



Institute of Customer Service
Company Registration Number: 03316394

Company Limited by Guarantee

Financial Statements

For the year ended 31st March 2018



Gilberts
CHARTERED ACCOUNTANTS

Institute of Customer Service

Company Limited by Guarantee

Financial Statements

year ended 31st March 2018

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Institute of Customer Service

Company Limited by Guarantee

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 and Chairman of the Remuneration Committee
Paul Pugh	Non-Executive Director and Chairman of the Audit Committee

President

Des Benjamin

Former Chief Executive

Simplyhealth

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
Barry Connolly	Director of Customer Experience	Royal Bank of Scotland
Graham Edwards	Chief Executive	Wales & West Utilities
Peter Farrer	Chief Operating Officer	Scottish Water
Mark Galt	Director of Customer Service	o2
Jeremy Hyams	CEO	Claims Consortium Group
Alison Jones	Director	Volkswagen UK
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	Bpl 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
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

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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

Ulster Bank
130 Lower Baggot Street
Dublin 2
Ireland

Solicitors

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

Company number

03316394

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Officers and Professional Advisers

Foreword from the CEO

2017 was another difficult year for UK organisations to navigate. The complexity of negotiations in the wake of the EU referendum, rising levels of customer effort required to resolve problems, the devaluation of the Pound against both the Euro and US Dollar, and the heightened focus on Britain's productivity gap have combined to ensure that long-term prospects for economic growth remain uncertain.

Debate also continued about the impact of the 'sharing economy' with the year bearing witness to the social and fiscal implications that it offers. Companies in the sharing economy, like those in mainstream business, increasingly recognised trust, reputation and employee engagement as vital assets and differentiators – and, importantly, as a route towards demonstrating a return on investment for their service strategies.

The year was also one in which customers, commentators and policy makers began to pay more attention to the way in which artificial intelligence and automation can act as a differentiator and enhance the customer experience. Some voiced a fear that automated technologies will replace, rather than complement, employees but the past 12 months have begun to show that successful deployment of robotics and AI requires an astute blend of technology application, customer experience design, employee training and engagement. Going forward, the organisations that recognise this will be the ones to thrive.

Against this backdrop of uncertainty and opportunity 2017/18 was a challenging, but ultimately successful, year for The Institute. Despite difficult trading conditions we have successfully established Deliberata, our insight consultancy arm, continued to develop The Academy to build its reputation as a centre of excellence for customer service training and driven up the core membership business.

We have proven, with hard empirical data, that The Institute's purpose and messaging on sustainable ROI is legitimate and more pertinent than ever. By publishing research demonstrating a clear link between customer satisfaction and turnover growth, we have ensured that organisations can articulate the key investments required to generate a return and boost financial performance.

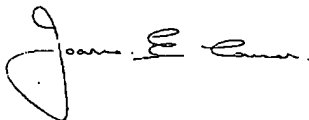
This year we spent a considerable amount of time on improving and driving up our capability. The purpose was to ensure our members are better served so they can, in turn, realise a better ROI and our most recent customer satisfaction survey offers clear indication that the changes we have made are being well received.

Members were unequivocally welcoming of the way in which we have built closer relationships between their organisation and our Client Relationship Directors. Whilst this is encouraging, it doesn't mean that we will stop. On the contrary, over the next few months we will be working to ensure your experiences are even better and that our teams are even easier to do business with.

We will also enhance the way we act as your critical friend and ensure we support you by better understanding the challenges that are specific to you. And, as the year progresses, we will also review our core products to ensure they remain fit for purpose and are integrated to help our members drive their service strategies forward.

The economy may continue to fluctuate and we may yet see more uncertainty on the High Street and the political corridors of power, but we are confident that our approach, responding as it does to our members' desires and needs, will ensure that we can help them deliver for their own customer base.

I would like to thank you for your ongoing support in these endeavours and look forward to sharing a successful year ahead.



Joanna E Causon
CEO

Institute of Customer Service

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Strategic Report and Directors' Report

year ended 31st March 2018

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 2018.

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 is 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

Strategic Report

External environment

2017/2018 was another complex year for customer service. Customer satisfaction remained broadly stable, but beneath this surface positivity, a number of worrying signs emerged pointing towards further uncertainty and greater challenges for UK organisations. The UK Customer Satisfaction Index (UKCSI) revealed that the improvement we have seen in recent years in some of the lowest scoring sectors has stalled. Of greater concern was the fact that hardly any organisation featuring amongst the most improved for customer satisfaction a year ago has maintained their performance. The suggestion is that whilst Boardrooms recognise the empirical value of customer service, there remains much to be done to ensure it is embedded into organisations' psyche and culture.

