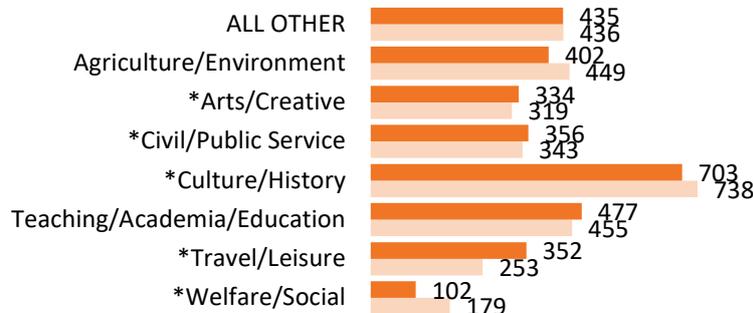
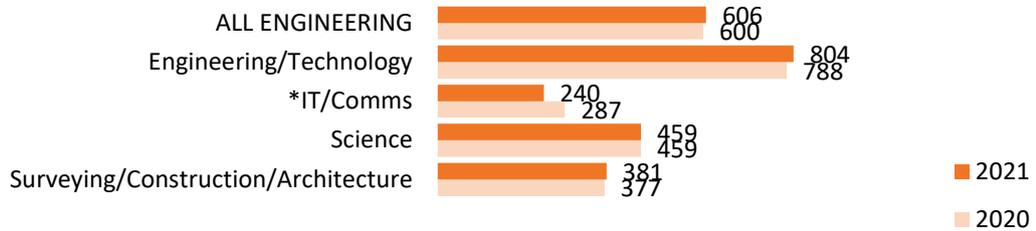
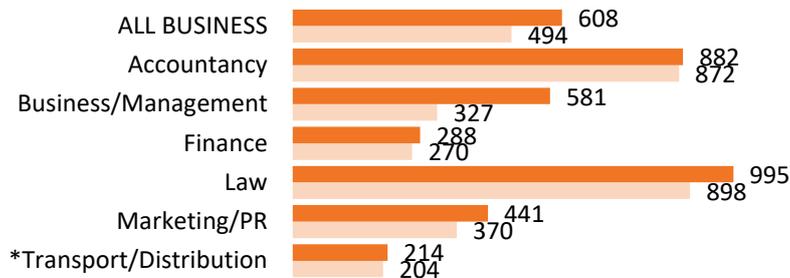
By Sub Sector

The Business sub sector had the highest members to staff ratio – 608 on average. The Engineering and Other sub sectors followed. They had 606 and 435 members per staff respectively. The Health sub sector had the lowest members to staff ratio (327). Average ratio has decreased for the Health and Other sub sectors since 2020. Meanwhile, the Business sub sector had seen an exceptionally large increase in 2021.

Accountancy industry sectors had by far the highest members to staff ratio (995 and 882 on average respectively). The Finance and Medical industry sectors had the lowest members to staff ratios (288 and 327 respectively). The Agriculture/Environment industry sector has seen the greatest decrease in the average ratio since 2020 while the Business/Management industry sector has seen a staggering increase in their average ratio.

Looking at the industry sectors, the Law and

Members Per Employee by Sub Sector (Average)



* Industry sectors marked with an asterisk have base numbers of less than 5

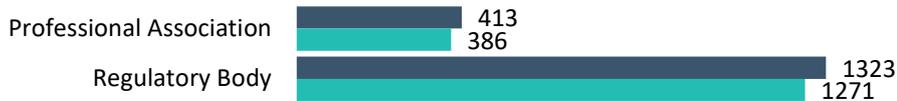
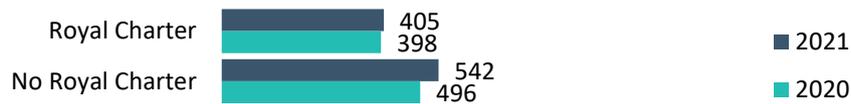
By Constitution

Non-charities had slightly more members per staff than charities (558 compared to 448 on average). The average ratio has increased for both since 2020, but more so for non-charities.

