



**MINUTES OF THE ANNUAL GENERAL MEETING OF
THE PERSONAL FINANCE SOCIETY
HELD AT 2PM ON TUESDAY, 14 SEPTEMBER 2021**

PANEL:

Sarah Lord ("Chair")	Member Director and President
Caroline Stewart ("CS")	Member Director and Vice President
Vanessa Barnes ("VB")	Member Director
Mark Hutchinson ("MH")	CII Membership Director
Dr Matthew Connell ("MC")	CII Policy and Public Affairs Director
John Bissell ("JB")	CII Chief Operating Officer

A WELCOME

The meeting being quorate, the Chair welcomed members to the 2021 Annual General Meeting ("AGM") of The Personal Finance Society ("PFS" and "Society") and explained the format and procedures of the meeting.

B MINUTES OF THE LAST ANNUAL GENERAL MEETING

The minutes of the AGM held on 16 September 2020 were approved.

C REPORT OF THE BOARD

The Chair introduced the Report of the Board by first thanking members, the staff working on Society matters and Keith Richards, the former PFS CEO, for their contributions to the Society's successes for the year.

1. PFS 2020 Membership Report

The Chair introduced MH and invited him to report on membership matters.

MH reported that:

- PFS membership had remained resilient, with 39,444 members as of August 2021 – a decrease of 76 on the previous year.
- A number of members had upgraded their status: 249 had become Associate Members; 170 had achieved Fellowship Status; and 371 had become Chartered Financial Planners. There were now 7,504 Chartered Financial Planners in total, providing clear evidence of the continuing professional development within the sector.
- In 2020, 175 digital CPD events had been delivered, attracting over 45,000 member registrations.
- Cf. 1,300 volunteers had provided free financial guidance and education under PFS' various initiatives.

- PFS had been instrumental in establishing the Vulnerability Task Force, which promoted a greater understanding of consumer vulnerability and had established a good-practice Charter.

MH concluded by thanking regional volunteers, practitioner panel members, content providers, and pro bono volunteers for generously giving their time and expertise to help others.

2. PFS 2020 Financial Report

MH continued by offering a report on PFS' financial performance for the year.

MH explained that PFS revenue derived from member fees and sponsorship, and that costs were comprised from events delivery and recharges to CII for centralised services provision, reporting that:

- Despite a slight reduction in member numbers, member upgrades and an inflationary fee increase meant that revenue from membership fees had increased by £272,000 on the previous year.
- As a result of the Covid-19 pandemic, sponsorship revenues had fallen from £1.7m in 2019 to £538,000 in 2020, a result of being unable to hold physical events. Costs associated with events had however reduced in line with the decreased sponsorship, and recharges had also reduced by £200,000 over this period.
- In 2020, total costs had reduced by £2m. Consequently, whilst there had been a £1.4m reduction in revenues from the previous year, PFS had achieved a net surplus of £2.4m in 2020.
- As at 31 December 2020, PFS' net assets were £13.9m.
- Membership fees had been frozen for 2021.

3. PFS 2021 Activity Report

MH reported on PFS activities for the current year:

- PFS had launched a wellbeing hub to support members.
- Membership and renewals had been digitised and plastic membership cards discontinued, which would reduce PFS' carbon footprint.
- To date, 175 CPD events had been delivered, with 43,000 member registrations. Additionally, from September 2021 PFS would be commencing a phased return to face-to-face events with a series of specialist roadshows.
- An interactive infographic had been created to explain PFS' historic achievements, current mission and future priorities.
- A series of video animations had been produced that explained the importance and relevance of professional body membership to clients and other stakeholders.
- PFS would deliver its first digital annual conference in November 2021, which would focus on the theme of financial freedom.

The Chair thanked MH for his report and introduced MC to report on PFS' policy and public affairs activity.

4. PFS Policy and Public Affairs Report

MC reported that PFS had:

- Been working to reduce the regulatory burden on financial advisors during the lockdown, with focuses including MiFID and delaying the deadline for examinations for pension transfer specialists until 2021.
- Engaged with the FCA Policy team and responded to consultations to advocate for expanding access to financial advice and highlight the value provided by industry professionals.
- Engaged with Treasury, the FCA and the insurance community on issues regarding professional indemnity insurance and regulatory costs.
- Taken on the role of secretariat to the All-Party Parliamentary Group on Financial Services and Insurance, insights from which were informing a series of online CPD events.
- Organised a range of events regarding Defined Benefit Pension Transfers to explain changes in FCA rules and expectations.
- Looked carefully at ESG issues as a growing concern for the sector, including options for offering certificates and qualifications on the subject.
- Prepared and would shortly launch events to keep members up to date on the latest public policy developments, and work to facilitate dialogue between PFS members and the FCA and other stakeholders to inform and shape this activity.

The Chair concluded the Business Report by extending her thanks to MH, MC and their teams for their considerable hard work on behalf of PFS.

E. VOTING RESULTS

The Chair took the Voting Results agenda item next.

The Chair declared the results of the vote on the resolutions set out in the AGM Notice as follows:

1. That the Report and Financial Statements of the Society for the year ended 31 December 2020 be received and considered – **PASSED**.
2. That BDO LLP be re-appointed as Auditors of the Society for the financial year ending 31 December 2021 and that the Directors be authorised to agree their remuneration – **PASSED**.
3. That Elizabeth Bastin, who retires by rotation as a Member Director of the Society at this Annual General Meeting, be reappointed as a Member Director, as determined by the Board of Directors – **PASSED**.

