

**Institute of Customer Service
Company Limited by Guarantee
Company Registration Number: 03316394**

Financial Statements

For the year ended 31st March 2017



Institute of Customer Service

Company Limited by Guarantee

Financial Statements

year ended 31st March 2017

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Officers and Professional Advisers

The Board of directors

Simon Roberts	Chairman of the Board and Chairman of the Nominations Committee
Joanna Causon	Chief Executive
Jonathan Cowie	Non-Executive Director
Shirley Fell	Non-Executive Director
Oke Eleazu	Non-Executive Director
Giles Hawke	Non-Executive Director
Paul Pugh	Non-Executive Director

President

Des Benjamin	Former Chief Executive	Simplyhealth
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Vice Presidents

John Barnett	Commercial Director	nPower
Louise Beardmore	Customer Services Director	United Utilities Group
Julia Bloomer	Former Group Customer Services Director	ALcontrol Laboratories
Cheryl Black	Director	Cheryl Black & Partners Ltd
Simon Burrow	Strategy Advisor	Premier Foods
Paul Carter	CEO	Hotelplan UK
Dr Peter Carter OBE	Chief Executive and General Secretary	Royal College of Nursing
Mark Day	Director of HR	HSA
Graham Edwards	Chief Executive	Wales & West Utilities
Peter Farrer	Chief Operating Officer	Scottish Water
Mark Gait	Head of Customer Service	o2
Tracy Garrad	Chief Executive Officer	HSBC Channel Islands & Isle of Man
Alison Jones	Brand Director	Volkswagen Passenger Cars
Jo Marshall	Executive Director	YPO
Jamie McDonald	Customer Experience Director	Carillion
Gerry McGarry	Managing Director	Bpi Recycled Products
Jo Moran	Head of Customer Service	Marks and Spencer
Jonathan Preece	Core Business Services Leader	GSK
Nigel Purveur	Managing Director	Capital Life & Pensions
Peter Sinden	Strategy Director	LV=
Nick Sterling	Managing Director	Osborne Property Services
Jo Upward	Managing Director	Platform
Trafford Wilson	MD, Customer Service & Transformation	BT

Company secretary

Bill Leonard

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Officers and Professional Advisers

Registered office

Bridge House
4 Borough High Street
London
SE1 9QQ

Auditor

Gilberts
Chartered accountant & statutory auditor
Pendragon House
65 London Road
St Albans
Hertfordshire
AL1 1UJ

Bankers

Lloyds Bank plc
27 High Street
Colchester
Essex
CO1 1OU

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Birkett Long
Essex House
42 Crouch Street
Colchester
Essex
CO3 3HH

Company number

03316394

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Directors' Report *(continued)*

year ended 31st March 2017

Foreword from the CEO

2016/17 was a year of surprises, shocks, and disruption. Some of this was the continuation of deep changes in the economy and society - others were events which no one could have predicted a year ago.

The decision to leave the EU is probably the biggest political change we will see in our lifetime. Its consequences will take years to unfold, but its impact has been felt immediately as organisations reassess their investment decisions, recruitment and training needs and operating models. Donald Trump's election was arguably an even greater surprise, both for the US and the global economy.

But, amidst this disruptive change and challenge, there were also moments of inspiration and genuine connectivity.

We are just starting to see the amazing opportunities that artificial intelligence and robotics can bring. The ability to learn across sectors, and ages, has never been greater with 5 generations in the workplace. Technology if harnessed for good, and seen as a tool to support genuine customer and employee engagement, can make huge differences in connecting us all.

So what is The Institute going to do to support the charge for a clear and present focus on service? Of course we are not immune to the complex, fast-changing disruptive environment we all face. And I can say that 2016/17 was a very challenging year, which has served to reaffirm our purpose and strategic direction, but with some important lessons learnt.

We are now at the end of the first year of our three year strategy. Our core purpose and vision remains as solid as ever: to create a world where customer experience makes a positive and sustained impact on individuals, organisations and the UK economy and where our members experience tangible business benefits from membership.

And in the past year we have undergone significant change to deliver on that promise.

We have launched new membership propositions designed to better fit the different needs of individual organisations and are currently taking into consideration all of your feedback. We will also be redefining and strengthening the benefits as well as providing clearer ROI of your Institute membership. The increase in press coverage from the Institute last year has also helped to highlight the role The Institute is playing nationally to drive the service agenda forward; something we will continue to build upon helping to raise the debate about the critical importance of service to the UK's performance.

We have established the Institute Academy, developing our expertise in customer service training, providing a one-stop-shop for all of your organisational development needs.