And whilst growth in the proportion of customers whose experience was right first time did not go unnoticed, concerns for sustainable future performance emerged. According to the most recent UKCSI, for example, 2017 was the first time in which the number of organisations whose customer satisfaction has dropped by two points overtook the number who improved by the same amount.

As the UK explored options for new trading relationships with the EU and the rest of the world, the past year also witnessed recognition amongst business leaders that they need to give higher priority to training, developing and actively engaging their employees. There was acceptance, for example, that if organisations are less able to recruit appropriately skilled people from across the European Union, they will need to work harder to attract, recruit and

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train UK-based people – and this is important in the wake of an Institute survey which revealed that employees who attend regular training – particularly for personal skills such as confidence, innovation or dealing with customers – tell us they are, on average, 62% more productive.

Over the past year a new appetite emerged for greater government and regulatory intervention across many sectors of the economy. This change was influenced by a range of factors including perceived market blockages, concerns over social, geographical and generational imbalances and the need to boost productivity and the economy. This intervention took a number of different forms, whether it was financial help for first-time house buyers, proposals for caps on energy bills or the government's industrial strategy which set out an ambition for a more activist, coordinated approach to boost innovation and growth. At this point in time it remains to be seen how much of this policy agenda is translated into tangible and lasting change – but the onus is clearly on organisations to develop fair, sustainable and transparent service strategies if they want to build trust and enhance their corporate reputation.

2017 was also a year in which the importance of individualisation and personalisation really stood out, especially as, within society, we began to see greater levels of polarisation between different customer groups. Our research showed, for example, that a significant proportion (28%) are prepared to pay more for a great customer experience but around 15% of customers are very price-led. The majority sit somewhere in between – prepared to pay a fair price for good service. This raised big questions for organisations as they began to understand the need to discern who their customers really are and what matters to them. There was an acceptance that, even with the best will in the world, it isn't possible to serve everybody so clarity of purpose and relevance to customers emerged as a theme set to dominate the customer service agenda for some time to come.

At the same time artificial intelligence was one of the most talked about customer experience topics in 2017. From artificially intelligent digital assistants to smart washing machines and fridges, the range of 'self-thinking' apps and devices multiplied, continuing to change and challenge how we live. In the context of debates about cyber security, human versus robotic interaction and the changing skills needs of the workforce, the challenge of implementing cognitive technologies to transform customers' experience and business processes was accepted as being as much reputational as it is, technological. This debate remains in its embryonic stage, but will gather pace as organisations explore how it can deliver outcomes that benefit customers.

In the same way, The Institute will continue to evolve to ensure that it is always able to meet members' needs.

Notable Achievements

- **Financial Overview**

2017/18 saw a significant improvement in The Institute's financial position. We had planned for a surplus of £40,000 and achieved a surplus of £284,466. We achieved revenue just short of £5.6 million, representing an increase of £1 million on the previous financial year.

Revenue generated from new business represented a strong contribution to our overall income. The new business team achieved £1.679 million against a target of £1.6 million – a figure which is a £300,000 improvement on 2016/17.

- **Member Engagement**

At the end of the financial year organisational membership stood at 451. Between April 2017 and March 2018 a total of 66 organisations joined The Institute. Although this figure is slightly down on the previous year (74), a larger number joined at Trusted Advisory Network level (17, compared to 5 in 2016/17), meaning that we are increasingly securing larger and more complex accounts with a greater length of membership tenure.

The combined length of membership totals 1,409 years – an increase of 5.7%. Of this total, 205 years are derived from new organisational memberships and this demonstrates resonance with our messaging around the importance of sustainable customer service strategies, as the average membership term commitment is now 3.1 years – up from 2.7, 12 months ago.

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We also secured 47 new Discovery Roadmap members and 2 Pathway memberships. During the year, however, we lost 76 organisational members and a further 7 at Business or Pathway grades. Six of these can be attributed to one organisation with multiple memberships. A full list of The Institute's new members can be seen in Appendix 1.

A core indicator of members' engagement with The Institute and our goal of enhancing customer service standards in the UK is the extent to which members pursue recognition through ServiceMark and TrainingMark. It is encouraging to note, therefore, that we saw 22 new organisations achieve ServiceMark and a further 27 secure recognition of their customer service training programmes through TrainingMark during the year. To support our members in their achievements and to drive member engagement we also developed a new strategy promoting ServiceMark and TrainingMark accreditations through video messages to their colleagues and customers.

The Institute believes that the development of customer service skills are central to both addressing the UK's productivity gap and enhancing levels of engagement amongst employees in customer service roles. With this in mind it is pleasing that a total of 2,033 individuals completed ServiceFocus training through The Academy and via in-house delivery supported by The Institute. We also hosted 721 professional qualifications attendees at various workshops.

