

**Institute of Customer Service
Company Limited by Guarantee**

Company Registration Number: 03316394

Financial Statements

For the year ended 31st March 2019



Gilberts
CHARTERED ACCOUNTANTS

Institute of Customer Service

Company Limited by Guarantee

Financial Statements

year ended 31st March 2019

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Institute of Customer Service

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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
Giles Hawke	Non-Executive Director and Chairman of the Remuneration Committee
Paul Pugh	Non-Executive Director and Chairman of the Audit Committee
Cathryn Ross	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	Head of Learning & Development	AESSEAL plc
Dr Peter Carter OBE	Chief Executive and General Secretary	Royal College of Nursing
Joanne Casey	Managing Director	Mactaggart & Mickel
Graham Edwards	Chief Executive	Wales & West Utilities
Peter Farrer	Chief Operating Officer	Scottish Water
Ben Fletcher	President, UK and Europe	Clarks
Mark Gait	Director of Customer Service	o2
Matt Gore	Chief Administration Officer	Pension Corporation
Jeremy Hyams	CEO	Claims Consortium Group
Alison Jones	Group Managing Director UK & Senior VP	Groupe PSA
Sian Jones	CEO	Xoserve
Jo Marshall	Executive Director	YPO
Jamie McDonald	Customer and Business Transformation Director	Engie
Kelly McFarlane	Managing Director, Customer Service & Retail	Thames Water
Gerry McGarry	Managing Director	Bpi Recycled Products
Jo Moran	Head of Customer Service	Marks and Spencer
Katherine O'Brien	First Group Customer Experience Director	Trans Pennine Express
Jonathan Preece	Core Business Services Leader	GSK
Nigel Purveur	Managing Director	Capital Life & Pensions
Francesca Rea	Director of Customer Service & Service Delivery	NewDay
David Roberts	Managing Director	Nu-Heat Underfloor Heating & Renewables
Mark Robinson	Director, Customer Contact & Fulfilment Ops	John Lewis
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

Institute of Customer Service

Company Limited by Guarantee

Officers and Professional Advisers

Registered office

3rd Floor
Mill House
Mill Street
London
SE1 2BA

Auditor

Gilberts
Chartered accountants & statutory auditor
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27 High Street
Colchester
Essex
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Metro Bank
One Southampton Row
London
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Ulster Bank
130 Lower Baggot Street
Dublin 2
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Solicitors

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Essex House
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Colchester
Essex
CO3 3HH

Company number

03316394

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Strategic Report and Directors' Report

year ended 31st March 2019

Foreword from the CEO

This has been another challenging year for UK plc. Brexit negotiations have failed to yield a deal so far, and the political debate continues to polarise, resulting in entrenchment and deadlock. The only certainty for the near future seems to be more uncertainty.

We face choppy political waters, a mountain of personal debt and declining business investment. This is not a recipe for economic prosperity. Against this backdrop, our annual conference considered how we can navigate the new reality of the external world. We explored how organisations can mitigate the current instability and position themselves for sustainable growth by focusing on their purpose, relevance and impact.

The UKCSI showed consecutive reductions in overall customer satisfaction last year. The number of customers who experienced a problem with an organisation increased and is now at its highest ever level. Along with this, fewer experiences were "right first time" and the level of effort customers put into dealing with organisations rose. On a more positive note, satisfaction with complaint handling improved in most sectors.

Our research shows that consistently achieving the highest levels of customer satisfaction is strongly linked to trust, recommendation, reputation and business performance. Yet for many organisations, consistently delivering essential transactional customer experiences continues to be a challenge. We are concerned that the economic environment may cause some organisations to cut (or under-invest in) improving the customer experience, and whilst this may reduce costs in the short term, they will pay the price for it in terms of slower growth and reduced profit over the longer term. To address this we have focused more of our messaging and activities around the ROI of customer experience.

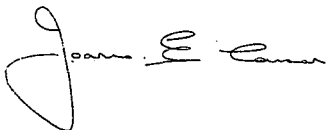
Over the past 12 months we have published research reports on topics including AI, customer priorities, productivity and emerging service trends. Based on our research we have added three additional dimensions to the UKCSI and business benchmarking work that we do for our members. You can now understand how you compare not just on Experience and Complaints, but also on Customer Ethos, Emotional Connection and Ethics.

UK productivity continues to be comparatively poor and our research suggests that customer service failings account for a £128bn per year productivity hit. Now, more than ever, we need to address this. How we create job roles and design our organisations around the whole customer experience will be important in achieving the agility and resilience we will need to thrive. This will require the right blend of technology and human interface, combined with better use of the data we collect to personalise the customer experience further.

Our members continue to be generous in their praise of the work we do – and to help us to improve by providing critical feedback too. Our customer satisfaction survey showed that the benefits most valued are our research & insight, networking & best practice, independent knowledge, expertise & advice, benchmarking, qualifications & training, and the role of Client Relationship Director as a critical friend.

Attendees rated this year's conference as the best in the 10 years we have been running it, and we have continued to establish ourselves as the UK's leading authority on Customer Service. We are continuing to evolve and modernise – investing in our people, processes and systems – all with the goal of serving you better.

