

Company Registration No. 03316394 (England and Wales)

# **Institute Of Customer Service**

## **Annual Report and Financial Statements**

**For the year ended 31 March 2021**

**Gilberts**  
CHARTERED ACCOUNTANTS

# Institute Of Customer Service

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# INSTITUTE OF CUSTOMER SERVICE

## Company Information

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### 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
Mark Gait	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

Alison Jaap	Customer Director	first direct
Alison Jones	Group Managing Director UK	PSA Group
Angela MacDonald	Director General of Customer Services	HM Revenue & Customs
Ben Fletcher	Group Chief Financial Officer	The Very Group
Claire Sharp	Customer Director	Northumbrian Water Group
David Roberts	Managing Director	Nu-Heat
Denise Allan	Managing Director of Service	Sky
Fran Rea	Director of Customer Service	NewDay
Gerry McGarry	Business Director - UK & Agriculture	Berry bpi
Graham Edwards	Chief Executive	Wales and West Utilities
Jamie McDonald	Customer & Business Transformation Director	Alcumus
Jeremy Hyams	Chief Executive Officer	Claims Consortium Group
Jo Marshall	Executive Director	YPO
Jo Moran	Head of Transformation – Stores and Property	Marks & Spencer
Jo Upward	Managing Director	Platform Group
Joanne Casey	Managing Director	Mactaggart & Mickel Homes England
Joe Gordan	Head of Retail Banking	Heyman AI Limited
John Barnett	Director of Operations	Npower Energy Services
Jonathan Preece	Core Business Services Leader	GSK
Julia Bloomer	Head of Learning and Development	AESSEAL plc
Kathryn O'Brien	Customer Experience Director	TransPennine Express
Kelly MacFarlane	Former MD for Customer Service & Retail	Thames Water
Louise Beardmore	Customer Services and People Director	United Utilities Group
Mark Robinson	Director of Supply Chain	John Lewis Partnership
Martyn Oakley	Operations Director	Laithwaite's Wine
Matt Gore	Chief Operating Officer	Pension Insurance Corporation
Nigel Purveur	Former Managing Director	Capita
Paul Harris	Executive Director Customer Experience	Curo Group
Peter Carter	Independent Healthcare Consultant	
Peter Cross	Former Customer Experience Director	John Lewis Partnership
Peter Sinden	GI Executive Strategy Director	LV=
Phil McGilvray	Chief Operating Officer	Cabot Credit Management
Peter Farrer	Chief Operating Officer	Scottish Water
Richard Pash	UK Chief Customer Officer	Zurich Insurance Company
Sian Jones	Chief Executive Officer	Xoserve
Trafford Wilson	Executive Director of Customer Services	The Guinness Partnership

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# INSTITUTE OF CUSTOMER SERVICE

## Company Information

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<b>Company secretary</b>	Bill Leonard
<b>Company number</b>	03316394
<b>Registered office</b>	3rd Floor Mill House Mill Street London SE1 2BA
<b>Auditor</b>	Gilberts Chartered Accountants Pendragon House 65 London Road St Albans Hertfordshire AL1 1LJ
<b>Bankers</b>	Lloyds Bank plc 27 High Street Colchester Essex CO1 1OU  Metro Bank 1 Southampton Row London WC1B 5HA  Ulster Bank 130 Baggot Street Lower Dublin Ireland DO2 XN61
<b>Solicitors</b>	Birkett Long Essex House 42 Crouch Street Colchester Essex CO3 3HH

# Institute Of Customer Service

## Strategic Report

For the year ended 31 March 2021

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### Foreword from the CEO

There is no doubt the impact of the pandemic has been deep and wide-ranging. As we emerge and start to shape our new ways of working there is a real opportunity to reset and reframe our priorities. By considering the lessons learnt over this difficult period and maintaining a focus on long-term purpose, organisations can I believe emerge confidently into a brighter future and succeed for the longer term. It is the job of The Institute to support and lead from the front as we look to provide evidence and be a critical friend to our members, as well as sharing many case studies and examples of inspiration from our members.

The ESG agenda has transitioned from the investment community to the everyday consumer, and businesses should take note. Our research into Trust showed the need for honesty, transparency and fairness in building customer loyalty. Our Green Agenda research highlighted the sudden shift in thinking and how important sustainable business practices have become. Over the last 12 months, we have seen increasing pressure on supply chains and managing customer and supplier relationships to ensure business continuity will continue to be important to mitigate negative consequences, such as shortages and inevitably price increases.

Under our 'Inspiring a Service Nation' banner, following shocking evidence of customer abuse provided to the All-Party Parliamentary Group on Customer Service, we launched our *Service with Respect* campaign. We have been blown away by the support we have received from organisations, parliamentarians, the media and the public. At time of writing, over 160 organisations and 'Parliamentary Champions' have backed our calls to toughen legislation, better train and support staff and to encourage customers to moderate their behaviour. Respect for customer-facing workers should be a given, but it is not, and we are committed to changing this. Your support in this is vital and hugely appreciated.

Customer satisfaction has continued to fall this year, with our UKCSI showing a similar pattern to the previous year. However, that shouldn't cloud the fact many organisations have displayed incredible agility to maintain services and rapidly respond to changes in their customers' circumstances and needs. The UKCSI also highlighted that the pandemic has exposed a hardening polarisation in society. Many people with access to technology, domestic space and a decent income have been better able to deal with the restrictions imposed. However, many others have suffered a decline in their financial, mental or physical wellbeing and are fearful about what the future holds.

Our 2021 conference – delayed until October – presents a significant opportunity for organisations from every sector to come together to think creatively and re-shape our future. Our challenge to the nation is to build back better to deliver excellent service that truly delivers for businesses, workers, and wider society.