We have created an insight consultancy arm, Deliberata, to help organisations interpret and act on complex and varied data and insight sources.

Feedback from our recent research amongst the membership confirms that our products and services are highly relevant, that you value the support and insight we provide. That is why we have maintained and developed the diversity and depth of our membership. However the transition to our new customer experience directorate didn't happen fast enough and in some cases this meant we didn't always provide you with the timely support and input you need. Yet at the same time, what I have been really encouraged and heartened by is the evident appetite expressed by you for The Institute's purpose and proposition.

You value the role of The Institute as an independent, critical friend - and you've asked us at times to be more emphatic in reminding you of the key elements of excellent service and where you need to improve.

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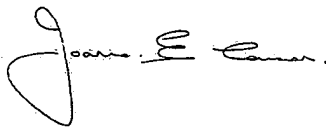
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Directors' Report *(continued)*

year ended 31st March 2017

This year marks our 20th Anniversary and provides us with a great opportunity to build on the work we have done to date to create a compelling story for you that, in this time of uncertainty, complexity, disruption and rapid change, a coherent purpose underpinned by values and a commitment to customer service is vital to all of our futures.

For the coming financial year, we anticipate greater clarity in terms of the external environment and although the economy will remain challenging, we are confident that our approach will ensure we can deliver for our members. I would like to thank you for your ongoing support and look forward to sharing a successful year ahead.



Joanna E Causon
CEO

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Directors' Report *(continued)*

year ended 31st March 2017

The Report of the Directors

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2017.

Principal activities and review of the business

The Institute of Customer Service was formed in 1996 and incorporated as a company limited by guarantee in February 1997. The Institute is the not-for-profit professional body for customer service.

Our vision is to see a world where excellent customer experience makes a positive and sustained impact on individuals, organisations and the economic well-being of UK Plc.

Our mission for the Institute of Customer Service is to deliver tangible benefits to individuals, organisations and stakeholders. We are the leading independent expert, setting and upholding the standards to enable our customers to improve their business performance through service, so that the UK is seen as the place to experience great service and a valued expert on the global stage.

The Institute is also recognised as expert in all aspects of customer service and this is demonstrated through the provision of:

- knowledge, delivered through insight, research, advice and networking
- collateral to demonstrate that customer service is a harder-edge business driver
- tangible benefits of membership, obtained through training assessments, qualifications, accreditation, case studies and bespoke research
- organisational and individual professional development
- benchmarking and insight
- customer service skills development
- qualifications and accreditation
- standard setting
- public policy development

External environment

2016-2017 was a complex year for customer service. Customer satisfaction continued to improve across the UK but, at the same time, both the effort customers expended in their relationships with organisations and the proportion experiencing a problem increased. The UK Customer Satisfaction Index (UKCSI) revealed a rise of 0.8 points during the year - to 77.8 (out of 100) - suggesting that whilst organisations are performing better on some of the essential elements of customer service, a sustained focus on the overall customer experience must be improved.

As the year progressed the gap between the highest and lowest performing sectors has narrowed. The primary cause has been because of improvements in the lowest ranked sectors, with 65% of utilities companies and 44% of transport companies improving their UKCSI score by at least 2 points over 12 months. Evidence also continues to emerge of tangible links between customer satisfaction and business performance. For example, retail food companies with a score one point higher than their sector average achieved average year-on-year sales growth of 7.2%, compared to a fall of 0.2% for those scoring one point below the average. Within the finance sector, those retail banks with the highest levels of customer satisfaction were also the most successful in gaining current accounts.

As we come to terms with the uncertain economic and political consequences of the UK's decision to leave the EU, analysis of customer satisfaction also identifies some defining characteristics of organisations who are well placed to take advantage of customers' appetite for high standards of service. They are the businesses and public sector

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Directors' Report *(continued)*

year ended 31st March 2017

organisations who recognise the importance of gaining a deep understanding of consumers' evolving needs and preferences - something that is important because there is diversity of satisfaction across different types of customer.

Over the past year it has also become clear that employee engagement has become more important to customer satisfaction and business performance and, yet, more challenging to achieve. Customer expectations around speed of service and convenience have risen. At the same time they are seeking personalised, empathetic, experiences which provide authentic, proactive, help and advice. As many news stories throughout the past year testify, these experiences cannot be achieved through processes and technologies alone. They depend upon motivated, committed, employees who act in the moment to solve problems, demonstrate consistency and care enough about their work to constantly seek to improve their customers' experience.