As ever, I would like to thank you for your ongoing support of the Institute and look forward to working together in the year ahead.



Joanna E Causon
CEO

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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 2019.

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 of 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 tangible benefits of membership including:

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

External environment

2018/19 was another tough year for customer service. Service satisfaction in the UK has continued to decline, albeit gradually, against a backdrop of challenging external market conditions and political uncertainty.

The customer experience environment has radically changed and continues to evolve. In fact, customer experience is at the heart of many of the forces shaping profound changes in our economy and society. Disruptive technologies are in reality only just beginning to come to the fore, but will make a much greater impact as we see artificial intelligence, automation and robotics influencing the way organisations and indeed customers want to interact.

Customer data has become one of the critical service assets and differentiators for any organisation, whatever sector. Increasingly, customers are prepared to share their data with organisations in return for an enhanced service or more personalised experience. Some regard their personal data as a marketable asset, and as we have seen in the number of high-profile cases this year, many customers are increasingly concerned about how their data is used - or indeed - abused. There is an increasing need for organisations to build trust - both through transparency, and the effective use of data to provide relevant and tailored services.

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The UK economy has again seen relatively low growth in GDP and productivity. Though employment is at a record high, many employees have experienced low wage growth. In this environment, engaging and motivating employees to deliver consistently excellent standards of service has become even more challenging.

A significant number of customers will pay more for excellent service; others will tend to seek the cheapest deal, sacrificing service to get it. A large proportion of customers say they would stop using an organisation that does not pay all its employees a living wage. But another group of customers is much less concerned about this issue. Put simply, the operating environment has become increasingly challenging - especially for organisations that serve a wide variety of customers.

However in an era of financial austerity and slow growth, we can see that many organisations have thrived by focusing intensely on the needs of defined customer segments and being clear about their service purpose, why they are relevant and the difference they are making, driving up a service ethos and customer ethics.

Notable Achievements

- **Financial Overview**

2018/19 saw stability in The Institute's financial position where we planned for a surplus of £39k and report a small deficit of £33k. We achieved revenue of over £5.7m against £5.6m last year and £4.6m in 2017/18.

Revenue generated from new business didn't make as great a contribution to our overall income as we would have hoped. The new business team achieved £1.5m against a target of £2.4m, which was somewhat offset by strong growth in our Academy and Insight Consultancy activities.

- **Member Engagement**

At the end of the financial year we had 439 members and combined these had the equivalent of 1,449 membership years. This is a reduction in membership numbers of 2.66% and a slight increase of 2.84% in membership years. This was slightly below our expectations, but given the challenging external environment, we were pleased that we at least had some stability on this front.

A total of 67 new Trusted Advisory Network and Discovery Roadmap organisational members joined this year (up from 64 last year). New member brands include: Admiral, Amazon, Bovis Homes, Brewin Dolphin, Citroen, Costain, Deezer, Karcher, Ministry of Defence, National Grid, Openreach, Smith & Nephew and StenaLine. A full list of The Institute's new members can be seen in Appendix 1.

Attendance at our Annual Conference was up 9% on last year with 337 delegates. We worked hard to curate a varied, high-quality rostrum of speakers at this year's conference and it seemed to pay off. Feedback on the conference was excellent, with the best attendee satisfaction score we have ever had. Attendees felt that particular highlights were Ben Fletcher and Sir John Timpson's talks and significantly improved scores for communication on and before the day.

One delegate commented:

"Fantastic day networking with other like-minded people within the customer service industry. My highlight was getting the opportunity to listen to so many inspiring leaders and take away some tips and best practices to help in my role to keep our customers at the centre of our journey. I came away feeling empowered and ready to get stuck in!"

Notably, award entries were significantly down this year (by 16%). We had 145 award submissions from 86 different organisations vs 173 entries from 95 organisations the previous year. This had a knock-on effect on

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attendance at our awards gala, which totalled 657 guests, a fall of 11%. We have reviewed the entry process for next year in order to streamline it, and – combined with a more sustained marketing push - we anticipate this will attract more entrants and ultimately more guests.

Towards the end of the financial year we undertook our annual customer satisfaction survey. The latest CS scores are testament to greater engagement in that we have improved by 1.6 points and achieved a score of 81 compared to 79.4 last year. The scores for the CRDs have improved across all metrics and by over 3 points on the CRD understanding the members' business challenges and playing the role of critical friend.

This progression is pleasing given the focus we have had on training and development, and we will continue to build on this to drive more consistency and quality of member experience.

The website was highlighted in our member satisfaction survey as an area to improve and planning for development of a new website is underway. Particular attention will be paid to improving the member area of the website to drive higher member engagement, ensure organisations are deriving full value from their memberships and make it easier for users to find the information they need.

- **Profile, Influence and Impact**

During the financial year, we continued to focus on highlighting the link between effective service strategies and business performance and on positioning The Institute as the UK's leading authority on customer service. We made good progress on several fronts through a combination of media relations, research launches, external speaking engagements and digital communications.