We will be undertaking breakthrough research on key topics over the coming year, all viewed through a customer experience lens. These include the future world of work, changing customer behaviours, social media and governance. We will be enhancing some of our most popular products including Business Benchmarking, ServCheck (and the wider ServiceMark accreditation) and our professional qualifications.

The results of our customer satisfaction survey showed member satisfaction has increased by one point over the last year and by five points over the previous three years. Our members have also been clear about the areas in which we can serve them better, and we are using all the feedback we have received to help us review our value propositions with a view to relaunching them in the coming year.

As ever, I would like to thank you for your ongoing support. I look forward to seeing more of you in person over the next 12 months as we build a better future together.

Joanna Causon

**CEO**

16 June 2021

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2021

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The directors have pleasure in presenting their Strategic Report and the financial statements of the company for the year ended 31st March 2021.

#### **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 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**

2020/21 was a tough year which ended with the exceptional challenges presented by the Covid-19 outbreak. Service satisfaction has continued to decline across the UK and indicators for the future suggest this is set to continue, potentially exacerbated by extreme financial measures that some organisations may feel forced into.

The past few years in the UK has been overshadowed by low growth and productivity, financial challenges and austerity. Even before the Covid-19 outbreak struck, we were seeing record levels of consumer debt, an erosion of trust in many institutions, and concern about the use of customer data.

Whilst the political direction of the UK has become clearer, the economic outlook is filled with uncertainty and risk. Brexit has 'got done' in one limited sense, but we don't yet know the shape of the UK's future trading relationships, or the impact of the revised immigration system and of course currently the potential impact of a pandemic.

We do know that the demand for skills is changing, with enhanced requirements for capabilities in emotional intelligence, problem solving, data analytics, AI and in people management and development.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2021

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### Notable Achievements

#### Executive Summary

- In a tough year, both income and expenditure were down c30% year on year, resulting in a pre-tax surplus of £21k against a target of £173k
- We ended the year with 387 members with a total of 1,368 membership years, down slightly on the previous year
- We introduced new resources, communications and delivery methods due to lockdown, which have proved very popular. These include virtual training programmes, Head to Head webinars and top tips
- Member satisfaction was up again, with significant improvement in scores for CRD support, our website and communications
- We continued to invest in developing our product portfolio and introduced regular product webinars. Enhancements to our Management Qualifications helped drive greater take up
- Member engagement with our research increased, with very strong turnout for launch webinars for our UKCSI and breakthrough research on procurement and the green agenda
- Our Service with Respect campaign has drawn huge support from organisations, the media, the public and parliamentarians from right across the political spectrum
- We continued to work closely with key public officials and regulators to influence policy
- The impact of the pandemic and lockdown was felt heavily by our Academy, which brought in £336K revenue (predominantly during the second half of the year) against a target of £625k
- ServiceMark assessments and TrainingMark accreditations were up on last year
- We restructured to ensure we remained financially sustainable, putting us in good shape as we enter the new financial year
- We overhauled our IT infrastructure and security, transitioning from a server-based environment to the cloud and moved onto Office365
- Having raised £10k+ for Shelter, we selected The Trussell Trust as our new charity partner

#### Financial Overview

2020/21 was an exceptionally tough year for The Institute. The unprecedented external market conditions dominated by the unfolding impact of Covid-19 have negatively impacted most organisations.

We are therefore pleased to report that the Institute has not only survived but moved forward through this period. Income of £3.8m was £1.7m (31%) down on the previous year with the Covid-19 crisis again resulting in a substantial amount of Academy work being deferred. Expenditure of £4.2m was £1.9m (30%) down on the previous year. This has led us to report a surplus before tax of £21k and a surplus of after tax of £12k against a planned surplus before tax of £173k. This surplus was achieved, despite losing the planned surplus of £160k from our Annual Conference & Awards which has been deferred until October 2021, because of Covid-19.

#### Member Engagement

At the end of the financial year, we had 387 members. Combined, these had the equivalent of 1,368 membership years. This is a reduction on the previous year in membership numbers of 9.6%, and a decrease of 6.6% in total membership years.

A total of 43 new Trusted Advisory Network and Discovery Roadmap organisational members joined this year. New member brands include: Alliance Healthcare, Amey Transport Infrastructure, Aster Group, Auto Windscreens, Belfast City Council, Canada Life, Gloucestershire Constabulary, Information Commissioner's Office (ICO), John Lewis Home Improvement, Moda Furnishings, National Federation of Self Employed & Small Businesses Limited (FSB), National Records of Scotland, Nestlé Purina PetCare, Network Rail, NFU Mutual Insurance Society and Octopus Energy. A full list of The Institute's new members can be seen in Appendix 1.

As lockdown first hit, we doubled down on providing timely, high-quality, practical support for members in the form of top tips, interviews with prominent industry figures and weekly CEO statement emails, which received very positive feedback.

Our Trusted Advisory Network meetings went virtual, and these meetings remained very popular. We introduced a number of Discovery Roadmap member meetings to enhance collaboration and co-creation, which have been well received. We further enhanced our video content, email and social communications - and the success of this was highlighted by members in our member engagement survey.