When they succeed, they are better able to build long-term relationships with customers because with rapport comes trust. And in recent months the importance of trust continues to climb as an indicator of future buying behaviour. Amongst customers scoring 8 out of 10 for satisfaction, just 66% declare their intention to remain loyal. This figure climbs to 96% if satisfaction goes up by a single point.

As 2016/17 bore witness to increasingly public breaches of online security many customers became concerned about the looming threat of a large scale cyber-attack, meaning that a key challenge now and into the future revolves around how Boardrooms analyse, integrate and protect the data they possess. At the same time, we are just starting to see the amazing opportunities that artificial intelligence and robotics can bring; the ability to learn across sectors, and ages, has never been greater with 5 generations in the workplace. Responding to both scenarios is difficult, but if organisations get their approach right and harness technology for good, it will genuinely become a tool supporting real customer and employee engagement, in the process making huge differences in connecting us all.

Our research shows that there are a range of future scenarios that highlight opportunities for UK organisations. This is important in the context of Brexit and because customer needs will continue to evolve. Those leaders who recognise that customer service should become part of the Boardroom's strategic plan so that it delivers - and is measured to achieve - a return on investment will be the ones to grow as we embrace the complexities of the year ahead.

In this context, The Institute will continue to evolve to ensure that it is always able to meet members' needs.

Notable Achievements

- **Financial Overview**

In line with the overall three year strategy, during the 2016/17 year we increased our staff headcount in the membership area. Some aspects of this investment have matched our original expectations and performance; however overall our costs have risen too quickly especially given the challenges of the external environment over the last 12 months.

Following a review we have undertaken corrective action, and realigned our structure in order to meet and respond even more effectively to member's needs, whilst at the same time managing our costs with greater efficiency.

During the year we also invested in the UKCSI products and services; and our digital presence again in line with our strategy, and we are already seeing the positive impact of these investments.

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Directors' Report *(continued)*

year ended 31st March 2017

- **Member Engagement**

At the end of the financial year organisational membership stood at 467, with the length of their tenure totalling 1,333 membership years. The figure represents a slight increase in membership commitment on last year (3.9%), where 502 members had committed to a total of 1,283 membership years. Of the 198 new or renewing members, 76% signed up to membership for at least 2 years indicating that engaged members understand and value the long-term benefits that membership provides.

During the year we lost 33 business members (the proposition was discontinued) and 74 Corporate/Council members. At the same time, we acquired a total of 72 new organisational members – made up from 65 Discovery Roadmap, 5 Trusted Advisory Network and 2 Pathway memberships. A full list of new members can be seen in Appendix 1.

We saw 30 new organisations achieve ServiceMark, 7 secure re-accreditation and a further 24 secure TrainingMark accreditation, of which 12 were renewals. 139 Business Benchmarking surveys were undertaken and a total of 127 ServCheck surveys took place in the year. Combined, the continued uptake of ServiceMark, TrainingMark and our benchmarking surveys shows that UK Boardrooms understand the importance of customer service becoming a key business differentiator – something which remains a goal of The Institute.

Key indicators of members' engagement revolve around their attendance at Institute events and their satisfaction with the way in which The Institute shares information. It is clear that our events are valued as, from 53 held this year, we saw over 2,350 attendees, with an average satisfaction rating of 82%. From our annual survey, we can also report that The Institute's magazine, Customer Focus, its monthly newsletter and the quality of our research all score highly. Satisfaction with the website was lower, however, and for this reason the final quarter of the year saw changes being made to the navigation system on the site. More work will be undertaken on this in the coming financial year.

Overall, we achieved a customer satisfaction rate of 77.3 – slightly down on last year (77.6), but in line with scores outlined in the UK Customer Satisfaction Index.

Whilst it is clear that members value their access to research and insight, regular communications, an opportunity to network with peers, the ability to benchmark and develop employees through The Institute's qualifications and training programmes, there are a number of areas for development. These centre on our role as a 'critical friend', our levels of engagement and sharing best practice. It is with this in mind that we will be refining our engagement plans for the year ahead.

- **Profile, Influence and impact**

During the course of the 2016-17 financial year; The Institute continued to build its profile across traditional media. 798 items of coverage were achieved, representing an increase of 18% on the year before. Of these, 75 were in national or broadcast media (rising from 42 in the previous year). Coverage was secured for both editions of the UK Customer Satisfaction Index and for each of The Institute's major breakthrough research reports, with the result that the business pages of The Daily Telegraph, The Times, BBC and City AM regularly carried Institute news.

The year also saw the development of The Institute's CEO profile and engagement programme. We hosted 2 CEO Breakfasts and 3 Council meetings covering the extent and nature of customer satisfaction in the UK and the preferences of different generations and the challenges this presents for UK Boardroom.