Additionally, The Institute provided support for 130 Business Benchmarking surveys and 144 Servcheck surveys – the former being broadly in line with the previous financial year (139) and the latter representing an improvement (127).

Collectively, uptake of our product portfolio is broadly similar to the previous financial year. Whilst this is disappointing on one level, it suggests that UK business leaders recognise the improvements to productivity and customer satisfaction gained through customer service skills development. It is therefore an area of focus for The Institute in the year ahead.

Member engagement can also be analysed through attendance at Institute events and it is clear that organisations value both the learning and networking opportunities afforded by Institute events. This year, for example, 131 organisations sent delegates to our Annual Conference – up from 114 the year before. Although the actual number of delegates – at 292 – was below expectations, the growth of organisational representation is an indication that organisations increasingly value the combination of strategic and practical advice we offer and this is evident from the rising satisfaction scores received in the wake of the 2018 Annual Conference. When asked if they are likely to recommend it, for example, 84% said yes, compared to 80% twelve months ago and 81% said the event met their objectives, also up 4% on the previous year.

As we approached the end of the second year of our three-year strategy it was important to understand levels of customer satisfaction from amongst our membership. This year we explored in-depth members' views on our products and services, our communications and the nature of their relationships with our Client Relationship Directors (CRD). Over the past 12 months we have been focusing attention on member engagement and the latest results are the clearest indication yet that the changes we have made are meeting members' expectations. Scores for the CRD team and those around our member magazine and newsletter have all improved, with the cumulative result showing that we have improved by 2.4 points, increasing satisfaction to 79.7%.

- **Profile, Influence and Impact**

During the course of the 2017/18 financial year The Institute focused on proving the link between effective service strategies and organisational growth. It did this through the creation of an integrated communications programme focusing on skills, productivity and the ROI gained from a sustained focus on customer service.

The result, in terms of traditional media, was that over the past 12 months The Institute continued to enhance its profile. 732 items of coverage were achieved, of which 83 were in either national or broadcast media – rising from 75 the year before. A total of 124 were in core business trade titles, compared to 97 in the previous financial year.

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A key element of the media relations programme revolved around creating a symbiotic relationship between The Institute's brand and that of the CEO. The impact of this approach can be seen through securing 15 journalist interviews, up from 9 the year before, and 12 by-lined articles in key trade media such as FT Adviser, Rail Professional, Utilities Week and Retail Gazette.

A measure, adopted for the first time this year to demonstrate the impact of media relations activity, also showed that The Institute's key messages were present in 75.8% of all coverage, with 74% quoting the CEO. Independent industry analysis suggests that a score of 30% is good and whilst this has been exceeded it is something The Institute intends to develop further in the year ahead.

As with previous years, UKCSI was again The Institute's most prolific coverage generator. The two editions, published in July 2017 and January 2018, resulted in over 130 items of coverage, with tier one targets such as BBC News, City AM and The Daily Telegraph all reporting our findings.

In addition to our proactive media relations activity, The Institute developed press office. By responding to news events as they broke The Institute was able to engage with key media across a range of subjects during the year. Interviews were secured, for example, on BBC Radio 5 Live regarding Ryanair's flight cancellations and with BBC News Online on the impact of poor service in the run up to Christmas on corporate reputations and financial performance.

The Institute has also continued to build its digital footprint. Twelve months ago there were 11,678 members of The Institute's LinkedIn group and 4,208 followers of its Twitter channel. These have now increased to 12,391 and 4,692 respectively.

However, the number of social media referrals from LinkedIn to The Institute's website declined in number compared to the previous financial year, from 5,121 to 3,090. It should be noted that whilst at face value this is disappointing, the results suggest that those visiting our website are more relevant business targets. Currently 35.26% of those engaging with The Institute via LinkedIn are senior executives (up from 26% last year) and the website conversion rate (independently defined as the number of people clicking through to a webpage, filling in a form with relevant data or downloading content) increased by 234%, from 886 in FY 2016/17 to 9,456 in the year to the end of March 2018. This suggests that The Institute's targeting of members and prospective members is increasingly accurate and that the thought leadership and service offerings are meeting expectations and needs.

The Institute's digital footprint has also been enhanced through a deliberate focus on SEO techniques revolving around in-bound and out-bound linking strategies. As a result all website traffic has seen a 20.63% increase in users over the last year, reflecting an additional 31,304 visitors to the site. Additionally, The Institute is also now ranked 1st and 2nd for web users' searching for 'customer service training' and 'customer service qualifications'. However, although we have seen a small climb when web users use the search term 'customer service', we remain in 5th position – and so will be working to ensure this increases over the next 12 months.