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# Institute Of Customer Service

## Strategic Report (Continued)

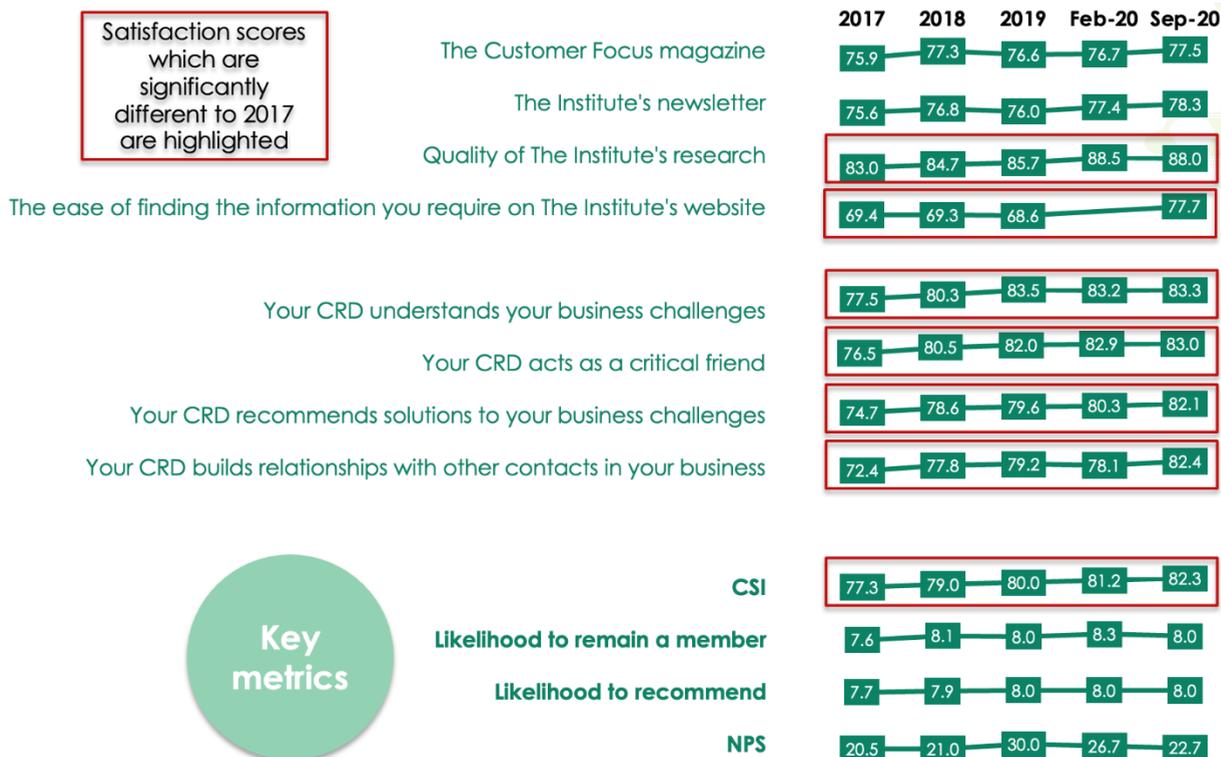
For the year ended 31 March 2021

The development of a new website and member area has transformed the user experience and made it easier for members to view and use the many benefits of membership. Member logins have increased by over 200% YoY and average session durations are up over 60%.

In September 2020, we undertook our customer satisfaction survey, with a greater in-depth focus to ascertain our members' views on the proposition (products and services), our communications and the impact of our Client Relationship Directors (CRDs). The latest CS scores from our survey are up from last year with a score of 82.3 compared with 81.2. The Institute continues to do well on our purpose, impact, and relevance in particular our research and insight and our products and services, levels of trust and independence.

The scores for our CRDs have improved against each of the critical behaviours of the role, understanding business challenges, acting as a critical friend, recommending solutions, and building relationships across the wider business. This is reflective of the ongoing development of the team and the impact some of the newer team members have made from the outset.

### Member satisfaction over time: Quality of research, website and CRD are amongst significant increases over 3 years



### Ensuring our products and services are fit for purpose

During the year, we focused on adapting our offering to the new world, where applicable, whilst also focusing on driving improvements across our product portfolio to support our strategic priorities.

To address the demand for our Academy training and workshops to be available virtually, we adapted the format of our face-to-face offer to enable virtual delivery. We also introduced new virtual half-day training sessions, to support our members and meet high demand.

We adapted our survey products and professional qualifications, so they remain relevant in the new environment. Having invested heavily last year in updating our Management Qualifications, it was great to see that we reached our targets for each cohort and that our updated Virtual Learning Environment helped participants maximise their learning.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2021

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We have made various enhancements to the member area of our website, which has proved popular - and we implemented single sign-on for our Virtual Learning Environment - reducing member login issues and improving the user experience.

We have worked with our research partners to review Business Benchmarking and identify opportunities for delivering enhanced value. As a key product that most members use, and we also assessed delivery of the product for efficiencies, making use of technology and using automation where possible to deliver an improved experience for members.

To support this effort and help our members get the most out of membership, we introduced our product webinar series. These included the principles for achieving ServiceMark, Professional Qualifications and Benchmarking. Attendance was high and feedback was positive.

We are reviewing our value propositions to add value to our current membership propositions. We are expecting to launch this by September 2021 and will test our plans with the market beforehand. Raising awareness and driving engagement with products and services to support our members' service and business performance will continue to be a focus and a key driver for renewal and longer-term engagement.

#### **Profile, Influence and Impact**

This year we made significant progress in positioning The Institute as the UK's leading authority on customer service. This was achieved through substantial national broadcast coverage – driven primarily by our *Service with Respect* campaign - a new website and the increasing profile of our UK Customer Satisfaction Index.

We established a regular cadence of high-quality commentary and content. This included top tips to help guide organisations through the early stages of the Covid crisis, our *Head-to-Head* interviews with business leaders and a weekly CEO statement to augment our existing CEO blog posts.

Our CEO spoke at 22 different external conferences and events over the year – all of them virtual – along with interviewing 33 business leaders for our Head to Head series. This was in addition to member events, CEO breakfasts, industry roundtables and VP meetings.

We published three editions of Customer Focus magazine during the financial year and grew paid non-member subscriptions significantly. We expect again to publish three issues in the next financial year.