4. That Gordon Wilson, who retires by rotation as a Member Director of the Society at this Annual General Meeting, be reappointed as a Member Director, as determined by the Board of Directors – **PASSED**.
5. That Anthony Ward be appointed as a new Member Director of the Society, as approved by the Board of Directors – **PASSED**.

The Chair extended congratulations to Elizabeth Bastin and Gordon Wilson for their re-elections, and to Anthony Ward for his appointment to the Board.

D MEMBERSHIP CONSULTATION

The Chair reported the Board's views on the CII's 'Shaping the Future Together' consultation ("Membership Consultation") which would collect members' views to inform future strategy.

The Chair advised that the Board was supportive of the CII's desire to engage with its members. The Chair, on behalf of the PFS Board, had provided feedback to the CII on the Membership Consultation, which included stressing that the Consultation must openly and transparently acknowledge PFS member concerns around deregistration, and be open to considering different relationship models, including greater operational and financial independence for PFS.

The Chair concluded by encouraging all members to engage with the Membership Consultation to express their views.

F MEMBER QUESTIONS

The Chair reported that c.50 questions had been submitted and would be addressed by common theme to help cover as many key topics as the available time permitted.

Governance

Questions received concerned the CII's proposal to deregister PFS and the Board's thoughts and actions in respect of this.

The Chair provided a history of the three deregistration proposals since 2017 and advised that the PFS Board had yet to receive sufficient information to determine whether it would be in the best interests of PFS members and the furtherance of PFS' objects, despite requesting this detail.

The Chair stressed that the PFS Board would continue to ensure that PFS was able to discharge its objects and further the interests of its members. The Chair encouraged members to engage with the Membership Consultation to inform thinking on possible future governance structures.

Questions received concerned the CII's decision not to replace the PFS CEO role, and regarding the remit of the proposed Chief Membership Officer ("CMO") position, querying particularly whether the Board had supported these changes and its thoughts on whether a CMO could adequately build on the successes of the PFS CEO.

The Chair offered a history on this matter and the CEO role. The Chair advised that the Board had been notified of the change after it had been agreed, and that the Board had raised its concerns with the CII. Assurances had been received that the CMO role would have sufficient gravitas and standing to continue the PFS CEO's work, including engagement with the FCA and other key stakeholders. The Chair was and would continue to be closely involved in the CMO recruitment process, which was currently ongoing, and the Board was clear in its view that PFS required an individual acting as its figurehead and leader.

Questions received raised concerns regarding recent miscommunication from the CII, particularly in respect of deregistration proposals and the respective roles and successes of the PFS and CII CEOs.

The Chair expressed the Board's disappointment that some CII communications had been less than clear, confusing, or ambiguous on these subjects. The Chair stressed that PFS directors took the utmost care regarding their governance responsibilities, and clarified the reporting lines of the PFS CEO and the successes of Keith Richards in the role. The Chair concluded by explaining the employment arrangements within the CII group, including the recharge paid by PFS to the CII in respect of CII employees working on PFS' behalf.

Policy and Public Affairs

Questions received related to ongoing engagement with the Regulator, Government, and other Stakeholders, raising concerns that there had been no significant announcements in this area since the PFS CEO's departure.

The Chair invited MC to comment, who confirmed that PFS continued to be active in this area, including contributing to debates around regulation, social care and ESG issues, with efforts underway to build connections between sector practitioners and the FCA and other stakeholders to provide them with direct insights.

Finances

Questions received concerned the financial relationship between the PFS and the CII, particularly how PFS funds were currently held on its behalf by the CII and what would happen in the event of PFS deregistration.

The Chair invited JB to respond, who reported that the question referred to the £16.374m payable to PFS by the CII as at 31 December 2020, being the inter-company balance between the two group companies.

JB explained the CII group's treasury arrangements and the consequence of deregistration on the inter-company balance, noting that the effect would be to remove it from the CII's balance sheet.

JB clarified that the CII was currently a going concern notwithstanding the inter-company balance and offered details of the CII's assets, noting that the CII's finance resource requirements were continually monitored and reported on to the CII's Audit and Risk Committee to ensure proper governance and oversight.

The Chair offered assurance that the PFS Board continued to scrutinise and provide robust challenge to the CII regarding the financial position of PFS and the wider group, adding that the Board was very clear that PFS reserves should be used to promote and facilitate PFS' objects in accordance with its Articles of Association.

The Chair concluded the Q&A section of the meeting by noting questions raised around the PFS learning and assessment proposition, and encouraging members to engage with the Membership Consultation.

G

ANY OTHER BUSINESS

The Chair invited CS to report on the PFS Presidency and Vice-Presidency arrangements for the 2021/22 period.

CS advised that the PFS Board had unanimously agreed to re-elect Sarah Lord as President and herself as Vice President, and that VB had been appointed as an additional Vice President, with the Board determining that these appointments would provide PFS with continuity and stability. All three had been delighted to accept.

The Chair resumed and advised that John White and Jonathan Rees would stand down from the Board as they had served their maximum permitted terms; however, both had agreed to continue to support the Board in co-opted roles.

The Chair extended thanks on behalf of the Board to the PFS team and volunteers for their hard work and contribution to the continuing success of PFS, and for the benefits they offered PFS members and the wider public.

The Chair also extended thanks on behalf of the Board to Keith Richards for his past years of service, noting his legacy of a strong and healthy Society.

The Chair concluded the meeting by extending the Board's sincere thanks to the PFS membership for their continuing support and passion for the Society and the personal finance profession as a whole.

There being no other business, the Chair closed the AGM 3.00pm.

Chair

Date