

Company registration number 03316394 (England and Wales)

# **Institute Of Customer Service**

## **Annual Report and Financial Statements**

**For the year ended 31 March 2023**

# 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 (stepped down in July 2022)
Giles Hawke	Chairman of the Board (appointed in July 2022) and Chairman of the Remuneration Committee
Joanna Causon	Chief Executive
Jonathan Cowie	Non-Executive Director
Shirley Fell	Non-Executive Director
Mark Gait	Non-Executive Director
Graham Edwards	Non Executive Director (appointed in July 2022)
David Macleod	Non Executive Director (appointed in January 2023)
Cathryn Ross	Non-Executive Director (stepped down in January 2023)

### President

Des Benjamin	Former Chief Executive of Simplyhealth and Chair of Royal Hospital for Neuro-disability (stepped down in July 2022)
Simon Roberts	Chief Executive of Sainsburys (appointed in July 2022)

### Vice Presidents

Alison Japp	Customer Care Director	OVO Energy
Alison Jones	Group Managing Director UK	PSA Group
Angela Lockwood	Chief Executive Officer	North Star
Angela MacDonald	Director General of Customer Services	HM Revenue & Customs
Ant Middle	Chief Executive Officer	Ageas
Ben Fletcher	Group Chief Financial Officer	The Very Group
Carla Thomas	Business Customer Service Director	Openreach
Catherine Rutter	MD for Customer Contact	Lloyds Banking 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
Heather Smith	Managing Director	LV= GI Retail
Jamie McDonald	Customer Director	Vivo Defence
Jeremy Hyams	Chief Executive Officer	Claims Consortium Group
Jo Marshall	Executive Director	YPO
Jo Moran	Former Head of Transformation – Stores and Property	Marks & Spencer
Jo Upward	Managing Director	Platform Group
John Barnett	Former Director of Operations	Npower Energy Services
Jonathan Preece	Core Business Services Leader	GSK
Kathryn O'Brien	Customer Experience Director	TransPennine Express
Louise Beardmore	CEO	United Utilities Group
Mark Evans	Former Managing Director, Marketing & Digital	Direct Line Group
Martyn Oakley	Operations Director	Laithwaites Wine
Nigel Purveur	Ex Managing Director	Capita
Paul Harris	Executive Director Customer Experience	Curo Group
Peter Carter	Independent Healthcare Consultant	
Peter Cross	Independent Consultant	
Peter Farrer	Chief Operating Officer	Scottish Water
Peter Markey	Chief Marketing Officer	Boots
Peter Sinden	Ex GI Executive Strategy Director	LV=
Phil McGilvray	Managing Director Debt Services	TDX Group
Richard Pash	UK Chief Customer Officer	Zurich

# Institute Of Customer Service

## Company Information

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Sian Jones Trafford Wilson	Chief Executive Officer Executive Director of Customer Services	Corella The Guinness Partnership
<b>Company Secretary</b>	Bill Leonard	
<b>Company Number</b>	03316394	
<b>Registered Office</b>	Ground Floor 4 Gainsford Street London SE1 2NE	
<b>Auditors</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 2023

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### Foreword from the CEO

It has been another challenging year for the UK economy, with many consumers, organisations and businesses feeling under pressure. The ongoing Ukraine conflict, energy crisis, geopolitical tensions, rampant inflation, and continuing supply chain issues have created different challenges across a range of industry sectors. As a result, most organisations have had to review pricing structures and manage costs carefully. Others have struggled to move from crisis management to a better long-term approach.

There are no quick fixes, and we will continue to face a volatile and uncertain future. The business environment has changed, but amongst the clouds, there is a real opportunity to create better times ahead and a growing sense of urgency for leadership that is looking to focus on the longer term and doing the right thing for customers and wider society.

There is a greater recognition of the importance of the role of service, but still more to do! With over 60% of employees in the UK working in customer-facing roles and 80% of our GDP is generated by the Service sector. The need for us and our members to stand tall in championing excellent service has never been greater.

We have proved that together we can achieve meaningful change, and in June 2022, thanks in large part to all our *Service with Respect* supporters we saw new legislation enacted to protect public-facing workers from abuse. This followed two years of tireless campaigning, attracting the support of over 230 businesses and parliamentarians. The initiative has delivered far beyond our expectations in terms of member, media and political engagement and provides us with a blueprint for future campaigns.

In sectors like business services, manufacturing and construction, service is important as a source of revenue, reputation and a means of winning business. In public services and the third sector, the quality of the customer experience is central to our wellbeing and way of life. As organisations and as a nation, customer service defines what we are, and I believe it is paramount to creating a more productive, sustainable and successful future.

We also understand that attracting and retaining talent has been at the forefront of most of our business leaders' minds. It has never been more important to engage, train and develop our people and I am proud of the work our Academy has done in supporting our members with this.