The business news agenda - along with most mainstream news coverage - was dominated initially by Brexit, and latterly by the impact of Covid-19. While this meant some of our messages were harder to get cut-through on, we have undoubtedly benefitted from being an independent voice of calm during a time of crisis.

Our *Service with Respect* campaign has gained a considerable amount of traction, with 140 organisations pledging their support over the last nine months. This includes the likes of Sky, Sainsbury's, O2, HMRC, and Octopus Energy.

On the back of the campaign, Nationwide invited us to be a part of their *Together Against Hate* campaign. As part of this, LBC ran a special report week (looking at the impact of abuse towards customer-facing staff and what we can all do to combat it), including Nick Ferrari interviewing our CEO on their breakfast show.

We have seen a significant increase in requests for expert comment from broadsheet journalists and broadcast producers, along with many more invitations to provide op-eds, guest blogs, insight commentary, video interviews and podcast appearances.

We have built some strong direct relationships with editors and producers at key outlets, who have shown a thirst for independent, well-informed and data-backed commentary, and we have been well supported by our public relations and public affairs agencies. The combination of our robust research pieces and the clarity of our campaigning against the abuse of customer-facing staff has helped us appeal to both the heart and head of key media contacts.

Over the past 12 months, we generated over 800 items of coverage (compared to 265 last year) through research launches, media statements and news commentary. Additionally, we were referenced in over 300 pieces of member-generated media coverage (compared to 200 last year) - typically from ServiceMark achievers, award winners and UKCSI high performers.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2021

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In particular, it was a good year for national broadcast coverage. We featured over 500 times on radio (interviews, news bulletins) and 67 times on television. This included two appearances (July 2020 and March 2021) on BBC Breakfast and an interview on Sky's Ian King Live and BBC News.

Our *Service with Respect* campaign was featured prominently with over 50 c.1min news bulletin features on each of BBC Radio 4 (including The Today Programme), BBC Radio 5 Live, BBC Radio 2 and scores of other national and regional radio stations. An in-depth 10min Interview with Jo Causon and Dotun Adebayo was also broadcast on Radio 5 Live and multiple local BBC Radio stations.

Our members continue to reference us in their financial reporting, media and advertising campaigns. For example, LV= continued to highlight their performance in the UKCSI in their TV and Radio advertising campaigns, and Nationwide did likewise in some of their digital campaigns. We also worked with the pet insurance company, 'Bought By Many' to use their Business Benchmarking results on a national print and outdoor advertising campaign.

Our messages are grouped around themes for our media and public policy engagement, including Service with Respect, Productivity, Employee Engagement, the Skills Agenda and the ROI of Service, which we review and update each year.

On social media, our Twitter following grew from 5,420 to 5,776, an increase of 7% (vs 8% last year). LinkedIn remains our primary channel of focus, and we broke through the 20k follow milestone, ending the year up 13% (vs 31% last year) from 18,790 to 21,282.

From a traffic and SEO perspective, overall website traffic was down for the first half of the year and has increased significantly following the launch of our new website in July 2021. Q4 website traffic was up 36% YoY, with average session duration up 46%.

#### Research and Insight

Our research programme focused around four key areas: breakthrough thought leadership research; the UK Customer Satisfaction Index (UKCSI); bespoke business benchmarking projects which enable member organisations to combine core UKCSI benchmarking with additional organisation-specific measures and analysis; and insight consultancy, delivering a broader range of projects for member organisations. Each of these areas has impacted positively on member engagement. Breakthrough research and the UKCSI have been especially significant in raising our profile and influence.

We published the UK Customer Satisfaction Index (UKCSI), the independent national barometer of customer satisfaction in July 2020 and January 2021. Through the UKCSI we have tracked the impact of the Covid-19 crisis on customer satisfaction, needs and behaviours and drawn out the key implications for organisations. In the January 2021 UKCSI we identified the customer behaviours that have changed during the pandemic and assessed the impact of personal wellbeing on customer needs. The two UKCSI launch webinars were attended by a combined total of 390 people.

In September 2020, we launched our breakthrough research on *Procurement for Excellent Service*. The research draws on the perspectives of senior executives, procurement managers, customer experience managers and contractors to give a multi-dimensional view of issues influencing procurement in a service context. The research highlights the "hidden costs" of poor procurement and their impact on customer experience and reputation and identifies 10 key enablers of successful procurement in a customer service context. The research is sponsored by Curo, Scottish Water and Yorkshire Purchasing Organisation. The research webinar was attended by 62 members.

In December 2020 we published *Customer Service Trends and Predictions 2021*, identifying 9 key trends shaping the customer experience environment in 2021 and beyond. The report was downloaded by 350 people.

In January 2021, we published *Green Goes Mainstream? Customer Service and the Green Agenda*. This research highlights the growing importance to customers of the green agenda. The research, sponsored by Ageas, Cabot Credit Management and Zurich, examines how organisations are developing a green agenda in the context of customer experience, how they measure its effectiveness and how the green agenda influences customer satisfaction and buying behaviour. The research webinar was attended by over 100 members

In addition, we are currently seeking sponsorship for our 2021/22 research programme, which includes *The Changing World of Work, Changing Customer Behaviours, Social Media and Customer Service and Governance and Customer Service*.

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# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2021

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We also plan to refresh our seminal 2017 research *The Customer Service Dividend*, examining hard evidence of the links between customer satisfaction and organisations' financial performance.

We have completed consultancy projects for British Council (International English Language Testing), Chartered Insurance Institute, Curo Group, Karbon Homes, Legal & General and Affordable Homes, One Housing and Welsh Water. We have also delivered bespoke benchmarking surveys for Admiral, IMServ, Orbit, Scottish Water, settle, TfL Property, Willis Towers Watson, and Wolverine.