The Institute has also continued to enhance its digital footprint. Twelve months ago there were 10,635 members of The Institute's LinkedIn group and 3,663 followers on Twitter. These have risen to 11,678 and 4,208 respectively. Of these, 26% are senior executives, suggesting that our messaging is reaching people in the Boardroom.

The Institute's online presence has also improved through web traffic and a refined Search Engine Optimisation strategy. At the start of the financial year, The Institute ranked in the top 30 for search engine queries on

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Directors' Report *(continued)*

year ended 31st March 2017

'customer service qualifications' and 'customer service training', by the end of March 2017, we were number 1 and 2, respectively.

Traffic to the website has fallen in the course of the year; however, once visitors reach it, the number of pages read per visit has increased by 4.23%, the bounce rate has fallen by 0.5% (where a fall is positive news) and the number of new visitors risen by 3.5%. Whilst the member survey indicates that there is work to be done to improve navigation, these figures suggest that once it is found, content on the site is retaining interest. As part of our focus on digital content, published 106 newsfeed articles, allowing us to demonstrate our position as the organisation to turn to for all issues relating to customer service.

271 delegates attended our Annual Conference, down on 2016 but in line with 2015. Customer satisfaction with the event was higher, a greater proportion of delegates suggested the event met their objectives and satisfaction with the speaker line-up also increased. We also achieved above target with regard to sponsorship. The Awards was broadly similar to last year – with 570 delegates attending compared to 591.

We published 3 editions of Customer Focus. Interviews during the course of the year have taken place with individuals including Chris Evans MP, Philip Davies MP, Gerald Grimes, MD of Hitachi Capital Consumer Finance, Leigh Calton, Head of Research & Development at Ageas UK, Dr Markos Koumaditis, Deputy Director of HR at London South Bank University, Matt Gore, Chief Administration Officer at Pension Insurance Corporation, Lord Karan Bilimoria, Andrew Anderson, CEO of Celaton, Chris Dobson, Director of Consultancy at Acquila Insight, Robin Phillips, Omnichannel and Development Director at Boots, Jacqueline de Rojas, Vice President at Citrix, Ian Filby, CEO of DFS, Chi Onwurah MP, Nicola Millard, Head of Customer Insight and Futures at BT, Tracie Ward, Head of Customer Service at SSP, Steven Lovelady, Global Analytics and Modelling Manager at Unilever.

• Research and Insight

To ensure that our vision, of a world where excellent customer experience makes a positive and sustained impact on individuals, organisations and the economic well-being of the UK, becomes a reality, The Institute developed a research programme which demonstrated the impact that service strategies can have on the performance of employees, their organisations and the relationships this builds with customers.

In July 2016 and January 2017 we published the UK Customer Satisfaction Index (UKCSI) reporting on the state of customer satisfaction in the UK. In addition to 13 sector reports, we shared information through infographics and two animations to ensure that members and the wider business community had access to our thought leadership in a medium that suited their needs. With 2,587 views of the animation alone it is clear that an omni-channel approach to our research dissemination is meeting external demands.

This year, we also initiated a significant enhancement of our UKCSI member engagement through a programme of seven webinars, attended by 195 delegates. The January 2017 UKCSI state of the nation report attracted over 800 downloads and, during the course of the year we secured 33 UKCSI sector report sales, to a mix of non-members and corporate members

Our Breakthrough Research programme saw the publication of three reports, each of which combined to outline the strategic approach UK Boardrooms should be taking to remain competitive in an increasingly complex and confusing operating environment. In April 2016 we launched our European Customer Satisfaction Index, which revealed that customer satisfaction in the UK is higher than in neighbouring European States. It suggested that our strength in service is a competitive asset and outlined how organisations can capitalise on this. As a result of the launch we secured one new organisational member.

In June we launched a report identifying the Customer of the Future. It outlined the forces shaping the needs and desires of tomorrow's customer and highlighted several scenarios in which organisations may operate: Key themes emerging from the three scenarios include the prominence of emotional and values-based drivers – especially trust and fear - in the way customers perceive and interact with organisations. There was a desire for greater integration

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Directors' Report *(continued)*

year ended 31st March 2017

of a wider range of services across customers' life stages, so that customers would deal with a smaller number, or even just one trusted organisation.

Reflecting the complex, uncertain environment, many customers may exhibit contradictory attitudes and behaviours. They are willing to open themselves to deeper relationships with organisations, sharing sensitive personal data and participating in co-creation, but wary about how their data is used and the potential impact of loss or theft of data. All of this provides some real opportunities for our members and their ability to drive home a different and more focused customer benefits and solutions.

