

BCS, The Chartered Institute for IT

Annual Report and Consolidated Financial Statements

Year ended 31 August 2015

Registered charity number 292786

BCS, The Chartered Institute for IT

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PATRON: HRH The Duke of Kent KG

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M V Cooper FBCS

J H Davenport FBCS CITP

R G George OBE FBCS CITP

J Magee FEng FBCS CITP

P Martynenko FBCS

M J Norton FEng FBCS CITP (*to 7 October 2015*)

I Thompson CEng FBCS CITP

Chair of Council:

R G Johnson CEng FBCS CITP (*to 12 May 2015*)

K Roosen FBCS (*from 12 May 2015*)

Elected by Council:

C Andrews CEng FBCS CITP

T Crick CEng CSci FBCS

M Kneller CEng FBCS CITP (*to 12 May 2015*)

D Copleston FBCS (*from 12 May 2015*)

M Ross MBE CEng CSci FBCS CITP (*from 12 May 2015*)

EXECUTIVE TEAM

Group Chief Executive - P Fletcher FBCS

Group Finance Director - P L Jones FCA MBCS

Group Marketing Director – H Fisher MBCS

Director - Standards – J Barlow MBCS

Director - IT and Operations - C Harris MBCS CITP

Director - Community and Policy - D Evans MBCS

Director - Education - W Mitchell FBCS CITP

Director - External Affairs - A Thilthorpe FBCS

Chief Executive, BCS L&D Limited - J Buttriss FBCS

Deputy Chief Executive, BCS L&D Limited - L Ireland (*from 10 September 2015*)