We spoke at 44 different external conferences and events during the course of the year (22% up on 36 in 2017/18), and we saw increased amplification of our speaking engagements via shared video and social media interactions.

Despite Brexit dominating the news agenda and all brands finding it harder to achieve cut through, media engagement levels overall were similar to last year, with our flagship UKCSI research launches garnering the most interest (up a third year-on-year: 175 pieces of coverage vs 132 in FY17-18).

Over the past 12 months, we generated over 230 items of coverage and have been referenced in member generated coverage over 300 times in addition.

We appeared 89 times in our tier one outlets (The FT, BBC, The Times, The Guardian, etc) or broadcast media (Sky News, BBC News, LBC, etc) – an increase on 83 in the previous year. Broadcast coverage has increasingly become our primary focus and we achieved 33 pieces of coverage from 26 TV and radio interviews. We were also featured in numerous trade publications, such as Retail Gazette, on topics ranging from the easing of business rates to how Iceland regained customer trust and loyalty.

Leading media outlets are increasingly looking to The Institute – and in particular The Institute's CEO – as a reliable, informed and independent expert on customer satisfaction. Particular highlights included two appearances on Sky News' Ian King Show, one with first direct and the other on the back of our Productivity research. The Guardian ran a prominent and detailed piece on the January 2019 UKCSI launch and the BBC interviewed our CEO about our annual commentary on Christmas deliveries.

We also sought out reactive opportunities which led to a letter to the Editor being published in The FT and our CEO being referenced as the 'Quote of the Day' in the Evening Standard. We feel we can build on this with more by-lined articles and potentially a regular column. We secured reactive commentary pieces throughout

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the year thanks to relationships with key business journalists, at outlets such as BBC News, helping to raise our profile, whilst positioning customer service as a boardroom issue for UK plc.

We published two editions of our magazine, Customer Focus, during the financial year. The breadth and quality of the content are good and we are aiming to increase publication frequency to three per year and introducing a stronger digital element alongside the print publication to increase its reach.

On social media, our Twitter following grew from 4,692 to 5,020, an increase of 7% (vs 11.5% last year), and we increased our LinkedIn follower base significantly – rising 16% (vs 6% last year) from 12,391 to 14,384. Spikes in followers and social engagement tended to follow research launches, awards announcements and media appearances.

From a traffic and SEO perspective, our website continued to perform in line with previous years – in fact, traffic for each of the three years has remained steady, with the same peaks and troughs relating to research or event launches and Christmas respectively. The site continues to perform well from a search perspective.

- **Research and Insight**

The number one benefit which our members value most according to our Customer Satisfaction Survey remains access to research and insight. Throughout the year we have continued to publish research which provides an independent, expert perspective on the key themes and challenges impacting the customer experience environment.

In July 2018 we launched ***The Heart of Artificial Intelligence: Enabling the future of customer experience***. This research investigated how and why organisations are deploying artificial intelligence in a customer experience context. It assessed customers' use of and attitudes towards artificial intelligence and examines employees' perceptions on artificial intelligence has affected both the customer experience and job roles. It recommends key enablers for successful deployment of artificial intelligence in a customer experience context. The research was sponsored by British Gas/Centrica, Capita, O2 and UK Power Networks.

In November 2018 we launched ***Productivity UK: Generating sustainable value from service***. This research defined the key characteristics of service productivity, assessing the current state of productivity in the UK and its impact on customers and organisations. We examined how organisations can improve productivity to deliver better customer satisfaction, employee engagement and performance and recommend a practical framework to improve and measure productivity. The research was sponsored by Xoserve, Morrison Utility, Wales and West Utilities and Osborne. The research stimulated considerable media interest including Jo Causon being interviewed on Sky News.

In December 2018, we launched ***Experiences, Emotions and Ethics; refreshing the customer priorities that underpin the UKCSI***. The purpose of this research was to keep the UKCSI fresh, relevant and ensure that it reflects the evolving customer experience environment. This research reaffirmed the importance of key customer priorities around product and service quality and reliability and helpfulness and competence of employees. It also highlighted a significant influence on customer satisfaction relating to an organisation's customer ethos, ethical standards and emotional connection with customers.

As a result of our new research into customers' priorities we developed the ***January 2019 UKCSI*** to include new questions that broaden its scope to include customers' overall relationship needs with an organisation as well as their needs from transactional experiences. We introduced a new customer satisfaction scorecard covering Experience, Complaints, Customer Ethos, Emotional Connection and Ethics. This has enabled us to maintain and strengthen the robustness of the UKCSI whilst providing members with a richer, more nuanced understanding of current customer needs and priorities. The latest UKCSI was launched on 23 January.

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Also in January we launched *Customer Service Trends 2019*, a piece of thought leadership highlighting key challenges and opportunities facing organisations in the coming year.

In February 2019 we launched *Making it Count: customer satisfaction in the charity sector* at a roundtable event with representatives of leading charities (both members and non-members). This research used UKCSI questions as well as some charity-specific questions to benchmark the performance of the UK's largest charities and highlight opportunities for improvement.