.During the year this report was showcased across five separate launch events – in London, Wakefield, Bath, Glasgow and Belfast – as part of our efforts to ensure members outside the Capital are catered for.

November 2016 saw the release of a report entitled 'The Customer Knows: how employee engagement leads to greater customer satisfaction and loyalty'. Focusing on the link between employee engagement and customer satisfaction it identified the key actions which make a difference in developing employee engagement to improve customer service.

In addition, in December we produced our annual Trends Report focusing on the key issues predicted to influence the customer service landscape in 2017 and the Research and Insight team completed 9 bespoke pieces of research for organisations across the public and private sectors.

- **Public Policy**

With Brexit and the subsequent change of administration affecting the UK's policy agenda, we completed an audit of all 650 Members of Parliament, identifying those most likely to support the customer service agenda. As a result The Institute was able to meet key officials at departments including BEIS, DIT, DWP and DoT. We also secured a meeting with the GLA's skills team and, as a result, secured a place on the newly formed Skills for London Taskforce for The Institute's CEO.

Members also attended 2 meetings of the All-Party Parliamentary Group on Customer Service, which covered the subjects of regulation and service in the financial sector. We successfully re-registered the Group and secured four officers to ensure that it complies with Parliamentary rules.

This year also saw The Institute respond to 5 consultations, securing recognition of our perspectives in 2 consultation responses and in one report from the National Audit Office.

- **Standards and Quality**

In an effort to ensure both that The Institute is able to uphold the highest standards and our members are able to do likewise, the Standards and Quality team undertook development of a consolidated standards framework which all members agree to abide by.

During this financial year the team also consulted on Assessor and Trainer Codes of Practice, drafting principles to outline the behaviours and approaches expected of members. These were published in 2017.

The team also quality assured 76 professional qualifications assessors to ensure a robust and consistent set of standards are maintained in the awarding of our suite of qualifications.

In preparation for changes to the law about data protection and data management, the team also reviewed The Institute's data collation strategy and provided training to all staff about how they should act to meet requirements. By the end of the year 100% of The Institute's staff had completed the training and passed the required test to demonstrate understanding of the practical elements of compliance.

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Directors' Report *(continued)*

year ended 31st March 2017

- **Operational and People Development**

As part of the restructure which followed the development of new member propositions, we created a new customer experience directorate. Within this team we created two groups of Client Relationship Directors, one of which focuses entirely on Discovery Roadmap members and the other on Trusted Advisory Network members. These newly created roles bring with them an increased emphasis on improving member engagement.

To enhance the Institute's ability to respond promptly and accurately to membership needs, we also re-formed the Senior Leadership Team, creating a team to support and influence the strategic direction of The Institute and the capabilities of its teams. As part of our focus on people development a series of workshops were run for line managers and a number of staff attended formal technical training programmes, enabling them to better use tools such as our new Customer Relationship Management (CRM) system.

- **Development and Capability**

We have also begun to develop a leadership and management programme for all department heads and directors. A review has also been undertaken into the relevance and effectiveness of several policies, our recruitment and retention strategies in the wake of the appointment of a new Head of Human Resources. The results of the review will lead to developments in the new financial year.

- **Engagement and Communication**

Attention was also given to the intranet through the streamlining of data and a review of the content that was held on the system. The team also enhanced the system layout, user interface and search functions to ensure that adoption of the new platform was quicker through a better user experience.

- **Infrastructure and process improvement**

This year the primary focus was to develop a new CRM system, together with the supporting infrastructure and staff capabilities to ensure The Institute is best placed to meet its aim of consolidating data and understanding member needs.

In addition, in line with the statutory requirements of the Health and Safety at Work Act, the Annual Statement of Compliance for the Institute of Customer Service was completed and issued as true reflection of our working environment. To supplement this compliance report, additional fire safety, PAT testing of electrical equipment and disaster recovery scenarios test were successfully undertaken.

- **Governance**

The Institute received a 'clean audit' of 2015/16 year end accounts.

We also undertook an external audit tender which resulted in the re-appointment of Gilbert's as the Institute's external auditors, subject to ratification at the AGM in July 2017.

- **Corporate Social Responsibility**

The Institute recognises its business operations have an impact on the communities and environment in which it operates. In view of this we enhanced our recycling programme and have committed to identify a charitable cause to support. Employees were asked to nominate a charity of choice and these will be put to the vote early in the new financial year.