We published 3 editions of Customer Focus magazine following a review which revealed that members continue to value the blend of strategic and practical advice. Content from the magazine was used to position The Institute as the de facto thought leader on all issues pertaining to customer service and as such was shared with members and used as part of our lead generation content.

To deliver Boardroom-pertinent information interviews were undertaken with Paul Carter, Group COO at Hotelplan UK, Kate Russell, BBC TV presenter, Eric Leenders, Managing Director (Retail & Commercial Banking) at the British Banking Association, Louise Moghaddam, Head of Customer Service at New Look, occupational psychologist Dr Steve Bull, Bruce Carnegie-Brown, chairman of Lloyd's, Rob Chilcott, Learning and Development Director at Claims Consortium Group, Paul Plnder, Head of Performance Excellence at RBS, Vernon Everitt, Managing Director (Customers, Communication and Technology) at TfL, LibDem peer Lord Scriven, Sir Brendan Barber, chair of ACAS, Joe Gordon, head of first direct and Mark Thomson, Director General at Her Majesty's Passport Office.

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- **Research and Insight**

Our vision is of a world where excellent customer experience makes a positive and sustained impact on individuals, organisations and the economic well-being of UK Plc. So that this becomes a reality, The Institute ensured its research programme continued to strive to review more challenging and insightful topics as well as providing both strategic and practical support to members.

The bi-annual UK Customer Satisfaction Index (UKCSI) is now a fixture in our members – and wider stakeholders – calendars and once again we published its results in July 2017 and January 2018. As with recent years, the launch of each UKCSI included a 'state of the nation' report, 13 sector reports, an infographic and animation. However, in response to member feedback The Institute also developed a sector resource pack containing additional data and insight. The success of these reports is evident through the number of downloads undertaken during the year. The two UKCSI Executive summaries were downloaded 4,349 times in this financial year, compared to 741 in the previous 12 month period.

UKCSI was further enhanced in December 2017 with the publication of a charity sector "special" report. Launched at a roundtable attended by Oxfam, Macmillan's, Salvation Army, Alzheimer Society, ActionAid, RNIB and British Red Cross its purpose was to expand the UKCSI into another sector engage a new set of stakeholders.

We also delivered an increase in members' engagement with the UKCSI through hosting 10 UKCSI webinars, which were attended by over 260 members. Four of these focused on the overall UK cross sector picture, with a further six drilling down into specific sectors – Finance, Utilities, Retail and Public Services.

As in previous years, the core purpose of UKCSI is to develop understanding of the importance of customer service as a strategic business tool and to build member engagement. Through media coverage, downloads and webinar attendance this has clearly been achieved – but it has also contributed to lead generation through report sales worth £89,000 from non-members.

Furthermore, The Institute's Breakthrough Research programme continues to deliver thought leadership that provides strategic information and practical advice. In November 2017 we published a seminal piece of research that proved the link between customer satisfaction and organisational growth. Called 'The Customer Service Dividend: how organisations have achieved ROI and increased productivity' this ground-breaking research examined the connection between customer satisfaction and a range of financial metrics.

- **Public Policy**

Following the General Election in June 2017 we undertook a stakeholder mapping exercise of the new Parliament to identify MPs most likely to support the customer service agenda. As a direct result of our analysis we secured meetings with politicians and officials from DIT, DCMS and BEIS and a further 3 meetings with backbench MPs, the Shadow Skills Minister, Lord Fox and one with Ruth George MP in conjunction with the TUC.

In addition, the team provided content for wider policy work, responding to 5 consultations. These were the RSA's Employment Review, the FCA's analysis of current accounts, Ofwat's PR19 review and the Council for Water's draft forward work programme and the FRC work on corporate governance. Each enabled The Institute to deliver key messages about the importance of service skills development and the need for a sustained focus on service to drive performance.

Separately, The Institute also enjoyed more influence in political circles. We were cited in 4 papers following consultation responses that had been submitted over the past 18 months (BEIS, Ofwat and the National Audit Office and the Financial Ombudsman Service). And, following a campaign exploring the impact of service in regulated sectors, we secured the support of key regulators who are now recommending the use of ServiceMark and the UKCSI. Evidence of success can be seen in at least 3 organisations that have referenced their achievements in these areas within their annual reports.

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During the year we delivered three meetings of the All Party Parliamentary Group on Customer Service – which focused, separately, on telecoms, skills, and the regulated sectors. These allowed us to engage with 12 new Members of Parliament and each meeting attracted between 5 and 15 parliamentarians and a variety of Institute members.

- **Deliberata**

Deliberata is now 2 years into its first 3 year strategic plan. Its second year of operation has been a huge success as, in terms of sales, the business has grown 328% - as represented by an income of £458,000 compared to £102,000 12 months ago. At the same time expenditure has remained controlled, allowing Deliberata break even in January 2018, 8 weeks ahead of the target date.