Professional bodies without a Royal Charter had higher members to staff ratios than those with a Royal Charter (542 compared to 405). In both instances, the staff ratios have increased since 2020. The most striking difference in the members to staff

ratio was seen between professional associations and regulatory bodies, with the average ratio for regulatory bodies being 3.2 times that for professional associations. The average ratio for both professional associations and regulatory bodies has increased, but more so for professional associations. Nevertheless, since 2020 this gap has now widened in 2021.

Members Per Employee by Constitution (Average)

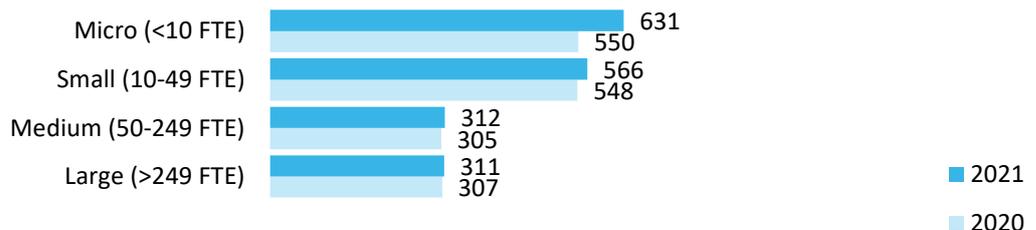


By Size

Micro professional bodies (under 10 FTE) had 631 members per staff on average. Small (10-49 FTE) and medium (50-249 FTE) ones had 566 and 312 members per staff respectively. In large professional bodies (over 249 FTE) this ratio was 311. All groups of professional bodies have experienced an increase in this figure since 2020.

Professional bodies with a small membership base (under 5,000 members) had 301 members per employee on average. Those with between 5,000 and 20,000 members had 432 members per employee, while professional bodies with over 20,000 members had this ratio at 765.

Members Per Employee by Size (Average)



Section 10

Summarised Financial Statements and Balance Sheets

10

Summarised Statement of Financial Activities and Balance Sheet

	2021		2020		Base	
	mean values	median values	mean values	median values	mean values	median values
Incoming Resources						
Member Subscriptions and Fees	£4,642,484	£648,325	£4,547,031	£648,903	£4,547,031	280
Education and Training	£1,927,204	£300,292	£2,220,741	£310,000	£2,220,741	191
Publications	£1,742,306	£139,100	£1,763,913	£151,484	£1,763,913	137
Advertising and Sponsorship	£45,520	£13,141	£86,902	£21,993	£86,902	70
Government Funding and Grants	£862,420	£80,676	£828,594	£48,184	£828,594	154
Investment/Interest	£128,212	£14,665	£146,507	£23,814	£146,507	270
Commercial Activities	£1,184,600	£133,618	£1,523,704	£253,500	£1,523,704	126
Member Services	£265,716	£73,185	£519,080	£237,299	£519,080	169
Other	£1,557,782	£67,883	£1,925,158	£69,757	£1,925,158	198
TOTAL INCOMING RESOURCES	£8,736,142	£1,781,020	£9,294,390	£1,998,473	£9,294,390	342
Resources Expended						
Governance Costs	£156,881	£34,511	£159,495	£41,072	£159,495	199
Staff Costs	£5,078,003	£1,459,119	£5,063,488	£1,429,230	£5,063,488	254
TOTAL RESOURCES EXPENDED	£8,490,943	£1,822,273	£9,231,536	£1,940,614	£9,231,536	342
OPERATING SURPLUS/DEFICIT	£212,997	£24,202	£63,041	£3,981	£63,041	341
SURPLUS/DEFICIT	£448,739	£43,485	£263,428	£18,175	£263,428	341
CURRENT ASSETS	£3,816,225	£603,000	£3,493,016	£559,182	£3,493,016	497
CURRENT LIABILITIES	£2,653,529	£212,924	£2,462,201	£217,974	£2,462,201	489
RESERVES	£7,080,135	£516,884	£6,709,603	£506,551	£6,709,603	498