Through our research and the UKCSI, we are continually looking for insights about changing customer needs, behaviours and expectations and what this means for you – our members. This has changed in more complex ways, and with the acceleration of AI, we are now more able to utilise information and data in new and information ways at a speed never seen before. The challenge will remain what we do with this and the need to ensure we always keep the purpose of the organisation, employees and customer needs at the forefront of our decisions – just because we can doesn't always mean we should!

Members know that we talk about the importance of the Service Nation, and this year we have developed four themes that underpin this – customer service as a business asset, customer service as a profession, customer service for a fairer society and customer service to achieve sustainability. We will be building on each of these themes and will work with all our members to engage with our work to drive forward the service nation.

So, I would like to say a huge thank you to every one of our members for all your support, feedback and commitment. This support has helped us make real in-rounds with business, regulators, the Government and the media. We serve what we think is a very important role – and it is one we take extremely seriously – to be the UK's independent voice for the service profession and to keep *Inspiring a Service Nation*.

Joanna Causon

**CEO**

20 July 2023

# **Institute Of Customer Service**

## **Strategic Report (Continued)**

### **For the year ended 31 March 2023**

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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 2023.

#### **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 customer experience makes a positive and sustained impact on individuals, organisations, society, and the economic wellbeing of the UK.

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**

The external world in 2022/23 has been extremely challenging. The cost-of-living and geopolitical tensions have dominated the news, with the conflict in Ukraine, the energy crisis, inflation, food shortages, supply chain issues and skills shortages combining to throw up different challenges to different sectors.

Domestic politics settled a little, but there is still uncertainty around what a post-Brexit world looks like, and whilst the economy looks more stable than a year ago, we are yet to see tentative improvements in business confidence translate into the proper investment the country needs to start to grow again.

Organisations continue to face skills shortages along with difficulties attracting and retaining people with the more varied range of service skills needed to drive forward the Service Nation. AI and other emerging technologies have generated a great deal of attention (and no little hype). They no doubt offer solutions to some of the challenges business faces, but there is also justifiable concern about the ethical and societal consequences that uncontrollable advances in AI could bring about.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2023

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### Notable Achievements

#### Executive Summary

- In a challenging year, we held reasonably steady with revenue of £5.1m and a deficit of £248k after interest and taxation.
- We ended the year with 379 members with a total of 1,356 membership years, both down 2.1% on the previous year
- Our Service with Respect campaign for new legislation being passed to protect public-facing workers from customer abuse – this was successfully brought in in June 2022
- We were featured prominently on ITV's flagship current affairs programme, ITV Tonight, with our CEO providing expert commentary on the state of the service nation
- We invested significantly in additional personnel and restructured the client experience function to align with member needs
- Member satisfaction was up again (a score of 84.5 compared with 84.1), scoring particularly well for quality of our product offering, ease of doing business with us and handling of complaints or problems
- Satisfaction with our political engagement was significantly up, with members referencing our successes with the Service with Respect campaign
- Our CEO was invited to provide oral evidence to the Communications and Digital Select Committee on their inquiry into digital exclusion and the cost-of-living crisis
- We continued to invest in developing our product portfolio and launched our new Trust Index
- Member engagement with, and media interest in, our research increased, with strong turnout for launch webinars
- We continued to work closely with Parliamentarians, other key public officials and regulators to influence policy
- Our Academy achieved a total of £470k revenue with expenditure of £38k
- We implemented our new CRM, which is driving greater efficiencies and effectiveness across the business

#### Financial Overview

2022/23 has been a year of change and transition for the Institute. This is against a backdrop of a continuing tough external market, which in many ways was a more difficult trading period than we experienced during Covid-19 as our members have adjusted to a very different world post-Covid.

The economic climate has impacted the business, and although we made a loss of £248k we maintained a strong cash position with reserves of over £6m.

#### Member Engagement

This year saw an improvement in member satisfaction but a slight reduction in membership numbers. We are looking to address this by investing appropriately in the future and have implemented a full restructure in the client experience team, which has resulted in recruiting more experienced and senior team members with strong commercial backgrounds. We have created additional roles to support our members:

- *Client Development Directors* who will focus on understanding your business goals and create relevant engagement plans to ensure you utilise all your membership benefits
- *Client Delivery Managers* who act as your programme manager to ensure you stay on track with the implementation of The Institute's products and services

We have also made significant developments in our IT systems, processes, and products to ensure we remain relevant and make us more efficient. This has meant we have improved our value propositions and developed several new products and services. There is still more to do in this area, but we have received very positive feedback from our members on the changes we have made.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2023

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Our weekly CEO statement emails have continued and have built up a significant following. Our Head-to-Head interviews and case studies also continue to be popular with members and non-members and help bring to life the work we are doing to *Inspire a Service Nation*.

Our Trusted Advisory Network and Discovery Roadmap meetings have been well attended and are now being held in a hybrid of physical and virtual formats. We introduced member welcome messages via LinkedIn and continue to build our content strategy, with a greater focus on video. Our member engagement survey showed a significant improvement in how members viewed our communications.

Member area logins were down slightly this year, and it looks like the majority of this was because of a reduction in new users trying it out for the first time. We are addressing this through new content, better signposting, and personalisation.