In total Deliberata delivered 19 projects during the course of the financial year, for 10 different clients. The exponential growth has been supported by a growing team, which now houses 3 permanent members of staff.

The main drivers of growth have been because of:

- 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**

This first half of the year was challenging. However by changing the route to market and providing additional support to colleagues, The Academy ended the year having delivered training worth £377,000. This figure translates to use of The Academy's services by 5% of the membership (excluding ServiceMark assessments and masterclasses).

Notable delivery successes for The Academy team during 2018/19 include:

- winning one large tender at a large county council
- delivering Complaints' Masterclasses leading to demand for additional days and requests for 4 deliveries in-house
- an extension of Train the Trainer courses and sales relating to Qualifications Management Services.

These successes mean that, within the range of what The Academy can offer, there has now been some take up of each delivery type, which gives The Academy a great platform to build on for next year. With this in mind it is pleasing to report that the year has ended well in terms of bookings and discussions towards 2018-19 and we have a more articulated pipeline and positive position of opportunity for The Academy.

- **Standards and Quality**

A core focus for the Standards and Quality team during the year was the launch of our consolidated standards framework. It included the introduction of Assessor and Trainer codes of Practice and member principles to support member engagement. Under the newly revised framework 85 professional Qualifications Assessors were quality assured; 25 new and renewed TrainingMark Accreditations were awarded and 8 quality Assurance observations of member's trainers were carried out.

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In addition, the team introduced a more structured exceptions and approvals process to ensure products and services can be adapted to meet members' circumstances where appropriate whilst still retaining consistency, standards and robustness.

In the later part of the year a considerable amount of work has been undertaken on ensuring we are GDPR compliant.

- **Operational and People Development**

Following feedback from our members, this financial year saw the review of a number of key products. The core purpose was to enhance content and improve usability to ensure members are better able to engage with them and that they retain their currency and relevance.

As part of this work, The Institute's management qualification underwent a full content and requirements review. We also tested the Business Benchmarking portal to ensure it becomes easier to use and we began an audit of ServiceMark which is scheduled to be completed in the new financial year.

The year also saw The Institute launch a new complaints masterclass and review of our individual membership proposition.

Additionally the year saw the creation of a new internal structure within the CRD team, designed to provide members with challenging support in the shape of a 'critical friend'. As a result 3 senior CRD roles were created – all of which were appointed from within, in a sign that our employee development programmes and career development opportunities are having a positive impact.

- **Development and Capability**

From an employee perspective, the 2017/18 financial year was one in which effective performance and capability development maintained their critical importance. Our belief is that service skills must continually be developed if we are to deliver on members' expectations and with this in mind we have initiated a series of strategies and leadership development programmes designed to maximise the talent of our employees. This is particularly important as the year saw us recruit 6 new members of staff.

- **Engagement and Communication**

Attention was given to the intranet through further streamlining of content and some amends were made to the information architecture, ensuring that the newest information is also the most prominent.

In addition a number of initiatives were developed to build engagement and enhance employees' participation across teams. These included the nomination of Shelter as The Institute's charity, the re-introduction of a staff suggestion scheme, the roll out of a monthly 'lunch and learn' session and the creation of a monthly cross-team meeting to share business developments.

The Institute also launched a new monthly CEO video, ensuring that employees now have a choice of channel to keep up to date with Institute news. At the same time, Grapevine – The Institute's internal newsletter – was revamped. Results of both activities are positive with every edition achieving an open rate in excess of 55%.

- **Infrastructure and process improvement**

This financial year saw enhancements being made to The Institute's intranet so that usability and the user experience were both improved. Changes were made to the user interface, search functionality was improved and a data and documentation audit was carried out to ensure collateral is relevant.

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Following the successful launch of The Institute's CRM system, this financial year saw a focus on data extraction so that users are better able to extract management information for reporting purposes. The project helped identify new areas for enhancing the system which will be implemented in the 2018/19 financial year.

- **Governance**

The Institute received a 'clean audit' of 2016/17 year end accounts.

We also re-appointed Gilbert's as The Institute's external auditors, following 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 introduced a new recycling programme, ensuring that in addition to paper, employees are now able to recycle plastic, cardboard and aluminium. As stated in the above section on Engagement and Communication we also committed support to Shelter, raising in excess of £4000 for them from an Auction of Promises.