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Directors' Report *(continued)*

year ended 31st March 2017

- **Our key strategic priorities in 2017/18 are:**

1. To drive greater membership engagement and uptake of products and services to demonstrate the positive and tangible impact of membership in terms of ROI and to ensure that Boardrooms understand the strategic value of creating and implementing a customer service strategy

2. To raise the profile of The Institute and build influence, linked to our research, knowledge and insight to continue to position The Institute as independent experts on customer service issues. Part of this is also about enabling members to make a difference and set themselves apart from the competition at a strategic level; driving the importance of customer service as a key business differentiator

3. To build on ours, and our members competence and capabilities by focusing on our standards and quality and creating an environment in which our skills and infrastructure support the needs of The Institute and its member base.

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Directors' Report *(continued)*

year ended 31st March 2017

Appendix 1 – New members 2016/17

Name	Membership Type
Abbott Nutrition Division	Corporate
Abellio MerseyRail	The Discovery Roadmap
Affinity Water	The Discovery Roadmap
Aggregate Industries Ltd	The Discovery Roadmap
ALD Automotive	The Discovery Roadmap
Aldi Customer Service Department	The Discovery Roadmap
Aldi Customer Service Department	The Discovery Roadmap
Alexandra Park and Palace charitable trust	The Discovery Roadmap
Alliance Homes Group	The Discovery Roadmap
Anglian Water Business (National) Ltd	The Discovery Roadmap
ARAG	The Discovery Roadmap
BMJ	The Discovery Roadmap
BOBST	The Discovery Roadmap
Bostik UK	The Discovery Roadmap
British Board of Agrément	The Discovery Roadmap
Cadw	The Discovery Roadmap
Capita Employee Benefits Teacher's Pension	The Discovery Roadmap
Carpenters Law	The Discovery Roadmap
Cash Generator	The Discovery Roadmap
CDS Global	Corporate
Chartered Insurance Institute	The Discovery Roadmap
Cheshire East Council	The Discovery Roadmap
Chess	The Discovery Roadmap
CHS Group	The Discovery Roadmap
CitySprint UK Ltd	The Discovery Roadmap
Civil Aviation Authority	Trusted Advisory Network
Coast & Country Housing	The Discovery Roadmap
Coca-Cola European Partners	The Discovery Roadmap
Cornwall Council	The Discovery Roadmap
DAS UK Group	Corporate
DCH	The Discovery Roadmap
E-Cigarette Direct	The Discovery Roadmap
Edinburgh Trams	The Discovery Roadmap
Emerald Kalama Chemicals	The Discovery Roadmap
Fortis Living	Corporate
Freight Transport Association	The Discovery Roadmap
GES LTD (Global Experience Specialists)	The Discovery Roadmap
Great Annual Savings Group	The Discovery Roadmap

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Directors' Report *(continued)*

year ended 31st March 2017

Great Places Housing Group	The Discovery Roadmap
GreenSquare Group	The Discovery Roadmap
Greif UK	The Discovery Roadmap
Guardian Glass UK	The Discovery Roadmap
Guernsey Water	The Discovery Roadmap
Honda Finance Europe Plc	The Discovery Roadmap
InMoment	The Discovery Roadmap
J Browne Construction Company Ltd	The Discovery Roadmap
Jersey Water	The Discovery Roadmap
John Lewis, Customer Contact and Fulfilment Operations Team	Trusted Advisory Network
Kent Fire and Rescue Service	The Discovery Roadmap
Knighton Foods	The Discovery Roadmap
Leaseplan UK	Corporate
Mears Group PLC	The Discovery Roadmap
Metropolitan	The Discovery Roadmap
Mettler Toledo	The Discovery Roadmap
Monsoon Accessorize	The Discovery Roadmap
Nando's	The Discovery Roadmap
NEC	The Discovery Roadmap
Network Homes	The Discovery Roadmap
Newbury Building Society	The Discovery Roadmap
Opus Telecoms	Corporate
Paul Hartmann Ltd	The Discovery Roadmap
Qi Claims Group	Pathway
Radial	The Discovery Roadmap
Randstad UK FSSC	The Discovery Roadmap
RR Donnelley Global Document Solutions Group	Trusted Advisory Network
Rylands Associates Limited	Pathway
Shop Direct Finance Company	The Discovery Roadmap
Sky Betting & Gaming	The Discovery Roadmap
Sporting Index	The Discovery Roadmap
Stagecoach Rail	Trusted Advisory Network
The Co-operative Bank	The Discovery Roadmap
The Southern Co-operative	The Discovery Roadmap
UAL Awarding Body	The Discovery Roadmap
Vanquis Bank	Trusted Advisory Network
Wightlink Limited	The Discovery Roadmap