#### Public Policy

We have made some great strides in building key relationships with parliamentarians, regulators and other public officials. Our All-Party Parliamentary Group (APPG) meetings have all been virtual and have been extremely well attended. They serve as an opportunity for us to increase understanding of the importance of customer service at a political level.

Following the postponement of all APPG sessions on the Parliamentary Estate due to the Covid-19 outbreak, we continued dialogue with our APPG Co-Chairs via monthly conference calls. They have kept championing the work The Institute does in Westminster and across social media throughout the year.

Our broader contact programme has resulted in meetings with many parliamentarians to discuss the Service with Respect campaign. Our growing list of cross-party 'Parliamentary Champions' includes Philip Davies MP (Con), Chris Evans MP (Lab), Steven Bonnar MP (SNP) and Baroness Bennett (Green).

Bill Esterson MP was added as an additional officer to the APPG on Customer Service. Engagement in and follow up from APPG meetings has been strong, with tweets from parliamentarians of various political parties joining the push for action. We worked closely with the APPG co-chairs to develop a roadmap to legislative change, including engaging with key stakeholders such as the Police and CPS.

We have also continued to engage directly with public officials with influence over regulators, with the regulators themselves, and by responding to consultation papers. We also responded to the Home Affairs Select Committee's new inquiry on 'Violence & Abuse of Retail Workers'. We have supported MPs in submitting questions to BEIS questions sessions and requesting Westminster Hall/Adjournment debates on the Service with Respect campaign.

We worked with Philip Davies MP and Chris Evans MP to publish op-eds in ConHome (December 2020) and LabourList (January 2021), respectively.

#### The Academy

It was a difficult first half-year for The Academy, Standards and Quality team. With full lockdown in place, our courses all being face to face delivery on location and lower volumes of product engagement to be quality assured.

In addition, our Members were focused on adapting to their new circumstances. This meant that for the first half of the year there was no real delivery, the courses booked for April – June had been either postponed or cancelled until further notice and with high-level uncertainty, some members were - unable to commit for the future.

The Academy did however achieve- a total of £336K revenue (predominantly during the second half of the year) which represents 54% of our overall year target of £625k. We were able to manage expenditure accordingly, which helped to limit the financial impact and through retaining regular contact and relationships with all members who had postponed courses or assessments (worth £115k), we were able to rebook over 80%.

We achieved a member penetration rate of 13.9% against a target of 15%, delivering 47 ServiceFocus Courses, 2 Train the Trainer programmes, 25 Masterclasses and workshops, plus 26 ServiceMark assessments to 54 members.

In response to the changing needs of members, we launched Virtual Customer Journey Mapping in June, Piloted Virtual First Impressions in July and delivered the first Vulnerable Customers workshop virtually in August. In all we adapted 90% of our training courses and converted ServiceMark to a virtual assessment without losing any of the robustness, impact and benefits for those who engaged with them. From September bookings started to rebuild and the new delivery methods have put us in a great position for the future.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2021

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Other notable successes during 2020/21 include:

- Converting to virtual delivery and running 39 Coaches workshops, 10 Qualifications Manager and Assessor Forums plus training 30 Assessors as part of their accreditation and starting 2 new cohorts of Management Qualifications
- Developing and running three new virtual workshops – Handling Challenging Interactions with Confidence, Managing Teams through Change including Remote and Hybrid working plus Effective Complaints Handling. These have all supported members in the Pandemic environment and are aligned with our Campaign for *Service with Respect*

We are confident that we have a sound foundation and the ability to be agile and flexible during the coming year, which will support us in continuing to rebuild The Academy Standards and Quality delivery to pre-pandemic levels. We continue working with the Client Relationship team to build the medium- and longer-term delivery pipelines as our members increasingly seek opportunities to enhance their employee skills, mindset and service delivery to drive higher customer satisfaction.

#### **Standards and Quality**

Given the extraordinary circumstances our members have been in, the Institute's standards and Quality have been 'fully tested', having to adapt the way we deliver and to respond to high levels of exception requests. Our Standards Framework and Codes of Practice have meant we have managed the situation to a positive outcome in terms of continuing to deliver to members whilst retaining the robustness, fairness and credibility of our products, services, and accreditations.

ServiceMark assessments resumed in September, and we conducted 26, up 2 on last year. We have reviewed and awarded 34 TrainingMark accreditations (5 new and 29 renewals) This is 1 more than last year, the majority of which were processed in Q3 and Q4.

#### **Operational and People Development**

2020/21 has been a tough but rewarding year where we have focused on building a team who are clear about and genuinely connected to the purpose of The Institute and building the skill sets required for now and the future. Early in the year, we restructured to ensure we remained financially sustainable and able to withstand the business impact of Covid 19. Although this was challenging for those involved, it means we are in good shape as we enter the new financial year.

#### **Development and Capability**

We continued to use the talent matrix to identify areas for development in 2020/2021 and we made some good progress. Skills development has led, for example, to tangible results by helping client-facing individuals deal more effectively with difficult conversations. There is still more work to do in some areas and we will be focusing on these during the next 12 months, including building resilience, influencing for maximum impact, and the leadership programme.

Our focus on development continued during the year: we adapted to virtual delivery with a range of lunch and learn sessions, improved the quality of PDPs, and introduced a number of 1-2-1 coaches and mentors.