- **Our key strategic priorities in 2018/19 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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Appendix 1 – New members 2017/18

Member	Level
Abellio West Midlands Trains	Trusted Advisory Network
AESSEAL plc	Discovery Roadmap
AGCO	Discovery Roadmap
Axis Group Integrated Services Limited	Discovery Roadmap
Bpha	Discovery Roadmap
Business Stream	Discovery Roadmap
Caritas Support Services Ltd	Pathway
Carnival UK	Discovery Roadmap
Catalyst Housing Ltd	Discovery Roadmap
Certsure LLP	Discovery Roadmap
CEWE Ltd	Discovery Roadmap
Communis	Trusted Advisory Network
Coventry University Estates	Discovery Roadmap
Davies Group	Discovery Roadmap
Diligenta Ltd	Trusted Advisory Network
Ealing Council Customer Service	Discovery Roadmap
Enfield Council	Discovery Roadmap
Ethical Leasehold Management	Discovery Roadmap
General Medical Council	Trusted Advisory Network
Grand Union Housing	Discovery Roadmap
Greater Manchester Police	Discovery Roadmap
Guide Dogs	Discovery Roadmap
Gymshark	Discovery Roadmap
Hill Group UK	Discovery Roadmap
HM Land Registry	Trusted Advisory Network
i2Office	Trusted Advisory Network
JLL	Discovery Roadmap
Joules	Discovery Roadmap
KeolisAmey Metrolink	Trusted Advisory Network
Kia Motors (UK) Ltd	Trusted Advisory Network
Kier Services Utilities	Trusted Advisory Network
Ministerial and Public Communications Division - Department for Education	Discovery Roadmap
mytaxi	Pathway
Natural Resources Wales	Trusted Advisory Network
NewDay Ltd	Discovery Roadmap
North Yorkshire Police	Discovery Roadmap
Northampton Partnership Homes	Discovery Roadmap
Npower	Trusted Advisory Network
One Direct	Discovery Roadmap

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Oxford City Council	Discovery Roadmap
Radian Group	Discovery Roadmap
Rentokil Initial	Trusted Advisory Network
Royal Mail	Trusted Advisory Network
Sanlam	Trusted Advisory Network
Scottish and Southern Energy Power Distribution Limited	Discovery Roadmap
SD Worx UK Limited	Discovery Roadmap
Simon Jersey	Discovery Roadmap
Solicitors Regulation Authority	Discovery Roadmap
South East Water	Discovery Roadmap
South Hams District Council and West Devon Borough Council	Discovery Roadmap
South Western Railway	Discovery Roadmap
Spectrum Holdings	Discovery Roadmap
Spitfire Bespoke Homes	Discovery Roadmap
Stantec	Discovery Roadmap
Stelrad	Discovery Roadmap
Sutton and East Surrey Water	Discovery Roadmap
Telford Homes	Trusted Advisory Network
The Hippodrome Casino	Discovery Roadmap
Three	Trusted Advisory Network
Toyota Financial Services (UK) PLC	Discovery Roadmap
Toyota GB PLC	Trusted Advisory Network
UIA Mutual	Discovery Roadmap
Valleys to Coast	Discovery Roadmap
Water Plus	Discovery Roadmap
Weight Watchers UK	Discovery Roadmap
WightFibre	Discovery Roadmap

Institute of Customer Service

Company Limited by Guarantee

Strategic Report and Directors' Report

year ended 31st March 2018

The Report of the Directors

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.

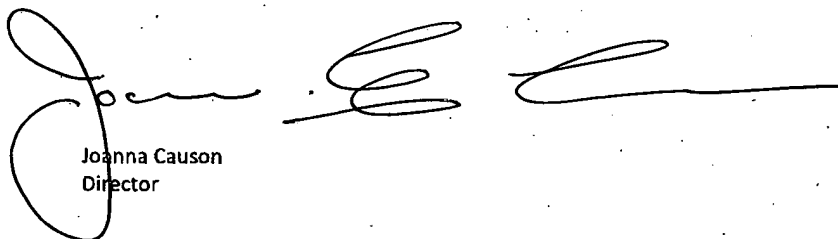
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

This report was approved by the board of directors on 20th June 2018 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 (continued)

year ended 31st March 2018

Opinion

We have audited the financial statements of Institute of Customer Service (the 'company') for the year ended 31st March 2018 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its profit 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.

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 2018

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

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 *(continued)*

year ended 31st March 2018

- 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.