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Directors' Report *(continued)*

year ended 31st March 2017

Directors

The directors who served the company during the year were as follows:

Joanna Causon
Giles Hawke
Oke Eleazu
Paul Pugh
Simon Roberts

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

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

This report was approved by the board of directors on 21st June 2017 and signed on behalf of the board by:

Joanna Causon
Director



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Independent Auditor's Report to the Members of Institute of Customer Service

year ended 31st March 2017

We have audited the financial statements of Institute of Customer Service for the year ended 31st March 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Institute of Customer Service

Company Limited by Guarantee

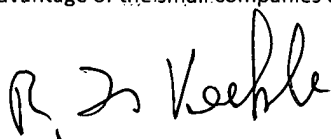
Independent Auditor's Report to the Members of Institute of Customer Service *(continued)*

year ended 31st March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Richard Keeble FCA (Senior Statutory Auditor)

For and on behalf of

Gilberts

Chartered accountant & statutory auditor

Pendragon House

65 London Road

St Albans

Hertfordshire

AL1 1UJ

21st June 2017

Institute of Customer Service

Company Limited by Guarantee

Statement of Income and Retained Earnings

year ended 31st March 2017

	Note	2017 £	2016 £
Turnover		4,638,618	4,705,170
Gross profit		4,638,618	4,705,170
Administrative expenses		5,417,659	4,697,293
Exceptional items		137,656	281,920
Operating loss		(916,697)	(274,043)
Other interest receivable and similar income		344,882	125,354
Loss before taxation	9	(571,815)	(148,689)
Tax on investment income and gains	10	69,680	12,096
Loss for the financial year and total comprehensive income		(641,495)	(160,785)
Retained earnings at the start of the year		1,992,291	2,153,076
Retained earnings at the end of the year		1,350,796	1,992,291

All the activities of the company are from continuing operations.

The notes on pages 19 to 27 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31st March 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	112,178	141,586
Tangible assets	12	56,837	66,004
Investments	13	1,000	1,000
		<u>170,015</u>	<u>208,590</u>
Current assets			
Debtors	14	1,848,881	940,074
Investments	15	1,874,724	2,564,875
Cash at bank and in hand		2,366,841	3,335,021
		<u>6,090,446</u>	<u>6,839,970</u>
Creditors: amounts falling due within one year	16	<u>2,885,712</u>	<u>3,137,363</u>
Net current assets		<u>3,204,734</u>	<u>3,702,607</u>
Total assets less current liabilities		<u>3,374,749</u>	<u>3,911,197</u>
Creditors: amounts falling due after more than one year	17	<u>2,023,953</u>	<u>1,918,906</u>
Net assets		<u>1,350,796</u>	<u>1,992,291</u>
Capital and reserves			
Profit and loss account		1,350,796	1,992,291
Members funds		<u>1,350,796</u>	<u>1,992,291</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 21st June 2017, and are signed on behalf of the board by:

Simon Roberts
Director



Company registration number: 03316394

	2017 £	2016 £
Reserves - members fund	1,350,796	1,992,291
Deferred income:		
Amounts falling due within one year	2,106,674	2,347,526
Amounts falling due after more than one year	2,023,953	1,918,906
Total per reserves policy	<u>5,481,423</u>	<u>6,258,723</u>

Deferred income relates to non-refundable membership subscriptions.

The notes on pages 19 to 27 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements

year ended 31st March 2017

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Bridge House, 4 Borough High Street, London, SE1 9QQ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Fixed asset investments

Investments in subsidiary undertakings are valued at cost. Provision is made against any permanent diminution in the value of fixed asset investments.

Current asset investments

Investments listed on a recognised Stock Exchange are valued at the lower of cost and mid-market value at the balance sheet date. Provision is made against any diminution of the value in current asset investments.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

Operating lease agreements

Operating lease rentals are charged to the profit and loss account in the year in which they are payable.

Subscriptions receivable

Subscriptions of members are credited to the income and expenditure account over the period of the membership, after deducting 20% for selling costs. Subscriptions are not refundable.

Auditor services

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities, and assist with the preparation of the financial statements.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

There were no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Turnover is the total amount receivable by the company for goods and services provided, excluding value added tax and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Income tax

The Company is a mutual status organisation and all activities of the Company are exempt from corporation tax except for interest received, income on investments and chargeable gains.

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Following the implementation of FRS 19, deferred tax is provided on all material timing differences which result in an obligation to pay more or less tax at a future date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

3. Accounting policies *(continued)*

Intangible assets *(continued)*

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Intellectual property rights	-	20% straight line
Software and website	-	20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	10% straight line
Fixtures and fittings	-	15% straight line
Computer Equipment	-	25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

3. Accounting policies *(continued)*

Financial instruments

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Trade and other creditors are recognised and carried forward at invoiced amounts.