MEMBERS OF COUNCIL

K Roosen FBCS

H Fletcher CEng MBCS CITP

D P Alvares MBCS CITP

C Andrews CEng FBCS CITP

C Boldyreff FBCS CITP

P Burton FBCS CITP

D Copleston FBCS

T Crick CEng CSci FBCS

M G Cullen CEng FBCS CITP

I-S Fan MBCS

P T Fletcher FBCS - Chief Executive

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J A Mitchell CEng FBCS CITP

A Moattari FBCS CITP

L Ojuwu MBCS

M Ross MBE CEng CSci FBCS CITP

L Senanayake CEng FBCS CITP

C Smythe CEng FBCS CITP

I Sunley CEng FBCS CITP

A G Williamson CEng FBCS CITP

PAST PRESIDENTS

2014/15 E A Bacon

2013/14 R Marshall

2012/13 R J Harvey

2011/12 M J Norton FEng

2009/11 E A Sparrow

2008/09 A W Pollard

2007/08 R H A Burnett

2006/07 Sir Nigel Shadbolt FEng

2005/06 C E Hughes

2004/05 D Morriss

2003/04 Dame Wendy Hall DBE FRS FEng

2002/03 J L Ivinson*

2001/02 N G McMullen

2000/01 A J P Macdonald CB

1999/00 D F Hartley

1998/99 I C Ritchie CBE FRSE FEng

1997/98 Sir Brian Jenkins GBE

1996/97 R J McQuaker*

1995/96 G W Robinson CBE FEng

1994/95 D W Mann

1993/94 J P Leighfield CBE

1992/93 R G Johnson

1991/92 S C T Matheson CB

1990/91 A R Rousell

1989/90 Dame Stephanie Shirley DBE FEng

1988/89 B W Oakley CBE*

1987/88 E P Morris TD

1986/87 Sir John Fairclough*

1985/86 R A McLaughlin

1984/85 E S Page

1983/84 D Firnberg

1982/83 HRH The Duke of Kent KG

1981/82 P D Hall OBE*

1980/81 F J Hooper

1979/80 J L Bogod

1978/79 F H Sumner*

1977/78 P A Samet

1976/77 G A Fisher

1975/76 C P H Marks*

1974/75 E L Willey*

1973/74 R L Barrington

1972/73 G J Morris

1971/72 A S Douglas CBE*

1970/71 A d'Agapeyeff OBE*

1969/70 The Earl of Halsbury*

1968/69 B Z de Ferranti*

1967/68 S Gill*

1966/67 The Earl Mountbatten of Burma KG PC OM*

1965/66 Sir Maurice Banks*

1963/65 Sir Edward Playfair KCB*

1962/63 R L Michaelson*

1961/62 D W Hooper*

1960/61 F Yates CBE*

1957/60 Sir Maurice Wilkes FRS FEng*

*
deceased

DISTINGUISHED FELLOWS

G M Amdahl

C W Bachman

I M Barron CBE

Sir Tim Berners-Lee OM KBE FRS FEng

F P Brooks FEng

V Cerf

D Deutsch FRS

W East FEng

S P Furber CBE FRS FEng

W H Gates III KBE

H Hauser CBE FRS FEng

Sir Antony Hoare KBE FRS FEng

P T Kirstein CBE FEng

D E Knuth

S McNealy

R Wilmot OBE

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PRESIDENT'S MESSAGE

This year has been remarkable for the Institute and one of our most successful on record. It has also been a privilege to be President this year and be able to write this introduction with so many good things to report back on.

Our success has been due to many factors. In particular, a great deal of hard work from our executive teams, every BCS employee, our many committed and able volunteers and of course, the support of our members. I do want to single out the outstanding leadership from our two new CEOs appointed during 2014 - Paul Fletcher overall Group CEO, and Jon Buttriss BCS Learning & Development CEO. They have together stimulated much change that has already borne fruit, bringing a stronger business culture without compromising the charitable aims in our Royal Charter.

We have a new BCS strategy this year. This gives new direction around the theme of "*making IT good for society*". With so much recently in the Press about IT abuse and data loss, this vision will resonate with our membership. The strategy has four key themes which define our priorities:

- ***Transforming education, supporting children*** – BCS historic strong-hold and bedrock of activity.
- ***Supporting apprentices, fixing recruitment*** – dealing with the many varied issues of the growing IT skills gap.
- ***Building a better world of personal data*** – and the growing importance of good data handling, sharing and privacy.
- ***Transforming health & social care through information and technology*** – perhaps the biggest IT challenge and opportunity in the UK.

The digital world touches every part of our lives, at work and at home. With too many data privacy breaches, coupled with the potential abuse of information systems, it has never been more important for BCS to be taking a positive stance to encourage better practice. It is our job to bridge the gap between IT education, application and research, giving IT professionals the support they need, whilst informing the public about the opportunities and risks of technology.

As a profession, IT is still often misunderstood and frankly misrepresented. Sometimes we are seen as no more than technical engineers, and whilst our technical and engineering credentials are undoubtedly important, ours is a creative profession. It is one requiring imagination, design, and human interaction. Only in recognising this can we hope to avoid the abuse of technology or the mismatch between an understanding of IT possibility and its successful adoption in society.

This narrow understanding about the importance of IT to the economy and to society results in an underfunding of IT research, underestimation the power of technology in business and government, and miscalculation of the risks associated with the use and abuse of personal data. It also lies behind our inability to attract enough new recruits into the profession.

Changing this perception will not only increase the number of applicants, especially women and younger entrants to the profession, but it will also improve the value that technology can bring to individuals, communities, governments and to industry.

This is the BCS challenge; but we cannot champion the global IT profession alone. This year has seen a greater willingness on our part to grow partnerships with other organisations. It is perhaps no surprise that as a result our influence has grown with government and with business. Our voice on important matters is beginning to being heard above the noise of others.

Central to this is our advocacy and response to political leaders. Over the past year BCS has become more involved with the main political parties and government departments, responding to consultations and, in the run-up to the general election, to the party manifestoes. For example, with techUK and Computer Weekly, we hosted a general election digital debate; a 'question time' style event with MPs from Conservative, Labour and Liberal Democrat parties.

Our ability to influence politicians locally and nationally is important if we are to raise the profile of technology and IT professionals in the workplace and in society. We want politicians and government departments to understand IT priorities as we see them – from balancing privacy and risks in the rise of the 'Internet of Things', to the importance of health and social data management underpinning public services reform.