We have completed *bespoke benchmarking research projects* for Scottish Water, IMServ and settle. These projects combine our standard business benchmarking survey, based on the UKCSI with organisation or sector-specific questions that meet specific insight needs.

Our programme of thought leadership research for 2019/20 includes breakthrough research focusing on *Omnichannel and Data* - sponsored by first direct, Curo Housing, Northumbrian Water and Sky; *Recruiting and retaining the skills for customer experience excellence*; *The role of service in procurement*, *Global Britain* and *The opportunity for service*.

- **Public Policy**

The Institute has continued to build political awareness of customer service and sought to demonstrate its relevance to significant political issues of the day. There are a few main ways in which we do this, including: through our All Party Parliamentary Group (APPG) meetings; via direct engagement with public officials who have influence over regulators; with the regulators themselves; and by responding to consultation papers.

Examples of success in these areas include regular liaison with the Department for Business, Energy & Industrial Strategy (BEIS); participation in the Department for Digital, Culture, Media & Sport (DCMS) Consumer Telecommunications Roundtables; and meetings with Ministry of Housing, Communities and Local Government officials to discuss reforms to the Social Housing Sector.

One area of focus has been around the future economy and the skills that will be required to navigate increasing rates of automation. Research has shown that while automation is making technical skills in rules-based roles obsolete, the social/emotional skills that underpin good customer service are harder to replicate and will likely remain of high value. The Institute has made the case that the education and skills system in the UK should recognise this and reflect what have been regarded as "soft skills" in the past are likely to be increasingly important. This theme has underpinned engagement with figures such as the Shadow Minister for the Skills and the Chair of the Business Select Committee. It was also the focus of one of our APPG sessions.

Highly regulated sectors continue to be a rich vein of engagement for The Institute where political attention naturally focuses on how to ensure the consumer is treated well. The limitations of consumer choice when it comes to sectors such as rail, social housing, energy and water make MPs and civil servants more inclined to develop interventionist policy and to talk explicitly about customer service. The Institute has used this to discuss how customer service can be cultivated in these sectors through measurement, transparency, training and using ServiceMark to set the standards.

In addition to meetings with regulators and Government roundtables in which The Institute has been invited to participate, we have also focused the APPG on these sectors. A good example of this was our February 2019 APPG meeting "How can we improve customer service in the rail sector?". It generated a lot of interest from parliamentarians and productive discussion around how a better model for the sector could lead to much-needed - and hitherto elusive - service improvements.

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The political reaction to frustration with some of these sectors has manifested itself in renewed calls for nationalisation. The Institute has used this (and the memory of former nationalised industries) to have topical discussions of what enables an organisation to provide excellent customer service, regardless of whether it is privately or publicly owned.

- **The Insight Consultancy (formerly Deliberata)**

After careful consideration, we dropped the Deliberata brand name in late 2018 and rebranded it Insight Consultancy with the explicit aim of integrating this proposition as a core pillar of The Institute's membership offering.

In revenue terms, The Insight Consultancy has had another extremely positive year. Overall sales have grown to £726k, 58% up on 2017/18.

This performance has been driven by strong relationships with key clients, large international projects and a desire for high-level strategic advice that is underpinned by a strong customer perspective. The outcomes-driven approach is resonating well with members.

The Insight Consultancy completed 27 projects in the past year with an average order value of £33.8k.

This financial year saw the departure of the director responsible for the Insight Consultancy team. This presented both a challenge and an opportunity. We are working hard to secure the right replacement and have engaged an experienced interim director to help with the transition period.

The main drivers of growth have been:

- a focus on non-traditional customer relationships with social housing tenants or members of standards and accreditation schemes
- the adoption of new ways of understanding customers for organisations in the insurance and financial investment sectors
- the development of new strategies using insight to support decision-making for organisations across the estate management and retail sectors.

- **The Academy**

During this third year of the Academy, we achieved revenue of £526k against a target of £555k. This represents a year on year growth of 39% revenue from last year's £377k.

There has also been significant increase in the member penetration rate which has risen from 6% last year to 14.8% this year, with 65 members using the Academy for training, in-house masterclasses or ServiceMark assessment. We expect this to continue to increase.

Notable delivery successes for the Academy team during 2018/19 include;

- Masterclasses for Complaints handling and Customer Journey Mapping
- Our courses have formed the major part of members' people development programmes
- A total of 116 ServiceFocus courses and 24 Masterclasses have been delivered across our membership base
- We ran 45 Professional Qualifications workshops for coaches and trained 23 assessors

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There has been some take up across the whole range of what the Academy offers and there is a definite focus on wanting to invest in the skills and engagement levels of existing employees which we can capitalise on through our reputation and continued integration of the Academy as part of the membership offer.

- **Standards and Quality**

During the year the Standards and Quality team have continued to embed the consolidated standards framework, and Assessor and Trainer Codes of Practice have been audited with good compliance shown in results.

A major part of Q1 was spent on GDPR compliance work to ensure we were ready for the newly introduced legislation and we continue to be able to meet our customers' needs and expectations.