#### **Engagement and Communication**

During the year we have made great strides in this area. This included regular weekly all-staff Zoom calls, *Living the Values* awards, monthly socials, videos, yoga, competitions, quizzes, quarterly all-team updates, and our annual black-tie peer-nominated awards. Colleagues have participated in videos, photo competitions, walkathons, and 'a day in the life' sessions. We have an active internal communications group that has continued to meet every 6 weeks to share and implement ideas, and our Wellbeing Champions have supported colleagues across all business areas.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2021

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### Infrastructure and process improvement

In 2020, we began moving the Institute away from the high ongoing costs of managing a server-based environment for our storage of corporate data, our network infrastructure and our office applications. We took the opportunity to plan a migration from our seven servers hosted in a datacentre and two physical servers in the London office to a more cloud-based solution with Microsoft Office 365 for our network, data and applications. We also implemented a more robust IT security solution for all staff across all our corporate devices. In particular, with a view on the longer term full endpoint protection for our field-based staff's devices. In conjunction with the overall reduction in ongoing costs of 25%, and the intrinsic end user and security benefits of moving to an up-to-date Office and security platform, we are now free to manage our future data and system plans without design limitations.

### Governance

The Institute received a 'clean audit' of 2019/20 year-end accounts.

We also re-appointed Gilbert's as The Institute's external auditors, following ratification at the AGM in July 2020.

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. Having raised over £10k for Shelter through a number of events and fund raising activities during our support for them as our chosen charity, this year we ran a process to select a new charity for the coming financial year. The charity selected through this process was The Trussell Trust, an NGO and charity working to end the need for food banks in the UK. We look forward to supporting them.

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.

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 applies in conjunction with data protection legislation, such as GDPR.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2021

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**Our key strategic priorities in 2021/22 are:**

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

**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 strategic, 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 will establish ROI value statements for all 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 options 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.

**Infrastructure, skills and capability:** invest further in our systems development and 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:** Continue to develop and build effective collaborations and partnerships that support and enable our purpose.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2021

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### Appendix 1 – New members 2020/21

Members come from a wide range of sectors including the private, public and third sector.

Alcumus	The Discovery Roadmap
Alliance Healthcare	The Discovery Roadmap
Amey Transport Infrastructure	Trusted Advisory Network
Aster Group Ltd	Trusted Advisory Network
Auto Windscreens	The Discovery Roadmap
Belfast City Council	The Discovery Roadmap
Blackpool Transport	The Discovery Roadmap
Calico	The Discovery Roadmap
Canada Life	Trusted Advisory Network
Central Liverpool Credit Union	The Discovery Roadmap
Coastline Housing LTD	The Discovery Roadmap
Durbin	The Discovery Roadmap
Fittleworth Medical	The Discovery Roadmap
FSB	The Discovery Roadmap
Gloucester Constabulary	Trusted Advisory Network
Handicare	The Discovery Roadmap
Julian Hodge Bank Ltd	The Discovery Roadmap
Information Commissioner's Office	Trusted Advisory Network
John Lewis Building Improvement	The Discovery Roadmap
Keystone Lintels Ltd	The Discovery Roadmap
Knauf	The Discovery Roadmap
Magna	The Discovery Roadmap
Moda	The Discovery Roadmap
Motonovo finance	The Discovery Roadmap
National Records of Scotland	The Discovery Roadmap
Nestle Purina Petcare	The Discovery Roadmap
Network Rail	Trusted Advisory Network
Network Rail High Speed	Trusted Advisory Network
NFU	Trusted Advisory Network
Octopus Energy	The Discovery Roadmap
Pinnacle Housing Ltd	The Discovery Roadmap
Registers of Scotland	The Discovery Roadmap
RM PLC	Trusted Advisory Network
S&G Response	The Discovery Roadmap
Seqirus	The Discovery Roadmap
Shepherds Bush Housing	The Discovery Roadmap
SHH Operations LTD	The Discovery Roadmap
Swan Housing	Trusted Advisory Network
Tai Calon	Trusted Advisory Network
Trafford Housing Trust Ltd	Trusted Advisory Network
Transport for Wales	The Discovery Roadmap
Wandle	The Discovery Roadmap
WCS Group	Trusted Advisory Network

# Institute Of Customer Service

## Directors' Report

### For the year ended 31 March 2021

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The directors present their annual report and financial statements for the year ended 31 March 2021.

#### Principal activities

The principal activity of the company continued to be that of a not-for-profit professional body for customer service.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Joanna Causon  
Simon Roberts  
Jonathan Cowie  
Giles Hawke  
Paul Pugh  
Cathryn Ross  
Shirley Fell  
Mark Gait

#### Results and dividends

The results for the year are set out on page 19.

#### Auditor

In accordance with the company's articles, a resolution proposing that Gilberts Chartered Accountants be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 of the surplus or deficit 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 judgements 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.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and principal risks and uncertainties.

# **Institute Of Customer Service**

## **Directors' Report (Continued)**

**For the year ended 31 March 2021**

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Joanna Causon

**Director**

16 June 2021

# Institute Of Customer Service

## Independent Auditor's Report

### To the Members of Institute Of Customer Service

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#### Opinion

We have audited the financial statements of Institute Of Customer Service (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 31 March 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

# Institute Of Customer Service

## Independent Auditor's Report (Continued)

### To the Members of Institute Of Customer Service

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#### **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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **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.

#### **Explanations as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed in our approach below:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation and the regulations issued by the Financial Conduct Authority (FCA).

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance, miscellaneous receipt and payments testing, journal entry testing, analytical procedures and obtaining additional corroborative evidence as required.

We communicated relevant key laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit.

# **Institute Of Customer Service**

## **Independent Auditor's Report (Continued)**

### **To the Members of Institute Of Customer Service**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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.