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PRESIDENT'S MESSAGE (continued)

We are also collaborating with the Tech Partnership to support the UK digital skills agenda, launching the latest SFIA skills framework this year to much acclaim. As *The Chartered Institute for IT*, no organisation is better placed than BCS to take the lead.

We have been working hard to embed the new statutory computing curriculum in schools, building on our past success. The development of the new curriculum was coordinated by BCS and the Royal Academy of Engineering, on behalf of the Department for Education (DfE). We continue as well to run the DfE funded Network of Teaching Excellence in Computer Science. There are now over 1,400 schools in the Network, which has support from over 80 universities, and it has provided over 40,000 instances of CPD to teachers over the last 3 years. Over 1,390 schools now deliver ECDL, more than doubling numbers in a single year.

And we are not only engaging with schools and pupils, but with parents too. Our Press Office ran an awareness-raising campaign and survey this year to encourage the adoption of IT at GCSE and A-level. The result of this formed the basis for a series of radio interviews and media coverage across the country.

More than 1,500 secondary schools are now BCS partners. The Computing Teacher Training Scholarship Scheme is in its fourth year, designed to attract the very best people to train as computing teachers. It is backed by major employers such as Microsoft, IBM, BT, Google, HP, Toshiba, ComparetheMarket, Goldman Sachs, Citrix and others.

Employers in industry and governments are increasingly seeing the benefit of a partnership with BCS, ensuring that job seekers have the basic skills to use IT and that IT employees operate at the highest professional standards. Corporate BCS membership is now the fastest growing membership area, with flagship brands such as Waitrose, Specsavers, and QBE, to name a few, working with us. Our digital leadership programme supports business change and helping organisations to embed a greater understanding of technology benefits and risk across their workforce, such as cyber security.

Fundamental to everything we do is the support we give directly to our BCS members. This includes the professional development and career support to work in an increasingly demanding environment. We now have 109 accredited training organisations providing internationally recognised professional qualification, certification and industry relevant learning. On average, we are now running two events every day across the country.

In addition, there are now over 1,994 BCS approved training centres worldwide, issuing over 121,856 user qualification certificates in the year, including 84,000 professional certifications and 14,000 business analysis exams at foundation, practitioner and diploma level.

Getting close to young IT professionals is an ongoing priority and apprenticeships are my presidential theme this year. We are now accrediting apprenticeship provision, so that successful apprentices can be entered on to the Register of IT Technicians (RITTech). Launched this year in partnership with The Gatsby Foundation, RITTech is a game changer – recognising the value and ensuring the competency of new entrants to the profession. We will soon be launching the career mentoring network (CMN) for members to grow their careers and connect together.

We will also be an assessment organisation for the new Trailblazer apprenticeships in IT, and two of our Student Chapters, Royal Holloway and London Metropolitan, were recently awarded 'the best student society' trophies from their Universities. We now have 22 Student Chapters.

BCS Health delivered the 'Healthtech Start-up School' again this year, to 34 entrepreneurs in 12 sessions over 8 weeks, developing skills such as business planning, financing technology build, relevant to the health market needs.

We also signed up to the Science Council declaration on diversity. The rollout of the "unconscious bias program" has been successful, and we have trained over 30 volunteers as unconscious bias ambassadors delivering sessions across the UK to all our Members' Group Branch committees. This is an increasingly important topic, and BCS is keeping ahead of the game.

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PRESIDENT'S MESSAGE (continued)

We've not been idle in our research and publications either. This year we published 14 books and launched a new series of Guides to IT focused initially on IT service management, security and careers. In February, in collaboration with the Institution of Engineering and Technology (IET), we took our Turing lecture to Northern Ireland for the first time, generously supported by Belfast City Council with the use of their magnificent city hall. The lecture formed part of the Northern Ireland Science Festival and it attracted the highest attendance of all of our 4 Turing lectures.

Our international sections are also growing stronger. We are in 14 major regions now, with events held in the Middle East, Hong Kong, USA, Mauritius and Sri Lanka. The BCS Presidential visit to Mauritius and Sri Lanka has led to potential new business opportunities for BCS working with local governments and a model for greater influence elsewhere in the world.