Over the year, 53 Professional Qualifications Assessors were quality assured; 31 new and renewed TrainingMark accreditations were awarded and 18 quality assurance observations of members' trainers were conducted. Additionally, 26 ServiceMark assessments were conducted during the year.

- **Operational and People Development**

2018/2019 was a year of re-purposing and development this has therefore increased the amount of change as we have been driving up expectations in terms of team and individual performance, attitudes and behaviour.

- **Development and Capability**

The talent matrix – 9 point grid was introduced in 2017/18. On the back of this a number of key strategies were developed to maximise on our talent pool and address any performance issues. We invested in a leadership programme for all members of the Senior Leadership Team, and the professional training and development programme for all staff, lunch and learns, enhanced Personal Development Plans and a number of 1-2-1 coaches and mentors were introduced.

There was also specific training and development for the Client Relationship Directors as well as training and development opportunities for individuals linked to their 1-2-1s and Personal Development Plans.

- **Engagement and Communication**

Our Employee Engagement Survey once again delivered a 96% response rate (46/47) and the overall position was similar to last year – broadly positive, which some clear areas for improvement highlighted. As a result of the survey we analysed the results and all staff voted on the key areas that we wanted to address.

These were:

1. To provide more frequent recognition based on our Values. (A working team was set up and are now implementing a number of suggestions to build on our existing mechanisms which include peer-to-peer awards)
2. Take a positive view of feedback, be open and receptive to it, invite and use it, step out of our comfort zones. (360 degree feedback has been introduced for all line managers)
3. Enable managers to empower their people more and more often
4. Adopt a collaborative mind-set across the business: joint ownership, shared aims
5. Get involved in projects and working groups

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- **Infrastructure and process improvement**

Streamlining of data held on the Intranet has been undertaken by all departments with relevant and current documents. Any content that was out of date or replicated on the CRM has been removed or supplemented with updated material.

Enhancements to system layout, search functions and form submissions have been addressed to make finding information easier. As part of the 2018/2019 Business plan a project to form a more interactive Intranet will be undertaken, to enhance process, document management and search requirements.

- **Governance**

The Institute received a 'clean audit' of 2017/18 year end accounts.

We also re-appointed Gilbert's as The Institute's external auditors, following ratification at the AGM in July 2018.

The governance of The Institute is achieved through its Board and committee structures, operational management activities, and implementation of its policies. The Board is responsible for setting the overall CSR policy and goals for The Institute and senior management are responsible for their operational implementation.

- **Corporate Social Responsibility**

The Institute recognises its business operations have an impact on the communities and environment in which it operates. We also committed support to Shelter.

The Institute is committed to operating its business in a manner that is both sensitive and responsible with proper regard to its legal obligations and according to relevant directives, regulations and codes of practice.

We are committed to supporting the Government's vision for Corporate Social Responsibility, specifically:

- Promoting business activity that brings simultaneous economic, social and environmental benefits
- Encouraging innovative approaches and continuing development and application of best practices
- Ensuring the best minimum levels of performance in areas such as health and safety, the environment and equal opportunities
- Creating a framework that facilitates business practices that balance financial success with achievement of social and sustainability goals
- Taking an active part in supporting the local community and social causes

- **GDPR Compliance**

We continue to work to ensure with are compliance with the EU GDPR. The Institute ensures personal data is handled and dealt with properly, however it is collected, recorded and used.

Our data protection policy sets out how we seek to protect personal data and ensure that staff understand the rules governing their use of personal data to which they have access in the course of their work. We have been working to improve our systems, processes and contracts to help achieve this. We have also worked with members and suppliers to maintain compliance across our supply chain.

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Our privacy policy covers how organisations' and individuals' data are secured, covering both their right to data being kept private and their right to privacy from tele and online marketing, unless they have opted-in to receive it. It also helps ensure The Institute complies with the Privacy and Electronic Communications Regulations (PECR) and that apply in conjunction with data protection legislation, such as GDPR.

- **Our key strategic priorities in 2019/20 are:**

Continue to develop our research, knowledge and insight capability: To demonstrate our credibility, influence, reach and competitive advantage.

Review and ensure our value propositions remain fit for purpose: link to the life-stage of the businesses we are working with. This has come out very clearly from the customer research and satisfaction feedback to add value in terms of practical application; we need to be acting as the critical friend and our products and services will need development both in terms of up-grading and enhancement.

Embed ServiceMark as the organisational standard and demonstrate its impact in terms of improved customer satisfaction – upholding the standards but also demonstrating the impact on an organisation's performance.

Membership engagement: drive greater membership engagement and uptake of products and services to demonstrate the positive and tangible impact of membership in terms of ROI; through greater understanding of the businesses we work with and more effective and focused account management. To ensure our members achieve real value and benefit from our membership offerings and see us as highly relevant. To do this we need to establish clear ROI value statements for each of our members.

Profile and influencing: linked to our research, knowledge and insight to continue to differentiate The Institute and enable our 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, with high profile coverage through all forms of media and channels; to act as the 'critical friend'.