Our CEO spoke at 26 different external conferences and events over the year. We also interviewed 22 business leaders for our Head-to-Head series. This was in addition to member events, CEO breakfasts, industry roundtables and VP meetings.

We continued to publish Customer Focus magazine three times a year and have enhanced the seniority and variety of interviewees featured. We expect to publish three issues again next financial year.

Our member satisfaction score is the highest ever at 84.5 - a 4.5 increase from 5 years ago. We continue to do well on our purpose, impact, and relevance, our research and insight and our products and services, ROI of membership, independence, and professionalism. Product usage and Client Relationship Director (CRD) engagement are key drivers of satisfaction and likelihood to remain a member, with a c.11-point difference in satisfaction scores, 75.5 for lower usage compared to 86.3 for members using four or more products. The overall CRD CSI has improved significantly this year, up from 80.5 to 84.1.

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

To support our ongoing value proposition reviews, we accelerated our efforts on adapting our offering to address member feedback. This included investing in the development of a new platform for Business Benchmarking to better support self-service and personalisation and updating the ServCheck questionnaire and insights.

We have also reviewed the World Class Customer Service Model to ensure it represents the current business environment and relaunched it as the Service Experience Model. We continued our programme of shorter virtual training sessions on topics that are highly relevant to the trading environment to support members in ensuring their employees are adequately prepared for the challenges they may face, including those highlighted through our UKCSI findings and breakthrough research.

Member satisfaction increased with the quality of our product offering, ease of doing business with us and handling of complaints or problems. Satisfaction with our engagement with Government to promote customer service is amongst the strongest long-term upward trends, with members referencing our successes with the Service with Respect campaign.

Consistency in experience is key to closing the gap between high and low-scoring members. To build on the positive trend and drive our CSI upward, we will focus on continuing to drive deeper engagement across member organisations and the range of products and services aligned to service strategy and goals.

We know that members using products and services to drive improvements in their organisations achieve higher ROI and experience greater satisfaction with membership. Client relationships equally play a strong part in higher levels of satisfaction and retention.

Raising awareness and driving engagement of products and services will continue to be a focus as a key driver for renewal and longer-term engagement. Our target is to ensure members are accessing a range of products, at least four or more, throughout their membership term. Working from a baseline engagement figure for product penetration, we will build tracking and better visibility through the new CRM as a key metric for performance.



# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2023

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Following the launch of our breakthrough research, *Who do you Trust?*, we launched a new product helping members measure their own levels of trust and compare with others, whilst also highlighting their makers and breakers of trust as a key driver of satisfaction. The launch webinar was well-attended, with good engagement and feedback from members. Our new Trust Index will form part of the membership proposition for members joining or renewing membership in the next financial year as an added inclusive membership benefit.

Further to our review of our core value propositions, we are developing a proposition to service Group operations, this will be managed by a newly created Group Client Development Director and designed for organisations with a large overarching structure with shared services and management. This supports the changing landscape we are seeing in organisation structures through increased mergers and buyouts.

Supporting the launch of our Professionalisation of Service campaign and research into service as a profession, we will be reviewing our Individual Memberships, qualifications and the wider learning and development offer to ensure we stay relevant and fit for purpose and, crucially, support service professionals in their careers and work has begun on the 'Service University' concept.

#### Profile, Influence and Impact

The profile of The Institute continues to grow, and with it, the impact we can have. We have had some prominent media wins and made significant inroads from a policy and regulatory standpoint.

We are increasingly sought out by top UK and international media outlets (BBC, Sky, ITV, CNN, The Times, The Telegraph, The Guardian, Forbes and many others). Our July 2022 UKCSI launch, for example, resulted an extended piece on BBC Radio 5's Wake Up to Money, being featured on main news bulletins on BBC Radio 4's Today Programme and Nicky Campbell's popular phone-in show.

Media highlights this year included:

- [ITV Tonight – Customers: Are We Being Served?](#)
- [BBC Breakfast – Service with Respect data, case study and interview](#)
- [ITV News – customer abuse case study and interview](#)
- [The Observer - Poor customer service costs UK firms billions – so why can't they get it right?](#)
- [The Guardian - UK customer service complaints at highest level on record](#)
- UKCSI: [BBC News Online](#), [Evening Standard](#), [Mail Online](#), [Independent](#)
- [Mariella Frostrup on Times Radio](#)

New legislation was passed by the Government introducing an amendment to the Sentencing Bill, ensuring that assaults on staff serving the public will be treated as 'aggravated' in sentencing terms. This was a huge win for the Institute and demonstrated the impact we can now have. We are continuing regular polling to track the impact of this and raising awareness amongst business and the public to ensure it works as a deterrence.

We held our 12th Annual Conference & Awards at the Hilton on Park Lane in March 2023. Our awards were a near sell-out, surpassing our sales revenue target and 285 Conference tickets (with an additional 5 tickets deferred to 2024), 12% up on last year. Our speaker line-up was particularly strong. In attendee feedback, all but one speaker scored over 8 out of 10, with four speakers scoring over 9.