**Amanda Ruggles (Senior Statutory Auditor)**

**For and on behalf of Gilberts Chartered Accountants**

**Statutory Auditor**

Pendragon House

65 London Road

St Albans

Hertfordshire

AL1 1LJ

16 June 2021

**Institute Of Customer Service**  
**Statement of Income and Retained Earnings**  
**For the year ended 31 March 2021**

	Notes	2021 £	2020 £
<b>Income</b>	<b>3</b>	<b>3,788,761</b>	5,481,489
Administrative expenses		(4,269,056)	(6,070,823)
Other operating income		<b>110,867</b>	-
<b>Operating deficit</b>	<b>4</b>	<b>(369,428)</b>	(589,334)
Interest receivable and similar income	<b>8</b>	<b>47,540</b>	21,884
Amounts written off investments	<b>9</b>	<b>342,655</b>	(123,118)
<b>Surplus/(deficit) before taxation</b>		<b>20,767</b>	(690,568)
Tax on surplus/(deficit)	<b>10</b>	<b>(8,511)</b>	(4,158)
<b>Surplus/(deficit) for the financial year</b>		<b>12,256</b>	(694,726)
Retained earnings brought forward		<b>907,195</b>	1,601,921
Retained earnings carried forward		<b>919,451</b>	907,195

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

# Institute Of Customer Service

## Balance Sheet

As at 31 March 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		39,831		31,454
Tangible assets	12		162,558		187,908
Investments	13		1,000		1,000
			<u>203,389</u>		<u>220,362</u>
<b>Current assets</b>					
Debtors	15	1,220,615		1,438,339	
Investments	16	2,037,216		2,266,639	
Cash at bank and in hand		3,556,701		2,797,087	
		<u>6,814,532</u>		<u>6,502,065</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,134,217)</u>		<u>(3,146,642)</u>	
<b>Net current assets</b>			<u>3,680,315</u>		<u>3,355,423</u>
<b>Total assets less current liabilities</b>			<u>3,883,704</u>		<u>3,575,785</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(2,964,253)</u>		<u>(2,668,590)</u>
<b>Net assets</b>			<u>919,451</u>		<u>907,195</u>
<b>Reserves</b>					
Income and expenditure account			<u>919,451</u>		<u>907,195</u>

The financial statements were approved by the board of directors and authorised for issue on 16 June 2021 and are signed on its behalf by:

Simon Roberts  
Director

Company Registration No. 03316394

	2021	2020
	£	£
Reserves - members funds	919,451	907,195
Deferred income:		
Amounts falling due within one year	2,369,966	2,375,022
Amounts falling due after more than one year	2,964,253	2,668,590
Total reserves policy	<u>6,253,670</u>	<u>5,950,807</u>

Deferred income relates to non-refundable membership subscriptions.

# Institute Of Customer Service

## Statement of Cash Flows

For the year ended 31 March 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	186,441		137,747	
Income taxes paid		(4,158)		(3,058)	
<b>Net cash inflow from operating activities</b>		<b>182,283</b>		<b>134,689</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(38,465)		(7,500)	
Purchase of tangible fixed assets		(3,822)		(25,734)	
Proceeds on disposal of investments		601,683		-	
Interest received		17,935		24,631	
<b>Net cash generated from/(used in) investing activities</b>		<b>577,331</b>		<b>(8,603)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>759,614</b>		<b>126,086</b>	
Cash and cash equivalents at beginning of year		2,797,087		2,671,001	
<b>Cash and cash equivalents at end of year</b>		<b>3,556,701</b>		<b>2,797,087</b>	

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# Institute Of Customer Service

## Notes to the Financial Statements

For the year ended 31 March 2021

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### 1 Accounting policies

#### Company information

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

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

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

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

#### 1.2 Turnover

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.

#### 1.3 Intangible fixed assets other than goodwill

Intangible assets are initially recorded at cost and are subsequently measured at cost less 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 on business combinations are recorded at the fair value at the acquisition date; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

#### Amortisation

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

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

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any 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 impairment losses.

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

#### Depreciation

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

Leasehold improvements	10% straight line
Fixtures and fittings	15% straight line
Computers	25% straight line

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 and Section 12 of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present fair value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Basic financial liabilities

Basic financial liabilities, which include trade and other payables and bank loans, are initially measured at transaction price and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present fair value of the future receipts discounted at a market rate of interest.

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

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### 1 Accounting policies

(Continued)

#### ***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **1.9 Taxation**

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

#### **1.10 Defined contribution plans**

The company operates a defined benefit 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.

#### **1.11 Leases**

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

#### **1.12 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

#### **1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### **1.14 Current asset investments**

Investments listed on a recognised stock exchange are valued at fair value where the fair value can be measured reliably. Movements in fair value are recognised in income and expenditure.

#### **1.15 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

### 3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in England and Wales.

### 4 Operating deficit

	2021	2020
	£	£
Operating deficit for the year is stated after charging/(crediting):		
Foreign exchange differences	-	11
Research and development costs	430,792	638,474
Government grants	(110,867)	-
Depreciation of owned tangible fixed assets	29,172	29,395
Amortisation of intangible assets	30,088	29,408
Operating lease charges	185,604	212,671
	<u>                    </u>	<u>                    </u>

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	12,550	11,950
	<u>                    </u>	<u>                    </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Administrative staff	40	47
Directors	8	8
	<u>                    </u>	<u>                    </u>
Total	48	55
	<u>                    </u>	<u>                    </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,319,619	3,100,229
Social security costs	291,391	349,809
Pension costs	64,396	82,875
	<u>                    </u>	<u>                    </u>
	2,675,406	3,532,913
	<u>                    </u>	<u>                    </u>

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

### 7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	244,536	433,075
Company pension contributions to defined contribution schemes	6,791	14,019
	<u>251,327</u>	<u>447,094</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	<u>251,327</u>	<u>378,071</u>

### 8 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	17,935	24,631
<b>Other income from investments</b>		
Gain/(loss) on investments	29,605	(2,747)
Total income	<u>47,540</u>	<u>21,884</u>

### 9 Revaluation gain/(amounts written off investments)

	2021	2020
	£	£
Revaluation gain/(amounts written off current asset investments)	<u>342,655</u>	<u>(123,118)</u>