It would be remiss of me not to mention our outstanding financial success this year. At a time when many other professional membership organisations are struggling to balance the books, BCS is proving to be the exception - 2015 was the best year ever in terms of our financial performance. BCS has made a substantial surplus to build our reserves as well as reinvesting in developments this year which will deliver new value to Members going forward.

Much of this success can be directly attributed to BCS Learning & Development, which has been given the freedom to act as a business in support of our aims. Success has depended on a greater focus as well as collaboration between individuals. Our newly found financial strength will allow us to pursue our ambitions with more vigour in the coming years.

I also want to thank my Trustee Board colleagues. Being a Trustee is a voluntary position and in such a complex organisation it is a demanding and complex activity. I am proud to be working with such a diverse, creative and capable group of fellow Trustees and such a determined staff team who share the sense of responsibility and purpose with all of us. I feel confident in our future, based on the changes and results of 2015.

As spectacular as our financial and strategic performance has been this year, our annual IT Awards event is even more spectacular. In its 44th year, these awards took place in November 2015, our biggest ever with over 1,500 guests. They are by far the most influential technology awards in the UK and possibly Europe; they symbolise our success, our status and our place in the world.

Jos Creese FBCS
President 2015-16
25 November 2015

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GROUP CHIEF EXECUTIVE'S REPORT

In September 2014, I joined as Group Chief Executive, and found a professional body with some strengths, a stable financial position, a track record of growth and a good team of staff and volunteers. However, that positive position was about past performance rather than the future. It also became clear that looking forward, and on current trends, we face some significant strategic challenges. Some are shared with the general challenges facing professional bodies and some are unique to our sector.

With Council, Trustee Board, Volunteer representatives and the Executive team I ran a strategy process, taking broad input and building on insight already in the organisation but going back to the founding principles of our Royal Charter. We also took into account feedback and surveys conducted with our membership and wider communities.

What struck me first of all was the grandeur of our purpose and the excitement and pivotal nature of the sector in which we play our role. Yet that was not reflected in the culture and tempo of the organisation, nor is it how we are seen by our Members and other stakeholders. That needs to change.

As outlined in more detail in the Trustee Report (page 6) the outcome of the strategy and business planning cycle this year has redefined our overriding purpose as being '**Making IT good for society**'. That purpose unites the varied activities the organisation undertakes, it unites the people involved in the work of BCS, and it sets a direction. Our new pillars – Leadership, Community, and Excellence – provide clarity about how we go about our purpose.

The good news is that change to meet the future challenges is possible, and we have a pragmatic plan to get there. Change is never easy, and doing what's not been done before involves some element of risk, but we have a committed team of Members and staff capable of making the right things happen. So I'm confident we can do this.

I'm more than confident; I'm excited about what we're doing. Our new articulation of our Charter purpose is compelling and as we've developed and sought feedback I've been taken with how energising and exciting this is for all involved. It's also clear, to me at least, that we've reconnected with our founding purpose and are interpreting it for this stage in our organisation's journey. So we are building on what has come before in a new phase of our existence.

I'm delighted that during a year of much transition we are reporting another sound and excellent financial performance and BCS has achieved an overall group operating surplus of £2,477,000 (2014: £362,000). This improvement in financial performance has been achieved by an overall increase of 27% in total operating income while costs have increased by 19%. This is indeed the best financial performance since pre the 2007 global economic crisis and matches previous best performances for BCS in both 2002 and 2006.

The Institute activities have been undertaken on the principle of maintaining the self-financing nature of its core operations with an overall 7% increase in Member income. BCS L&D have had a particularly strong financial year which has resulted in a 36% growth in income.

Through Computing At School (CAS), BCS has made a massive contribution in enabling schools to teach the new Computing Curriculum and ensure that school leavers, as the workforce of the future, will be ready for the digital world.

BCS, with its Members, volunteers and staff working together, is in an unrivalled position to represent the IT industry. I see an exciting future for the organisation and I hope you will engage enthusiastically, as you do today, with the activities to keep BCS current in a rapidly changing IT world.