Respondents scored how likely they are to attend our conference again at 8.86 (out of 10 =extremely likely) and asked if they would recommend it to a friend or colleague, they scored it 8.86. Overall satisfaction with the event was 8.92.

Over the past 12 months, we generated over 1,700 items of coverage (compared to 1,100 last year) through our UKCSI launches, *Service with Respect* campaign, Breakthrough Research launches, media statements and news commentary. Additionally, we were referenced in over 500 pieces of member-generated media coverage (compared to 400 last year) - typically from ServiceMark achievers, award winners, UKCSI high performers and new members. Many also additionally reference us in their financial reporting.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2023

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In terms of broadcast coverage, we featured almost 500 times on radio (interviews, news bulletins) and 120 times on television, including appearances on ITV, Sky News, the BBC and Ian King Live.

Our messages are grouped around themes for our media and public policy engagement, including Service with Respect & Inspiring a Service Nation; Governance, ROI & Productivity and Employee Engagement, which we review and update each year.

National Customer Service Week(NCSW) went with a bang. Our launch emails saw the most opens and clicks we have ever had, and NCSW drove a lot of additional traffic to our website leading to overall sessions for the period around the week being up 18% YoY. We hit our sales target for NCSW merchandise and have had over 2,000 downloads of our digital pack (compared to 1,345 for the same period the previous year).

On social media, our Twitter following grew very marginally to 5,996. LinkedIn remains our primary channel of focus, and we hit the 25k follow milestone, ending the year up 9% (vs 8% last year) from 23,011 to 25,083.

We kicked off a programme of improvements to our website, including optimising key pages (such as our Organisational Membership pages) to improve conversion, which should result in more inbound enquiries. From a traffic and SEO perspective, overall website traffic was up (+7.6% page views and +16.7% sessions YoY). We are continuing to make structural website improvements and improve search optimisation by focusing on content, keywords, and site speed.

#### 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.

In July 2022 and January 2023, we published the *UK Customer Satisfaction Index (UKCSI)*, featuring the latest benchmarking, trends, and insights into customer satisfaction in the UK and evidence of the links between customer satisfaction and business performance. The UKCSI output includes the main state of the nation report, 13 sector reports and 13 sector resource packs containing extra data and insight.

In the July 2022 UKCSI, we looked at how customer expectations and behaviours have changed since 2020 and how they may evolve in the next two years, highlighting the importance of responding to a customer's personal situation and needs. In the January 2023 UKCSI we examined the impact of the rising cost of living on consumer spending, debt, financial wellbeing, and the implications for organisations. We also highlighted and made recommendations about the key enablers of a culture of service excellence.

We held launch webinars for the UKCSI which were attended by 530 people. Our UKCSI main reports were downloaded by almost 1,300 people (members and non-members).

We have generated additional sales from UKCSI reports and data and provided extra data analysis to over 30 member organisations to help them use the UKCSI to improve their insight and customer experience.

In May 2022, we published our breakthrough research, *Customer Behaviours: Evolution or Watershed?* The research examines how customer behaviours have changed in the last two years, whether these changes are likely to persist and how organisations should respond. The research was sponsored by Octopus Energy, Openreach and Scottish Water.

In August 2022 we launched our breakthrough research *A Connected World? Ensuring the right blend of people and technology for customer service*. The research looks at how organisations are deploying technology in a customer service context and customers' attitudes about using technology in their relationships with organisations. It also assesses the risk of digital exclusion and how organisations should address it. The research was sponsored by Amazon, Content Guru and Correla.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2023

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In December 2022 we published *Customer Service Trends and Predictions 2023*, highlighting issues and trends that will be significant for the customer experience environment during 2022 and priorities that organisations need to consider. *Customer Service Trends and Predictions 2023* has been downloaded by 640 people (members and non-members).

In March 2023 we launched our latest breakthrough research, *Building the Service Nation: Changing Perceptions about The Profession of Customer Service*. This research examines the extent to which customer service is seen as a profession, with defined skills, standards and career pathways and how professional development is evaluated and supported. We identified what actions are necessary to build recognition of service as a valued career and profession, with a significant voice and position in the boardroom. Unusually, this research looked at the perspectives of young people aged 16 – 21, as well as a broader sample of consumers, and employees and senior executives. The research is sponsored by NewDay, Virgin Media, O2, Wales & West Utilities and Zurich.

Our member-only Breakthrough Research launch webinars were attended by 456 people. In the latest member satisfaction survey, satisfaction with the Institute's research was 90.4 (out of 100), its highest ever level.

We conducted a number of bespoke benchmarking and insight consultancy projects for member organisations. Bespoke benchmarking addresses the needs of organisations who seek to combine The Institute's business benchmarking with additional specific insight about customer priorities, preferences or segments.

Insight consultancy includes a variety of research and insight projects addressing needs that are beyond the scope of The Institute's business benchmarking.