Build on our standards and quality and delivery through 'The Institute of Customer Service Academy': With a focus on quality assurance and high standards of delivery, activity will focus on setting the standards and delivering a range of professional development delivery packages and bespoke delivery that drive cultural change and organisational development. This will ensure that The Institute is able to deliver a truly end to end service across all business needs.

Deliver a clear and focused Policy and Government agenda: to extend education and understanding of the impact of customer service on the economy, productivity and skills development for UK Plc and the UK's position globally.

Invest further in our systems development: to ensure we are easy to do business with for members and non-members, Government and media, where appropriate to support different levels of service from self-service to bespoke and highly personalised. Internally have robust and appropriate MI and data in which to derive greater agility and responsiveness.

Infrastructure, skills and capability: ensure the organisation has an appropriate structure and the right skills and capabilities to deliver a seamless and integrated membership experience. We need to ensure we are addressing our speed to market and our ability to be 'easy to do business with'. To ensure we have the right levels of leadership and management, skills development and competence and to become a genuine employer of choice.

Partnerships: identify and develop effective collaborations and partnerships that support our purpose.

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Appendix 1 – New members 2018/19

Member	Level
Accent Group	The Discovery Roadmap
Adare SEC	The Discovery Roadmap
Admiral Group	The Trusted Advisory Network
Al Rayan Bank	The Discovery Roadmap
Amazon	The Trusted Advisory Network
Ashfield District Council	The Discovery Roadmap
Avant Homes	The Discovery Roadmap
AXA UK & Ireland	The Trusted Advisory Network
Bernicia	The Discovery Roadmap
Bought by Many	The Discovery Roadmap
Bovis Homes Ltd	The Discovery Roadmap
Brewin Dolphin Limited	The Discovery Roadmap
Broadacres	The Discovery Roadmap
BWA Water Additives	The Discovery Roadmap
Cardiff Council	The Trusted Advisory Network
Cheshire West & Chester Council	The Trusted Advisory Network
Citroen	The Trusted Advisory Network
Concertus Design & Property Consultants	The Discovery Roadmap
Costain Group PLC	The Discovery Roadmap
Deezer	The Discovery Roadmap
Defence Business Services	The Discovery Roadmap
DHL Supply Chain	The Trusted Advisory Network
Evac+Chair International Limited	The Discovery Roadmap
Forestry England	The Discovery Roadmap
Glide	The Discovery Roadmap
Haringey Council	The Discovery Roadmap
Ideal Boilers	The Discovery Roadmap
Impact Call Centre	Pathway
Institute of Fundraising	The Discovery Roadmap
Ishida Europe Ltd	The Trusted Advisory Network
Jepson and Co Limited	The Discovery Roadmap
Jersey Electricity Plc	The Discovery Roadmap
Karcher	The Discovery Roadmap
Kingspan Insulated Panels	The Discovery Roadmap
Lands' End, Inc..	The Discovery Roadmap
Legal Ombudsman	The Discovery Roadmap
Mainstay Group	The Discovery Roadmap
Merson Group	The Discovery Roadmap
Midland Lead Ltd	The Discovery Roadmap

Institute of Customer Service

Company Limited by Guarantee

Strategic Report and Directors' Report

year ended 31st March 2019

Ministry of Defence - Information Systems & Services	The Discovery Roadmap
National Grid Gas PLC	The Trusted Advisory Network
Nectar Imports Ltd	The Discovery Roadmap
NHS Business Services Authority	The Discovery Roadmap
NHS Greater Manchester Shared Services	The Discovery Roadmap
NHS Professionals	The Trusted Advisory Network
Nisbets PLC	The Trusted Advisory Network
Nordic House Ltd	Pathway
North Yorkshire Education Services	The Discovery Roadmap
Northwood Investors (Pure Office)	The Discovery Roadmap
One Manchester	The Discovery Roadmap
Openreach	The Trusted Advisory Network
Qwest	The Discovery Roadmap
Rochdale Boroughwide Housing	The Discovery Roadmap
Schueco UK Limited	The Trusted Advisory Network
Smith & Nephew	The Trusted Advisory Network
Stena Line LTD	The Trusted Advisory Network
Stonewater	The Discovery Roadmap
Studio Retail Limited	The Discovery Roadmap
The Coal Authority	The Discovery Roadmap
The University of Law	The Discovery Roadmap
Tower Hamlets Homes	The Discovery Roadmap
Union Street Technologies Ltd	The Discovery Roadmap
W5 Marketing Intelligence	Pathway
Yarlington Housing Group	The Discovery Roadmap
Your Homes Newcastle	The Discovery Roadmap
Zen Internet Ltd	The Discovery Roadmap
Zenith	The Discovery Roadmap

Institute of Customer Service

Company Limited by Guarantee

Strategic Report and Directors' Report

year ended 31st March 2019

Directors

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

Joanna Causon
Simon Roberts
Jonathon Cowie
Shirley Fell
Giles Hawke
Paul Pugh
Cathryn Ross
Oke Eleazu

(Appointed 5th March 2019)

(Resigned 31st August 2018)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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.