### 10 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>8,511</u>	<u>4,158</u>

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

### For the year ended 31 March 2021

#### 10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	<u>20,767</u>	<u>(690,568)</u>
Expected tax charge/(credit)	3,946	(131,208)
Tax effect of trading profit/(loss) not used in determining taxable profit	5,087	135,366
Utilisation of capital loss brought forward	(522)	-
Taxation charge for the year	<u>8,511</u>	<u>4,158</u>

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

#### 11 Intangible fixed assets

	Intellectual property rights £	Software and website £	Total £
<b>Cost</b>			
At 1 April 2020	77,500	77,040	<b>154,540</b>
Additions - internally developed	-	38,465	<b>38,465</b>
At 31 March 2021	<u>77,500</u>	<u>115,505</u>	<u>193,005</u>
<b>Amortisation and impairment</b>			
At 1 April 2020	62,000	61,086	<b>123,086</b>
Amortisation charged for the year	15,500	14,588	<b>30,088</b>
At 31 March 2021	<u>77,500</u>	<u>75,674</u>	<u>153,174</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>-</u>	<u>39,831</u>	<u>39,831</u>
At 31 March 2020	<u>15,500</u>	<u>15,954</u>	<u>31,454</u>

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

### 12 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2020	189,113	18,112	70,586	<b>277,811</b>
Additions	-	-	3,822	<b>3,822</b>
At 31 March 2021	<u>189,113</u>	<u>18,112</u>	<u>74,408</u>	<b><u>281,633</u></b>
<b>Depreciation and impairment</b>				
At 1 April 2020	30,505	11,923	47,475	<b>89,903</b>
Depreciation charged in the year	18,911	2,726	7,535	<b>29,172</b>
At 31 March 2021	<u>49,416</u>	<u>14,649</u>	<u>55,010</u>	<b><u>119,075</u></b>
<b>Carrying amount</b>				
At 31 March 2021	<u>139,697</u>	<u>3,463</u>	<u>19,398</u>	<b><u>162,558</u></b>
At 31 March 2020	<u>158,608</u>	<u>6,189</u>	<u>23,111</u>	<b><u>187,908</u></b>

### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 April 2020 & 31 March 2021	<u>1,000</u>
<b>Carrying amount</b>	
At 31 March 2021	<b><u>1,000</u></b>
At 31 March 2020	<u>1,000</u>

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
ICS Services Ltd	3rd Floor Mill House, Mill Street, London, England, SE1 2BA	Ordinary Shares	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

<b>14 Subsidiaries</b>		<b>(Continued)</b>		
Name of undertaking	Capital and Reserves	Profit/(Loss)		
	£	£		
ICS Services Ltd	1,000	-		
<b>15 Debtors</b>		<b>2021</b>	<b>2020</b>	
<b>Amounts falling due within one year:</b>		<b>£</b>	<b>£</b>	
Trade debtors	<b>1,051,925</b>	1,245,491		
Other debtors	<b>1,978</b>	1,369		
Prepayments and accrued income	<b>166,712</b>	191,479		
	<u><b>1,220,615</b></u>	<u>1,438,339</u>		
<b>16 Investments</b>		<b>2021</b>	<b>2020</b>	
		<b>£</b>	<b>£</b>	
Octopus Investments Ltd	<b>2,037,216</b>	2,266,639		
	<u><b>2,037,216</b></u>	<u>2,266,639</u>		
As at 31 March 2021 the investments were all held in stocks and shares.				
<b>17 Creditors: amounts falling due within one year</b>		<b>2021</b>	<b>2020</b>	
		<b>£</b>	<b>£</b>	
Trade creditors	<b>225,377</b>	336,324		
Amounts owed to group undertakings	<b>870</b>	870		
Corporation tax	<b>8,511</b>	4,158		
Other taxation and social security	<b>310,931</b>	298,284		
Other creditors	<b>11,338</b>	25,830		
Accruals and deferred income	<b>2,577,190</b>	2,481,176		
	<u><b>3,134,217</b></u>	<u>3,146,642</u>		
<b>18 Creditors: amounts falling due after more than one year</b>		<b>2021</b>	<b>2020</b>	
		<b>£</b>	<b>£</b>	
	<b>Notes</b>			
Deferred income		<b>2,964,253</b>	2,668,590	
		<u><b>2,964,253</b></u>	<u>2,668,590</u>	

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

### 19 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>64,396</u>	<u>82,875</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

As at the year end included within other creditors is £11,338 (2020 - £13,713) arising from the company's obligations in respect of defined contribution pension plans.

### 20 Members' liability

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

The liability of 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 they are a member, or within one year after they cease to be a member, for payment of the Institute's debt and liabilities contracted before they cease to be member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories themselves.

### 21 Operating lease commitments

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

	2021	2020
	£	£
Within one year	109,652	180,889
Between two and five years	45,222	45,222
	<u>154,874</u>	<u>226,111</u>

### 22 Ultimate controlling party

Ultimate control of the Institute is vested in the members.

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2021

### 23 Cash generated from operations

	2021	2020
	£	£
Surplus/(deficit) for the year after tax	12,256	(694,726)
<b>Adjustments for:</b>		
Taxation charged	8,511	4,158
Investment income	(47,540)	(21,884)
Amortisation and impairment of intangible assets	30,088	29,408
Depreciation and impairment of tangible fixed assets	29,172	29,395
Other gains and losses	(342,655)	123,118
<b>Movements in working capital:</b>		
Decrease in debtors	217,724	451,794
(Decrease)/increase in creditors	(192,639)	27,395
Increase in deferred income	471,524	189,089
<b>Cash generated from operations</b>	<b>186,441</b>	<b>137,747</b>

### 24 Analysis of changes in net funds

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	2,797,087	759,614	3,556,701