Defined contribution plans

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account.

4. Company limited by guarantee

The company is limited by guarantee and does not have a share capital.

The liability of the members is limited. Every member of the Institute undertakes to contribute such amounts as may be required (not exceeding £1) to the Institute's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the Institute's debt, and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories themselves.

5. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>8,000</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Administrative staff	48	44
Directors	<u>7</u>	<u>5</u>
	<u>55</u>	<u>49</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

6. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,734,785	2,213,028
Social security costs	310,927	242,633
Other pension costs	50,133	14,828
	<u>3,095,845</u>	<u>2,470,489</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	256,546	268,533
Company contributions to defined contribution pension plans	3,206	250
	<u>259,752</u>	<u>268,783</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	<u>209,282</u>	<u>220,875</u>

8. Exceptional items

	2017	2016
	£	£
Restructuring and transformation expenditure	<u>137,656</u>	<u>281,920</u>

Restructuring and transformation expenditure are the costs of restructuring and transformation of the Institute.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

9. Profit before taxation

Loss before taxation is stated after charging:

	2017	2016
	£	£
Amortisation of intangible assets	29,408	5,454
Depreciation of tangible assets	15,961	11,234

10. Tax on investment income and gains

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	69,680	12,096
Tax on loss	69,680	12,096

The Company is a mutual status organisation and all activities of the Company are exempt from corporation tax except for interest received, income on investments and chargeable gains. Corporation tax is payable on interest received, investment income and chargeable gains.

11. Intangible assets

	Intellectual property rights £	Software and website £	Total £
Cost			
At 1 Apr 2016 and 31 Mar 2017	77,500	69,540	147,040
Amortisation			
At 1st April 2016	–	5,454	5,454
Charge for the year	15,500	13,908	29,408
At 31st March 2017	15,500	19,362	34,862
Carrying amount			
At 31st March 2017	62,000	50,178	112,178
At 31st March 2016	77,500	64,086	141,586

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

12. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1st April 2016	34,237	14,238	36,692	85,167
Additions	–	174	6,620	6,794
At 31st March 2017	34,237	14,412	43,312	91,961
Depreciation				
At 1st April 2016	3,957	2,899	12,307	19,163
Charge for the year	3,424	2,122	10,415	15,961
At 31st March 2017	7,381	5,021	22,722	35,124
Carrying amount				
At 31st March 2017	26,856	9,391	20,590	56,837
At 31st March 2016	30,280	11,339	24,385	66,004

13. Investments

	Shares in group undertakings £
Cost	
At 1 Apr 2016 and 31 Mar 2017	1,000
Impairment	
At 1 Apr 2016 and 31 Mar 2017	–
Carrying amount	
At 31st March 2017	1,000

Principal fixed asset investments

The company owns 100% of the issued share capital of ICS Services Limited, a company registered in England which is now dormant. The company's aggregate capital and reserves at the year end was £1,000 (2016 - £1,000) and its profit for the year was £Nil (2016 - £nil).

14. Debtors

	2017 £	2016 £
Trade debtors	1,654,806	739,947
Prepayments and accrued income	180,203	189,034
Other debtors	13,872	11,093
	1,848,881	940,074

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

15. Investments

	2017	2016
	£	£
Octopus Investments Ltd	<u>1,874,724</u>	<u>2,564,875</u>

At 31st March 2017 the investments were all held in cash funds. (31st March 2016 held in stocks and shares).

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	165,121	118,668
Amounts owed to group undertakings	770	870
Accruals and deferred income	2,251,476	2,838,467
Corporation tax	69,693	12,106
Social security and other taxes	367,498	162,455
Other creditors	31,154	4,797
	<u>2,885,712</u>	<u>3,137,363</u>

17. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Accruals and deferred income	<u>2,023,953</u>	<u>1,918,906</u>

18. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	179,088	181,088
Later than 1 year and not later than 5 years	716,352	716,352
Later than 5 years	492,492	671,580
	<u>1,387,932</u>	<u>1,569,020</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2017

19. Related party transactions

At 31st March the Institute of Customer Service had the following balances with group companies:

	2017	2016
	£	£
Outstanding to:		
ICS Services Limited	770	870

ICS Services Limited is dormant and thus no transactions occurred during the year with the company.

20. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st April 2015.

No transitional adjustments were required in equity or profit or loss for the year.

21. Ultimate control

Ultimate control of the Institute is vested in the members.