#### Public Policy

Through the year, we continued to build relationships with parliamentarians and other key public officials. In June 2022 the new sentencing legislation we campaigned for came into force, and we got some great media coverage around it. Our CEO was featured on BBC News, across multiple radio stations/news bulletins and on Esther McVey MP and Philip Davies MP's GB News show. Some of our supporting MPs also recorded videos marking the moment and the Service with Respect campaign. [See some highlights here.](#)

Our CEO was invited to provide oral evidence to the Communications and Digital Select Committee on their inquiry into digital exclusion and the cost-of-living crisis. We have also responded to several consultation papers, including the Ethics of AI to APPG on Data Analytics.

Our All-Party Parliamentary Group (APPG) meetings were held on the Parliamentary Estate again from May 2022. These sessions give us an opportunity to engage meaningfully at a political level on the matters that our members (and their people and customers) really care about.

We organised and held APPG meetings on protecting customers' finances and building trust; tackling skills shortages through professionalising customer service; Technology, Exclusion and Customer Service and Social Housing.

Following the introduction of new legislation which we pushed for through our Service with Respect campaign, we have been in regular contact with the Home Office and the Department for Business & Trade (formally BEIS) Retail Policy Team to monitor the effectiveness of the change.

We continue to engage directly with public officials with influence over regulators and with the regulators themselves, to ensure service is high on their agenda and that customer satisfaction in regulated industries is measured in an accurate, consistent, independent and cost-effective manner.

#### The Academy

2022-23 has been a challenging year for The Academy. There has been a growing desire from members to get back to developing people, however, there were some hurdles to getting commitment and investment. Member budget constraints, stricter sign-off processes and employee changes all played a part in slowing up bookings for the first three quarters. Final quarter bookings and pipeline for the coming financial year were strong.

# Institute Of Customer Service

## Strategic Report (Continued)

### For the year ended 31 March 2023

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Whilst The Academy's primary method of delivery is virtual, we saw a noticeable increase in face-to-face bookings and an indication that some organisations are seeing training as a way of getting people back together and interacting.

We continue to receive great feedback from attendees and have already secured a number of repeat bookings, which is supporting engagement, ROI and retention of members.

In summary, key delivery areas from The Academy Standards and Quality team during 2022/23 include:

- Providing services to 58 different members (excluding 16 open workshops), including delivery of 64 ServiceFocus Courses, 4 Train the Trainer programmes, 45 Masterclasses and workshops, 1 larger bespoke course delivery plus 26 ServiceMark assessments.
- 22% of training delivery was face to face and 78% virtual
- Providing virtual delivery of 17 Coaches workshops, 6 Qualifications Manager and Assessor Forums, accreditation training for 14 Assessors and accreditation sign-off for 6 Assessors
- Successful completion of the two Management Qualifications cohorts from last year, start-up of three new cohorts and delivery of 12 supporting workshops. We had 18 successful completions, of which 5 were awarded at distinction level.
- Development and launch of two new virtual workshops. 'Trust and customer satisfaction' and 'Connecting customers with digital'.

We are wellplaced for a good 2023-24 performance.

#### Standards and Quality

This year we continued our focus on ensuring all product and service delivery consistently meeting our usual delivery timeframes, reducing exception requests and equipping the whole team with improved understanding of how our standards support our results, profile work and reputation.

Highlights were:

- Following a full review, we relaunched the Standards Framework including all policies, guidance, assessment criteria and supporting forms and documentation. All staff received training and guidance on how to position, draw on and deliver to the standards going forward.
- Further embedded our Principles and Promises to support strengthening member engagement.
- Working with the Product team, and IT to ensure that our standards for surveys and ServiceMark are maintained through development and improvement project implementation.
- Developed a new Management Qualifications tutor and reintroduced standardisation meetings for key marking and quality activities within the Academy Standards and Quality team delivery.
- Conducted 26 ServiceMark assessments across the year, reviewed and awarded 36 (5 new and 31 renewals) TrainingMark accreditations and directly assessed 32 Professional Qualifications.

#### Operational and People Development

##### Employee Engagement:

Engagement levels remain positive, including high levels of understanding of the business plan and strong commitment to our Values. People generally have confidence in their own contribution and in their manager's support. We have continued to act on employee feedback and address specific aspects of engagement through departmental engagement plans, our Internal Communications Group where all teams are represented, fortnightly all-company calls, social events, development activities, and our quarterly awaydays. Our monthly newsletter, suggestion scheme, and recognition awards scheme have also all been refreshed and relaunched to positive feedback.

##### Performance Management:

We've been continuing to embed our competency framework, which emphasises behaviour in line with our Values, as well as helping people set meaningful and results-oriented objectives whilst also ensuring personal development is supported. There is clear recognition from our people that we are committed to personal development. We've also revisited our bonus schemes to ensure they properly reflect the metrics that drive our strategic success.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2023

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### **Hybrid working:**

Hybrid working and virtual delivery have become the norm and are reflected in our day-to-day operations both internally and externally. We continue to ensure this is well-managed and monitored in terms of both productivity and personal wellbeing. The London-based team is together for two days per week and we are trialling for certain teams a move to three days to maximise the value of the office, teamwork and cross-functional working.