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

20th June 2018

Institute of Customer Service

Company Limited by Guarantee

Statement of Income and Retained Earnings

year ended 31st March 2018

	Note	2018 £	2017 £
Turnover	5	5,648,310	4,638,618
Gross profit		<u>5,648,310</u>	<u>4,638,618</u>
Administrative expenses		5,305,585	5,417,659
Exceptional items		—	137,656
Operating profit/(loss)	6	<u>342,725</u>	<u>(916,697)</u>
Other interest receivable and similar income	11	17,904	344,882
Amounts written off investments	12	<u>72,761</u>	<u>—</u>
Profit/(loss) before taxation		<u>287,868</u>	<u>(571,815)</u>
Tax on profit/(loss)	13	<u>3,402</u>	<u>69,680</u>
Profit/(loss) for the financial year and total comprehensive income		<u><u>284,466</u></u>	<u><u>(641,495)</u></u>
Retained earnings at the start of the year		<u>1,350,796</u>	<u>1,992,291</u>
Retained earnings at the end of the year		<u><u>1,635,262</u></u>	<u><u>1,350,796</u></u>

All the activities of the company are from continuing operations.

The notes on pages 21 to 29 form part of these financial statements.

Institute of Customer Service

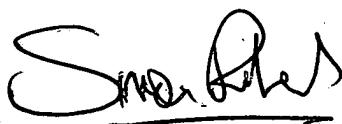
Company Limited by Guarantee

Statement of Financial Position *(continued)*

31st March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	82,770	112,178
Tangible assets	15	43,673	56,837
Investments	16	1,000	1,000
		<u>127,443</u>	<u>170,015</u>
Current assets			
Debtors	17	2,290,883	1,848,881
Investments	18	3,301,963	1,874,724
Cash at bank and in hand		1,378,697	2,366,841
		<u>6,971,543</u>	<u>6,090,446</u>
Creditors: amounts falling due within one year	19	3,195,256	2,885,712
Net current assets		<u>3,776,287</u>	<u>3,204,734</u>
Total assets less current liabilities		<u>3,903,730</u>	<u>3,374,749</u>
Creditors: amounts falling due after more than one year	20	2,268,468	2,023,953
Net assets		<u>1,635,262</u>	<u>1,350,796</u>
Capital and reserves			
Profit and loss account		1,635,262	1,350,796
Members funds		<u>1,635,262</u>	<u>1,350,796</u>

These financial statements were approved by the board of directors and authorised for issue on 20th June 2018, and are signed on behalf of the board by:



Simon Roberts
Director

Company registration number: 03316394

	2018 £	2017 £
Reserves - members fund	1,635,262	1,350,796
Deferred income:		
Amounts falling due within one year	2,381,684	2,106,674
Amounts falling due after more than one year	2,268,468	2,023,953
Total per reserves policy	<u>6,285,414</u>	<u>5,481,423</u>

Deferred income relates to non-refundable membership subscriptions.

The notes on pages 21 to 29 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Statement of Cash Flows

year ended 31st March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	284,466	(641,495)
<i>Adjustments for:</i>		
Depreciation of tangible assets	14,334	15,961
Amortisation of intangible assets	29,408	29,408
Amounts written off investments	72,761	-
Other interest receivable and similar income	(17,904)	(344,882)
Tax on profit/(loss)	3,402	69,680
Accrued expenses/(income)	236,368	(285,633)
<i>Changes in:</i>		
Trade and other debtors	(522,795)	(864,266)
Trade and other creditors	464,677	37,001
Cash generated from operations	564,717	(1,984,226)
Interest received	17,904	344,882
Tax paid	(69,693)	(12,093)
Net cash from/(used in) operating activities	512,928	(1,651,437)
Cash flows from investing activities		
Purchase of tangible assets	(1,170)	(6,794)
Purchases of other investments	(1,427,239)	-
Proceeds from sale of other investments	-	690,151
Net cash (used in)/from investing activities	(1,428,409)	683,357
Cash flows from financing activities		
Proceeds from loans from group undertakings	98	(100)
Net cash from/(used in) financing activities	98	(100)
Net decrease in cash and cash equivalents	(915,383)	(968,180)
Cash and cash equivalents at beginning of year	2,366,841	3,335,021
Cash and cash equivalents at end of year	1,451,458	2,366,841

The notes on pages 21 to 29 form part of these financial statements.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements

year ended 31st March 2018

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 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.

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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

3. Accounting policies *(continued)*

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.

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.

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.

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

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

3. Accounting policies *(continued)*

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.