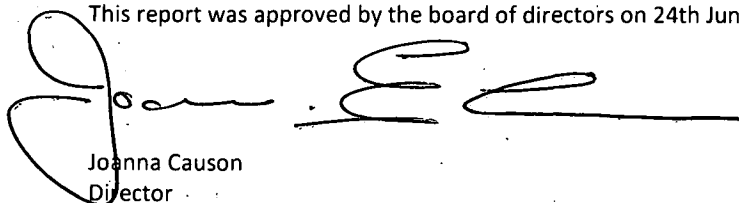
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report was approved by the board of directors on 24th June 2019 and signed on behalf of the board by:



Joanna Causon
Director

Institute of Customer Service

Company Limited by Guarantee

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

year ended 31st March 2019

Opinion

We have audited the financial statements of Institute of Customer Service (the 'company') for the year ended 31st March 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Institute of Customer Service

Company Limited by Guarantee

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

year ended 31st March 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Institute of Customer Service

Company Limited by Guarantee

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

year ended 31st March 2019

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Richard Keeble FCA (Senior Statutory Auditor)

For and on behalf of
Gilberts
Chartered accountants & statutory auditor
Pendragon House
65 London Road
St Albans
Hertfordshire
AL1 1UJ

24th June 2019

Institute of Customer Service

Company Limited by Guarantee

Statement of Income and Retained Earnings

year ended 31st March 2019

	Note	2019 £	2018 £
Turnover	5	5,724,533	5,648,310
Gross profit		<u>5,724,533</u>	<u>5,648,310</u>
Administrative expenses		5,857,014	5,305,585
Operating (loss)/profit	6	(132,481)	342,725
Other interest receivable and similar income	10	16,093	17,904
Revaluation gain/(amounts written off investments)	11	86,105	(72,761)
(Loss)/profit before taxation		<u>(30,283)</u>	<u>287,868</u>
Tax on (loss)/profit	12	3,058	3,402
(Loss)/profit for the financial year and total comprehensive income		<u>(33,341)</u>	<u>284,466</u>
Retained earnings at the start of the year		1,635,262	1,350,796
Retained earnings at the end of the year		<u>1,601,921</u>	<u>1,635,262</u>

All the activities of the company are from continuing operations.

The notes on pages 22 to 30 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31st March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	53,362	82,770
Tangible assets	14	191,569	43,673
Investments	15	1,000	1,000
		<u>245,931</u>	<u>127,443</u>
Current assets			
Debtors	16	1,890,133	2,290,883
Investments	17	2,392,504	3,301,963
Cash at bank and in hand		2,671,001	1,378,697
		<u>6,953,638</u>	<u>6,971,543</u>
Creditors: amounts falling due within one year	18	3,182,955	3,195,256
Net current assets		<u>3,770,683</u>	<u>3,776,287</u>
Total assets less current liabilities		<u>4,016,614</u>	<u>3,903,730</u>
Creditors: amounts falling due after more than one year	19	2,414,693	2,268,468
Net assets		<u>1,601,921</u>	<u>1,635,262</u>
Capital and reserves			
Profit and loss account		1,601,921	1,635,262
Members funds		<u>1,601,921</u>	<u>1,635,262</u>

These financial statements were approved by the board of directors and authorised for issue on 24th June 2019, and are signed on behalf of the board by:



Simon Roberts
Director

Company registration number: 03316394

	2019 £	2018 £
Reserves - members funds	1,601,921	1,635,262
Deferred income:		
Amounts falling due within one year	2,439,830	2,381,684
Amounts falling due after more than one year	2,414,693	2,268,468
Total reserves policy	<u>6,456,444</u>	<u>6,285,414</u>

Deferred income relates to non-refundable membership subscriptions.

The notes on pages 22 to 30 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Statement of Cash Flows

year ended 31st March 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(33,341)	284,466
<i>Adjustments for:</i>		
Depreciation of tangible assets	21,855	14,334
Amortisation of intangible assets	29,408	29,408
Other interest receivable and similar income	(16,093)	(17,904)
Loss on disposal of tangible assets	23,433	–
Tax on (loss)/profit	3,058	3,402
<i>Changes in:</i>		
Trade and other debtors	400,750	(522,795)
Trade and other creditors	134,266	701,045
Cash generated from operations	563,336	491,956
Interest received	16,093	17,904
Tax paid	(3,402)	(69,693)
Net cash from operating activities	<u>576,027</u>	<u>440,167</u>
Cash flows from investing activities		
Purchase of tangible assets	(193,183)	(1,170)
Proceeds from sale of tangible assets	(1)	–
Purchases of other investments	–	(1,427,239)
Proceeds from sale of other investments	909,459	–
Net cash from/(used in) investing activities	<u>1,292,302</u>	<u>(988,242)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	2	98
Net cash from financing activities	<u>2</u>	<u>98</u>
Net increase/(decrease) in cash and cash equivalents	1,292,304	(988,144)
Cash and cash equivalents at beginning of year	1,378,697	2,366,841
Cash and cash equivalents at end of year	<u>2,671,001</u>	<u>1,378,697</u>

The notes on pages 22 to 30 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements

year ended 31st March 2019

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is 3rd Floor, Mill House, Mill Street, London, SE1 2BA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, '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.