Sources of Income/Expenditure: As % of Total Income/Expenditure

	2021		2020		Base
	mean values	median values	mean values	median values	
Incoming Resources					
Member Subscriptions and Fees	52.2%	53.0%	45.6%	40.7%	280
Education and Training	21.9%	14.3%	23.6%	18.7%	191
Publications	20.7%	8.3%	18.9%	9.0%	137
Advertising and Sponsorship	4.1%	1.9%	5.5%	2.0%	70
Government Funding and Grants	14.8%	5.6%	12.8%	4.4%	154
Investment/Interest	2.3%	0.7%	2.3%	0.8%	270
Commercial Activities	11.8%	3.5%	13.3%	4.9%	126
Member Services	9.9%	3.6%	16.9%	10.2%	169
Other	9.1%	2.7%	9.4%	2.9%	198
TOTAL INCOMING RESOURCES	£8,736,142	£1,781,020	£9,294,390	£1,998,473	342
Resources Expended					
Governance Costs	4.2%	2.4%	4.0%	2.3%	199
Staff Costs	49.7%	52.0%	43.3%	44.1%	254
TOTAL RESOURCES EXPENDED	£8,490,943	£1,822,273	£9,231,536	£1,940,614	342

Section 11

Summarised Financial and Operating Ratios



Operating Ratios per Employee

	2021		2020		Base
	mean values	median values	mean values	median values	
INCOME PER EMPLOYEE	£101,074	£91,545	£110,843	£101,792	285
Member subscriptions/fees	£50,324	£40,439	£47,661	£40,349	236
Education/training	£21,548	£12,915	£24,900	£18,003	169
Publications	£24,388	£6,567	£22,968	£8,351	125
Advertising and sponsorship	£2,630	£1,388	£3,586	£2,399	55
Government funding and grants	£12,291	£3,560	£13,641	£3,808	135
Investment/interest	£2,203	£727	£2,628	£939	224
Commercial activities	£11,869	£2,914	£15,949	£4,962	115
Member services	£8,426	£3,151	£19,290	£9,316	145
Other	£12,108	£2,627	£12,885	£3,041	175
EXPENDITURE PER EMPLOYEE	£96,792	£91,588	£110,749	£101,000	285
Governance costs	£3,518	£1,875	£4,002	£2,320	177
Staff costs	£46,257	£47,627	£45,496	£45,872	246
OPERATING SURPLUS/DEFICIT PER EMPLOYEE	£4,278	£2,401	£95	£557	284
RESERVES PER EMPLOYEE	£130,324	£73,594	£121,562	£65,393	388
MEMBERS PER EMPLOYEE	482	277	454	286	209

Operating Ratios per Member

	2021		2020		Base
	mean values	median values	mean values	median values	
INCOME PER MEMBER	£669	£312	£693	£376	218
Member subscriptions/fees	£217	£128	£223	£127	190
Education/training	£113	£51	£139	£69	136
Publications	£126	£20	£109	£18	103
Advertising and sponsorship	£7	£4	£16	£7	47
Government funding and grants	£83	£15	£92	£10	108
Investment/interest	£8	£3	£10	£4	182
Commercial activities	£129	£13	£152	£24	94
Member services	£46	£15	£82	£34	121
Other	£178	£9	£149	£10	144
EXPENDITURE PER MEMBER	£631	£308	£679	£346	218
Governance costs	£21	£7	£23	£10	140
Staff costs	£330	£168	£311	£170	182
OPERATING SURPLUS/DEFICIT PER MEMBER	£38	£11	£15	£2	217
RESERVES PER MEMBER	£752	£297	£692	£290	233
FTE EMPLOYEES PER 1,000 MEMBERS	6.22	3.62	5.98	3.50	209

Financial Ratios

	2021		2020		Base
	mean values	median values	mean values	median values	
OPERATING SURPLUS/DEFICIT AS % OF TOTAL INCOME	-1.10%	2.40%	-1.93%	0.45%	341
CURRENT RATIO (CURRENT ASSETS VS CURRENT LIABILITIES)	9.27	2.54	8.35	2.39	489
RESERVES VS OPERATING SURPLUS/DEFICIT	24.49	3.30	124.91	2.66	339
RESERVES AS MONTHS OF EXPENDITURE	21.14	14.13	16.40	11.44	340