### **Resourcing and structure:**

We invested significantly in additional headcount last year and restructured the client experience function to align with customer and market needs. We are now consolidating this investment by ensuring our new people get the best possible welcome and can contribute quickly at the level required. We recently moved the Product function alongside the Academy as a first step in creating an integrated customer delivery/customer experience function and to reinforce the commercial aspects that underpin its success. Our search for a new Director to lead the function is underway.

### **Benefits and reward:**

We determined our annual pay review in 2022 very carefully in terms of managing expectations around inflation whilst also rewarding strong performance and keeping an eye on retention. It was well-received in context, as was the cash bonus paid in December to all colleagues who earn less than £50K. We have ensured market-competitive reward packages by benchmarking our roles and working closely with trusted suppliers. Although there is still more to do in this area and we will be reviewing our onboarding and approach to recruitment going forward.

### **Security and systems:**

We have progressed our CyberSecurity plans, implementing a series of alerts and protections on our corporate systems with Microsoft and Sophos security tools.

We tightened the controls in place on endpoint encryption on all our devices and installed Multi Factor Authentication across our network.

In July and we were awarded NCSC Cyber Essentials accreditation. Cyber Essentials has five technical controls which allow for an 80% reduction in cyber threats. Along with the benefit of improving our internal governance, it demonstrates to our members the importance we place on Data Protection.

Alongside our work on CRM solution, we have also been reviewing our current systems capability. This includes our LMS solution, HR System and invoicing process.

### **Business continuity planning:**

We re-evaluated our Disaster Recovery Plans, with a focus on developing strategies to ensure seamless operations under various scenarios. We have significantly enhanced our backup capacity and almost eliminated our dependency on our legacy fixed hardware server solution. Additionally, we have reinforced our resiliency by installing a backup network solution at our office to mitigate the impact of any potential network outages.

### **CRM:**

We have built our new CRM in Salesforce to allow us to easily manage inclusive Membership benefits alongside additional benefits, manage lifecycle products and to track Member engagement and help identify missed opportunities.

Now we have a clear and accurate platform in place. Considerable effort has gone into creating a much simpler basic workflow and end user journey of the new CRM. We have also been able to address some key missing functionality from the previous CRM. We have rewritten some of our Organisational Member Lifecycle processes, removing substantial amounts of duplication of data processing.

### **Case/CX management system:**

Working with the Customer Experience team, we have designed and implemented a system to manage external queries and communicate effectively. The new system raises cases directly into our CRM, allowing us to manage and process workflows, originating from multiple channels of communications in a more efficient and auditable manner.

# **Institute Of Customer Service**

## **Strategic Report (Continued)**

**For the year ended 31 March 2023**

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### **Integrations:**

The flexibility of the Salesforce platform has now given us the capability to start to build integrations with other platforms. This is removing duplication of work and we have built initial workflows to manage movement of information, reducing the number of times we touch the data.

### **Governance**

The Institute received a 'clean audit' of 2021/22 year-end accounts.

We also re-appointed Gilberts as The Institute's external auditors, following ratification at the AGM in July 2022.

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. Last year, we raised money for our charity partner, The Trussell Trust - an NGO and charity working to end the need for food banks in the UK. Some of our staff have spent time working in a food bank and we have raised over £3k since we started 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 our 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 2023

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Our key strategic priorities in 2023/24 are:

**Develop our research, knowledge, and insight capability:** We will continue to demonstrate our credibility, influence and impact through our research and insight.

**Membership engagement:** Our vision is that we make a demonstrable impact to our members and that they see us as being integral to their business. We have invested heavily in the restructure of the Client Experience Team to ensure a better end-to-end experience for our members. Our new team will be better connected to the business's purpose, each with the drive and commercial acumen to succeed, to accelerate our three-year plan.

We will continue to drive the use of the full membership proposition with each member by showing that we understand their business and are confident and competent in recommending solutions for them. We know from our member feedback that there is a direct correlation between the level of product penetration and our CSAT scores. Therefore, ensuring our product offering is fit for purpose and how we articulate this is key to our account management strategy, both in terms of product knowledge and the benefits of using quality case studies.

We have introduced a new Group Client Development Director (CDD) role to further enhance how we service our key accounts and more complex and international memberships.

**ServiceMark:** Embed as the national organisational standard and demonstrate its impact in terms of improved customer satisfaction. We will continue to build the profile and engagement with ServiceMark and are targeting a total of 40 Accreditations for the year, 22 new and 18 renewals. In line with the ServiceMark review, we will consider how we make this more accessible to larger/more complex organisations in terms of scale and profile.

**Profile and influencing:** We know that our profile and positioning is critical to the influence we have and the impact we make. Our media profile, in particular, has increased significantly in the past 12 months, and we will invest further in media outreach and PR activities.