Paul Fletcher FBCS
Group Chief Executive
25 November 2015

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TRUSTEES' REPORT

The Trustees' Report covers the activity of the Institute for the year ended 31 August 2015.

1. THE INSTITUTE'S OBJECTIVES

The Institute is incorporated by Royal Charter and is a Registered Charity (number 292786). Its objectives are prescribed by the Royal Charter and the main objective is 'to promote the study and practice of computing and to advance the knowledge and education therein for the benefit of the public'. It serves three main constituencies: IT professionals, employers of IT professionals and society at large. Its governing documents are the Royal Charter, Bye-laws and Regulations.

Delivering Public Benefit

The Institute delivers the objectives of its Royal Charter to provide public benefit through substantial programmes of activities under the direction of its Trustees, Boards and volunteer communities, facilitated by the Institute and its members. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to guidance published by the Charities Commission. The scope of our activities is described in Section 3 below and all are primarily aimed at benefiting the public at large.

The Institute's membership at 31 August 2015 and 2014 is shown below:

	Number of Members	
	2015	2014
Fellows	3,251	3,161
Members	41,126	42,916
Associate members	15,172	14,008
Companions	6	7
Students	11,562	13,162
Affiliates	2,101	2,256
	<hr/>	<hr/>
	73,218	75,510
	<hr/>	<hr/>

2. THE FUTURE OF THE INSTITUTE - *Making IT good for society*

The Institute was created in 1957 to bring together a number of different groups to try and deliver on the grand dream of making all aspects of computing into a compelling public benefit. We have made great strides since then, and the Institute has evolved continually to meet the ever changing world we serve, never more so than in the last few years.

As we evolve, we see the world changing quicker than ever, and we know this pace of change will only increase. We must, therefore, respond and adapt quickly and more broadly to be relevant to the world we now live in so that we are ready for the future. More than a million people work directly in information technology in the UK alone and computer science lies behind almost everything that happens in society today. To really support not only these knowledge workers but an increasingly IT dependent society as a whole, our activities and capabilities have to become even more relevant to our Members, the academic community, industry, government, volunteers and the wider public.

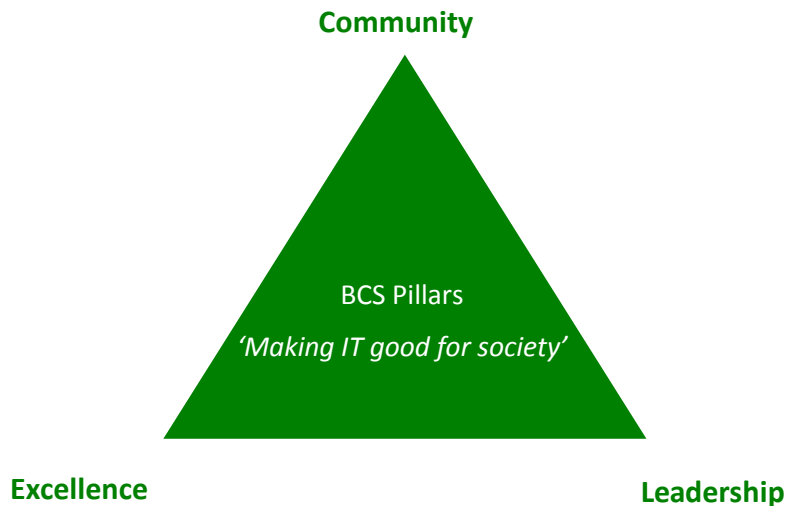
As mentioned in the Group CEO report, during the current Strategy and Business Planning cycle the BCS had a thorough reflection and recalibrated its focus of activities specifically towards being increasingly and even more relevant to our Members, volunteers, the academic community, industry, government and the wider public. Our new stated purpose is '*Making IT good for society*'.

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TRUSTEES' REPORT (continued)

Taken from our Charter purpose, we have a new way of expressing the role that we play; we are here to make IT good for society.

Our worth as an organisation that makes IT good for society is defined by our impact on society. Our impact on society is driven by and built upon our community and relationships, supported by our functional capability.