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.

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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

3. Accounting policies *(continued)*

Revenue recognition

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

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.

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.

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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

3. Accounting policies *(continued)*

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.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

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. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	<u>5,724,533</u>	<u>5,648,310</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Amortisation of intangible assets	29,408	29,408
Depreciation of tangible assets	21,855	14,334
Loss on disposal of tangible assets	23,433	—
Impairment of trade debtors	11,506	—
Foreign exchange differences	<u>1,102</u>	<u>(3,149)</u>

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>11,950</u>	<u>11,950</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

8. Staff costs

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

	2019 No.	2018 No.
Administrative staff	48	49
Directors	5	6
	<u>53</u>	<u>55</u>

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

	2019 £	2018 £
Wages and salaries	3,071,876	2,727,334
Social security costs	353,369	290,818
Other pension costs	85,557	49,402
	<u>3,510,802</u>	<u>3,067,554</u>

9. Directors' remuneration

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

	2019 £	2018 £
Remuneration	434,566	251,774
Company contributions to defined contribution pension plans	9,315	4,327
	<u>443,881</u>	<u>256,101</u>

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

	2019 No.	2018 No.
Defined contribution plans	<u>1</u>	<u>1</u>

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

	2019 £	2018 £
Aggregate remuneration	<u>391,721</u>	<u>208,000</u>

10. Other interest receivable and similar income

	2019 £	2018 £
Interest on cash and cash equivalents	11,657	17,904
Other interest receivable and similar income	4,436	–
	<u>16,093</u>	<u>17,904</u>

11. Revaluation gain/(amounts written off investments)

	2019	2018
	£	£
Revaluation gain/(amounts written off current asset investments)	<u>86,105</u>	<u>(72,761)</u>

12. Tax on (loss)/profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	<u>3,058</u>	<u>3,402</u>
Tax on (loss)/profit	<u>3,058</u>	<u>3,402</u>

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.

13. Intangible assets

	Intellectual property rights £	Software and website £	Total £
Cost			
At 1st April 2018 and 31st March 2019	<u>77,500</u>	<u>69,540</u>	<u>147,040</u>
Amortisation			
At 1st April 2018	31,000	33,270	<u>64,270</u>
Charge for the year	15,500	13,908	<u>29,408</u>
At 31st March 2019	<u>46,500</u>	<u>47,178</u>	<u>93,678</u>
Carrying amount			
At 31st March 2019	<u>31,000</u>	<u>22,362</u>	<u>53,362</u>
At 31st March 2018	<u>46,500</u>	<u>36,270</u>	<u>82,770</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

14. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1st April 2018	34,237	14,412	44,482	93,131
Additions	189,113	–	4,070	193,183
Disposals	(34,237)	–	–	(34,237)
At 31st March 2019	189,113	14,412	48,552	252,077
Depreciation				
At 1st April 2018	10,805	7,183	31,470	49,458
Charge for the year	11,594	2,162	8,099	21,855
Disposals	(10,805)	–	–	(10,805)
At 31st March 2019	11,594	9,345	39,569	60,508
Carrying amount				
At 31st March 2019	177,519	5,067	8,983	191,569
At 31st March 2018	23,432	7,229	13,012	43,673

15. Investments

	Shares in group undertakings £
Cost	
At 1st April 2018 and 31st March 2019	1,000
Impairment	
At 1st April 2018 and 31st March 2019	–
Carrying amount	
At 31st March 2019	1,000
At 31st March 2018	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 (2018 - £1,000) and its profit for the year was £Nil (2018 - £Nil).

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

16. Debtors

	2019	2018
	£	£
Trade debtors	1,743,315	2,143,075
Prepayments and accrued income	86,420	139,277
Other debtors	60,398	8,531
	<u>1,890,133</u>	<u>2,290,883</u>

17. Investments

	2019	2018
	£	£
Octopus Investments Ltd	<u>2,392,504</u>	<u>3,301,963</u>

At 31st March 2019 the investments were all held in stocks and shares.

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	184,870	317,694
Amounts owed to group undertakings	870	868
Accruals and deferred income	2,649,085	2,437,546
Corporation tax	3,058	3,402
Social security and other taxes	330,840	428,156
Other creditors	2,090	2,090
Pension creditor	12,142	5,500
	<u>3,182,955</u>	<u>3,195,256</u>

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

	2019	2018
	£	£
Accruals and deferred income	<u>2,414,693</u>	<u>2,268,468</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £76,242 (2018: £45,075).

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2019

21. Operating leases

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

	2019	2018
	£	£
Not later than 1 year	140,691	89,544
Later than 1 year and not later than 5 years	199,313	—
	<u>340,004</u>	<u>89,544</u>

22. Related party transactions

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

	2019	2018
	£	£
Outstanding to:		
ICS Services Limited	870	870

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

23. Ultimate control

Ultimate control of the Institute is vested in the members.