At our Annual Conference we introduced our vision to build the four pillars of a Service Nation:

- Customer Service as a business asset
- Customer Service as a respected profession
- Customer Service as a catalyst for a fairer society
- Customer Service as a driver for sustainable growth

As part of this we are investigating how we address the professionalisation agenda for the modern world.

**Build on our standards and quality and delivery through 'The Institute of Customer Service Academy':** With a focus on quality assurance and embedding high standards of delivery, activity will continue to focus on setting the standards and delivering a range of professional development delivery packages that drive cultural change and organisational development. This will ensure that The Institute can deliver a truly end-to-end service across all business needs. The Academy will also play a greater role in helping to shape the Service Profession and developing the new skills and capabilities that are required to deliver optimal outcomes where technological and human capabilities combine.

**Deliver a clear and focused Policy and Government agenda:** With the new legislation introduced following our Service with Respect campaign, public-facing workers are now better protected. This will help cement the legacy of the campaign, but it does not signal the end of it.

**Infrastructure, skills and capability:** Invest further in our systems development to ensure we are easy to do business with for members and non-members. We will continue to review the organisation's structure and ensure we have the right skills and capabilities to deliver a seamless and integrated membership experience. We have budgeted for delivering our new CRM, which will drive greater efficiencies and effectiveness. We will continue to work in a hybrid way. In terms of product support, we will be developing our Learning Management system (LMS) and new platforms for our individual membership and ServCheck. We also need to capitalise on the investment we have made in our web, office 365 and intranet. We will build on the development we have been undertaking this year to ensure we have the right levels of leadership and management, skills development, and competence.

# Institute Of Customer Service

## Strategic Report (Continued)

For the year ended 31 March 2023

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**Partnerships:** Continue to develop and build effective collaborations and partnerships that support and enable our purpose. In particular, we are looking for organisations that complement our skills and capabilities, as well as working further with other professional bodies and tech delivery solutions.

**Building the Service Profession:** We will help our members to understand and build the right capabilities and competencies as well as shining a spotlight on the importance of customer service capabilities to the UK's performance.

### Appendix 1 – New members 2022/23 (from a wide range of sectors)

Lewmar Limited	Olleco
Midland Heart	Phoenix Group
Pulsant Limited	RPS Group PLC
RCI Financial Services Ltd	Canary Wharf Management Ltd
Allica Bank	Greater Anglia
Defence Science and Technology Laboratory	Aldermore Bank
DPD Group	Babergh and Mid Suffolk District Councils
Frasers Property UK Ltd	Expereo
National Physical Laboratory (NPL)	Southwark Repairs
Atlanta Group	Credit Reporting Agency Limited
Hoover Candy (Haier Europe)	Flowtech
Corps Security (UK) Limited	GES LTD (Global Experience Specialists)
Sage Housing Limited	Hays Travel Limited
Webhelp UK	HS2 Limited
Geberit Sales Limited	Martin Brower UK Ltd
Hotel Chocolat	Power NI
IFGL	



# Institute Of Customer Service

## Directors' Report

### For the year ended 31 March 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### 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	(Resigned 13 July 2022)
Jonathan Cowie	
Giles Hawke	
Cathryn Ross	(Resigned 31 January 2023)
Shirley Fell	
Mark Gait	
David Macleod	(Appointed 13 July 2022)
Graham Edwards	(Appointed 13 July 2022)

#### 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.

#### 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.

#### Small companies exemption

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

# **Institute Of Customer Service**

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

**For the year ended 31 March 2023**

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On behalf of the board

Joanna Causon

**Director**

20 July 2023



# 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 2023 which comprise the statement of income and retained earnings, the balance sheet 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 Financial Reporting Standard 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 2023 and of its deficit 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 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.



# 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and 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.

#### **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 and UK taxation legislation.
- 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 enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. There are inherent limitations in the audit procedures noted above, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.
- 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 receipts and payments testing, journal entry testing, analytical procedures and obtaining additional corroborative evidence as required. In doing so we evaluate whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.
- We recognise that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



## **Institute Of Customer Service**

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

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

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- 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.

We did not identify any key audit matters relating to irregularities, including fraud.

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.

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

Pendragon House  
65 London Road  
St Albans  
Hertfordshire  
AL1 1LJ

20 July 2023

# Institute Of Customer Service

## Statement of Income and Retained Earnings

For the year ended 31 March 2023

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	2023 £	2022 £
<b>Income</b>	<b>5,115,051</b>	5,232,998
Administrative expenses	<b>(5,389,657)</b>	(4,980,086)
	<hr/>	<hr/>
<b>Operating (deficit)/surplus</b>	<b>(274,606)</b>	252,912
Interest receivable and similar income	<b>32,748</b>	(22,496)
	<hr/>	<hr/>
<b>(Deficit)/surplus before taxation</b>	<b>(241,858)</b>	230,416
Tax on (deficit)/surplus	<b>(6,222)</b>	(1,824)
	<hr/>	<hr/>
<b>(Deficit)/surplus for the financial year</b>	<b>(248,080)</b>	228,592
Retained earnings brought forward	<b>1,148,043</b>	919,451
	<hr/>	<hr/>
Retained earnings carried forward	<b>899,963</b>	1,148,043
	<hr/> <hr/>	<hr/> <hr/>