LEADERSHIP - SOCIETAL OBJECTIVES:

We need to have major societal objectives that drive our activity across the organisation. In the first instance, we intend to convene around the following challenges and objectives:

- 1) Transforming education, supporting children: fostering computing education for a better society. Advancing knowledge, teaching and study of computing at all levels, to give people the tools to shape the future.
- 2) Supporting apprentices, fixing recruitment: building IT capability to match society's ambitions. Empowering capable people and organisations to deal with disruption and deliver what society needs.
- 3) Building a better world of personal information: reconnecting people and making personal data work for everyone, putting people in control and empowering organisational use of data.
- 4) Transforming health & social care through information and technology: person centred and building communities to digitally transform our health and care

These reflect a combination of key societal issues, opportunities for us to make a difference, and activities that will touch every element of our organisation.

We will also name senior staff members who will be empowered to lead these challenges, working with communities of experts. We will invest in developing the staff team so they can rapidly respond to media issues and opportunities, backed up by the expertise and insight of our community, and accountable to appropriate governance processes.

We need to be courageous and quick. Our challenges and spokespeople must act according to our brand, respond rapidly to events, and take risks. We will make mistakes, and we may end up in short term relationship difficulties with Members, partners, customers and governments. However, the short term risks there are less important than the long term risks if we do not have a courageous voice. We will establish protocols and governance that supports this informed-risk taking and does not punish it, but learns from mistakes and improves.

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TRUSTEES' REPORT (continued)

COMMUNITY – RE-DEFINING RELATIONSHIPS:

We will re-define our relationships with our Members. We will be clear to people what they can expect from us, and how to be involved. We will move over a period to establish three major relationship models for our community:

- 1) Working with, supporting and encouraging those who wish to **Make IT good for society**
- 2) Providing professional standards, career ladders and support for professionals, with employers and customers as key stakeholders, so that the IT profession can better serve society
- 3) Simple communications with those who share one or more topical interests with BCS

Any individual may participate in any or all of these models, but each will be unambiguous and we will deliver what we promise.

EXCELLENCE – ORGANISATIONAL CAPABILITY, DRIVING CAPABILITY:

We will support organisations and individuals who seek advantage through best practice standards whilst striving to find and adopt new technologies, methodologies and insights that will impact their markets. These stakeholders are asking the question “Do we have the capability to disrupt ourselves?” and we must provide products and services that help to provide the answer. We will provide both best practice and next practice opportunities.

As the natural leader of the IT profession, responsible for awarding the much sought-after Chartered IT Professional (CITP) status, we must stand up and act, as a hugely respected and independent professional body, for the benefit of the IT industry and to make IT good for society.

3. ACTIVITY REPORTS

An overview of the key activities of the Institute is included in the President's Message and Group Chief Executive's Report on pages 2 to 5.

A summary of the activities and achievements of each individual Board during this period is described by the respective Vice-Presidents and Chairs below.

BCS Academy of Computing

Vice-President & Chair: Prof Jeff Magee

The BCS Academy of Computing ('Academy') is a collaborative partnership between BCS, CPHC (the Council for Professors and Heads of Computing) and UKCRC (the UK Computing Research Committee) and its purpose is to advance the creation, study and application of knowledge in computing. Professor Jeff Magee of Imperial College is the Chair. The Computing At School group (CAS) is a major part of the Academy.

CAS Membership reaches 20,000:

CAS membership reached over 20,000 in August 2015. Over 80% of members are schoolteachers, the rest are IT professionals and university academics. There are now 160 local CAS Hubs, where teachers meet regularly to share and develop teaching practice. There are over 3,000 online resources available on the CAS website.

BCS Teaching Scholarships:

The DfE have awarded the 2015/16 grant to run teaching scholarships for trainee computing teachers to BCS, where each scholarship is worth £25,000. The scheme is run with the support of Microsoft, IBM, BT, HP, Toshiba, Google, Ocado, Metaswitch Networks, ComparetheMarket, Morgan Stanley, Goldman Sachs, Citrix, GE Healthcare and GE Intelligent Platforms.