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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

3. Accounting policies *(continued)*

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. Turnover

Turnover arises from:

	2018 £	2017 £
Rendering of services	<u>5,648,310</u>	<u>4,638,618</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:

	2018 £	2017 £
Amortisation of intangible assets	29,408	29,408
Depreciation of tangible assets	14,334	15,961
Foreign exchange differences	<u>(3,149)</u>	<u>(4,990)</u>

7. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>11,950</u>	<u>10,000</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

8. Staff costs

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

	2018 No.	2017 No.
Administrative staff	49	48
Directors	6	7
	<u>55</u>	<u>55</u>

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

	2018 £	2017 £
Wages and salaries	2,727,334	2,734,785
Social security costs	290,818	310,927
Other pension costs	49,402	50,133
	<u>3,067,554</u>	<u>3,095,845</u>

9. Directors' remuneration

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

	2018 £	2017 £
Remuneration	251,774	256,546
Company contributions to defined contribution pension plans	4,327	3,206
	<u>256,101</u>	<u>259,752</u>

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

	2018 No.	2017 No.
Defined contribution plans	<u>1</u>	<u>1</u>

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

	2018 £	2017 £
Aggregate remuneration	<u>208,000</u>	<u>209,282</u>

10. Exceptional items

	2018 £	2017 £
Restructuring and transformation expenditure	<u>-</u>	<u>137,656</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 2018

11. Other interest receivable and similar income

	2018	2017
	£	£
Interest on cash and cash equivalents	17,904	35,033
Gain on financial instruments	—	309,849
	<u>17,904</u>	<u>344,882</u>

12. Amounts written off investments

	2018	2017
	£	£
Loss on investments	<u>72,761</u>	<u>—</u>

13. Tax on profit/(loss)

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	<u>3,402</u>	<u>69,680</u>
Tax on profit/(loss)	<u>3,402</u>	<u>69,680</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.

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

14. Intangible assets

	Intellectual property rights £	Software and website £	Total £
Cost			
At 1st April 2017 and 31st March 2018	<u>77,500</u>	<u>69,540</u>	<u>147,040</u>
Amortisation			
At 1st April 2017	15,500	19,362	34,862
Charge for the year	15,500	13,908	29,408
At 31st March 2018	<u>31,000</u>	<u>33,270</u>	<u>64,270</u>
Carrying amount			
At 31st March 2018	<u>46,500</u>	<u>36,270</u>	<u>82,770</u>
At 31st March 2017	<u>62,000</u>	<u>50,178</u>	<u>112,178</u>

15. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1st April 2017	34,237	14,412	43,312	91,961
Additions	—	—	1,170	1,170
At 31st March 2018	<u>34,237</u>	<u>14,412</u>	<u>44,482</u>	<u>93,131</u>
Depreciation				
At 1st April 2017	7,381	5,021	22,722	35,124
Charge for the year	3,424	2,162	8,748	14,334
At 31st March 2018	<u>10,805</u>	<u>7,183</u>	<u>31,470</u>	<u>49,458</u>
Carrying amount				
At 31st March 2018	<u>23,432</u>	<u>7,229</u>	<u>13,012</u>	<u>43,673</u>
At 31st March 2017	<u>26,856</u>	<u>9,391</u>	<u>20,590</u>	<u>56,837</u>

16. Investments

	Shares in group undertakings £
Cost	
At 1st April 2017 and 31st March 2018	<u>1,000</u>
Impairment	
At 1st April 2017 and 31st March 2018	<u>—</u>

Institute of Customer Service

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

year ended 31st March 2018

16. Investments *(continued)*

	Shares in group undertakings £
Carrying amount	
At 31st March 2018	1,000
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 (2017 - £1,000) and its profit for the year was £Nil (2017 - £Nil).

17. Debtors

	2018 £	2017 £
Trade debtors	2,143,075	1,654,806
Prepayments and accrued income	139,277	180,203
Other debtors	8,531	13,872
	<u>2,290,883</u>	<u>1,848,881</u>

18. Investments

	2018 £	2017 £
Octopus Investments Ltd	<u>3,301,963</u>	<u>1,874,724</u>

At 31st March 2018 the investments were all held in stocks and shares.(31st March 2017 held in cash funds).

19. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	317,694	165,121
Amounts owed to group undertakings	868	770
Accruals and deferred income	2,437,546	2,251,476
Corporation tax	3,402	69,693
Social security and other taxes	428,156	367,498
Other creditors	7,590	31,154
	<u>3,195,256</u>	<u>2,885,712</u>

Institute of Customer Service

Notes to the Detailed Income Statement *(continued)*

year ended 31st March 2018

	2018 £	2017 £
20. Creditors: amounts falling due after more than one year		
	2018 £	2017 £
Accruals and deferred income	<u>2,268,468</u>	<u>2,023,953</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £45,075 (2017: £46,927).

22. Operating leases

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

	2018 £	2017 £
Not later than 1 year	89,544	179,088
Later than 1 year and not later than 5 years	–	716,352
Later than 5 years	–	492,492
	<u>89,544</u>	<u>1,387,932</u>

Since the year end the landlord has trigger a four year break clause in the lease which will now terminate on 30th September 2018. The Company has found new premises but at the date of signing the accounts had not signed any new leases.

23. 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	<u>770</u>	<u>870</u>

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

24. Ultimate control

Ultimate control of the Institute is vested in the members.