# Institute Of Customer Service

## Balance Sheet

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5	103,110		74,601	
Tangible assets	6	122,520		22,584	
Investments	7	1,000		1,000	
		226,630		98,185	
<b>Current assets</b>					
Debtors	9	1,253,819		1,430,429	
Cash at bank and in hand		5,677,471		6,029,214	
		6,931,290		7,459,643	
<b>Creditors: amounts falling due within one year</b>	10	(3,342,036)		(3,282,149)	
<b>Net current assets</b>		3,589,254		4,177,494	
<b>Total assets less current liabilities</b>		3,815,884		4,275,679	
<b>Creditors: amounts falling due after more than one year</b>	11	(2,910,921)		(3,087,636)	
<b>Provisions for liabilities</b>	12	(5,000)		(40,000)	
<b>Net assets</b>		899,963		1,148,043	
<b>Reserves</b>					
Income and expenditure account		899,963		1,148,043	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 July 2023 and are signed on its behalf by:

Giles Hawke

**Director**

**Company Registration No. 03316394**

# Institute Of Customer Service

## Balance Sheet (Continued)

As at 31 March 2023

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	Notes	2023 £	£	2022 £	£
Reserves - members funds		899,963		1,148,043	
Deferred income:					
Amounts falling due within one year		2,552,155		2,461,810	
Amounts falling due after more than one year		2,649,782		2,619,819	
Total adjusted reserves		6,101,900		6,229,672	

Deferred income relates to non-refundable membership subscriptions.



# Institute Of Customer Service

## Notes to the Financial Statements

For the year ended 31 March 2023

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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 Ground Floor, 4 Gainsford Street, London, SE1 2NE.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 Income and expenditure

Turnover is the total amount receivable by the company for 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 is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 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 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.

#### 1.8 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.

#### 1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.11 Leases

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

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 1 Accounting policies

(Continued)

#### 1.12 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.

#### 1.13 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 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	15,350	13,350

### 3 Employees

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

	2023	2022
	Number	Number
Total	38	41

### 4 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in surplus or deficit:

	Notes	2023	2022
		£	£
In respect of:			
Property, plant and equipment	6	-	120,786
Recognised in:			
Administrative expenses		-	120,786

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 5 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 April 2022	237,358
Additions	55,670
	<hr/>
At 31 March 2023	293,028
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2022	162,757
Amortisation charged for the year	27,161
	<hr/>
At 31 March 2023	189,918
	<hr/>
<b>Carrying amount</b>	
At 31 March 2023	103,110
	<hr/> <hr/>
At 31 March 2022	74,601
	<hr/> <hr/>

### 6 Tangible fixed assets

	Leasehold improvement £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 April 2022	189,113	102,829	291,942
Additions	84,741	37,958	122,699
Disposals	(189,113)	(60,284)	(249,397)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	84,741	80,503	165,244
	<hr/>	<hr/>	<hr/>
<b>Depreciation and impairment</b>			
At 1 April 2022	189,113	80,245	269,358
Depreciation charged in the year	7,318	15,445	22,763
Eliminated in respect of disposals	(189,113)	(60,284)	(249,397)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	7,318	35,406	42,724
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 March 2023	77,423	45,097	122,520
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2022	-	22,584	22,584
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

More information on impairment movements in the prior year is given in note 4.

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 7 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	1,000	1,000

### 8 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
ICS Services Ltd	Ground Floor, 4 Gainsford Street, London SE1 2NE	Dormant	Ordinary Shares	100

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

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
ICS Services Ltd	1,000	-

### 9 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,054,713	1,236,793
Other debtors	15,250	16,685
Prepayments and accrued income	183,856	176,951
	1,253,819	1,430,429

### 10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	191,522	148,465
Amounts owed to group undertakings	870	870
Corporation tax	6,222	1,824
Other taxation and social security	324,662	361,945
Deferred income	2,790,202	2,663,320
Other creditors	696	456
Accruals	27,862	105,269
	3,342,036	3,282,149

# Institute Of Customer Service

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 11 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Deferred income		<u>2,910,921</u>	<u>3,087,636</u>

### 12 Provisions for liabilities

		2023 £	2022 £
Dilapidations provision		<u>5,000</u>	<u>40,000</u>

During the prior year the Institute terminated the rental contract for its office premises at Mill Street, London. The contract required that the premises be restored to its original condition so a provision of £40,000 was included in the accounts to reflect these expected costs. Based on this provision, a similar estimate has been made covering the dilapidations for the current year at 4 Gainsford Street.

### 13 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.

### 14 Operating lease commitments

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

	2023 £	2022 £
	<u>593,333</u>	<u>654,000</u>