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TRUSTEES' REPORT (continued)

Network of Teaching Excellence in Computer Science (NoE):

The NoE is a DfE funded BCS project to encourage schools to aspire to excellence in their teaching of computer science. This year DfE have awarded the NoE a grant of £940,000 to consolidate and deepen the engagement of the Network through a partnership with ten university regional centres. Over the last three years the NoE has provided an estimated 40,000 instances of professional development to teachers across England.

QuickStart Computing project:

Microsoft and the DfE provided funds to create a CPD toolkit for primary and secondary teachers. The funding also allowed the QuickStart project to distribute 40,000 packs to teachers around England through CAS and the NoE.

Barefoot Computing project:

In March 2014, BCS were awarded a £1m DfE grant to run the Barefoot Computing project. The project is creating cross curricular computer science exemplifications for primary schools that demonstrate how learning in English, maths, science and history can be improved through teaching computer science. The project has now run over 900 workshops across England. BT announced this year they are to continue the project in partnership with BCS running outreach activities for a further 15,000 teachers.

PLANC in Scotland:

In 2013, the Scottish government provided BCS with a grant of £200,000 for providing CPD to computing teachers through the Professional Learning And Networking in Computing (PLANC) project. The project has resulted in 7,000 hours of professional learning provided to teachers across Scotland.

Membership Board

Vice-President: Iain Thompson

Membership Board (MB) has responsibility for the strategic oversight of all aspects of membership including recruitment, retention, Member benefits and communications: broadening the membership in all areas of activity in IT and computing. MB works through three key committees, covering finance, policy, and sharing best practice amongst Member Groups.

Our Member Groups – which include Specialist Groups, Branches, the Young Professionals' Group, ELITE (the forum for IT Directors and Senior Managers) and International Sections – are an important part of the life of the Institute. They run in the region of 55 events each month on a vast range of computing-related topics, engaging Members both in the UK and around the globe.

The BCS Health Executive Committee, whose responsibilities include working with government, industry and other bodies to improve the use of informatics in health, and raising public awareness and confidence in health informatics, also reports to MB.

Membership Board has over the year contributed thinking into the overall BCS strategy review, concentrating on the question of Member engagement and reviewing what the organisation collectively and Members individually should expect from each other.

Membership Board has also overseen the launch and growth of BCS Student Chapters across a range of Universities; rapidly rising to 22 distinct groups. Representatives of the Student Chapters came together for the first time, to hear about what BCS is doing in a range of areas, including updating them on opportunities around teaching computing.

A wide array of positive activities took place across Branches and Specialist Groups, promoting and advancing computing, including an App-athon that involved over 1,000 people in thirty locations across the UK focused on encouraging women into mobile development. Membership Board is looking to encourage groups to grow their activities in future years where there are clear opportunities to contribute to the objects of BCS.

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TRUSTEES' REPORT (continued)

Professionalism Board

Vice-President: Paul Martynenko

The purpose of Professionalism Board is to achieve recognition for the IT profession, promoting standards for IT professionals and the profession both nationally and internationally, and having oversight of admission of Members to the Institute, and professional registers consistent with BCS status as a licensed body. The Board has declared its mission to establish an IT profession which is valued for the benefit it provides to its stakeholders.

The Board's objectives and achievements during the year are summarised below:

- **To have an operational career ladder which includes standards at SFIA levels 3, 5 and 7 within 5 years and accelerate the incorporation of next practices into the standards, so that it becomes 'business as usual' within 5 years**

The Board has contributed to the development of the standard for Registered IT Technicians which was initially agreed by Trustees in June 2015 and will be launched in November 2015. The assessment is based on criteria at SFIA level 3 and requires registrants to abide by a recognised code of conduct, and commit to continuous professional development and revalidation every three years to remain on the register. Initially BCS will be the only awarding body but it intends to license other professional bodies to award the status in due course.

BCS continues to award Chartered IT Professional status which is assessed against criteria at level 5 of SFIA.

- **To have sufficient influence over SFIA so that it underpins our standards (keeping up with the required pace of change)**

Version 6 of SFIA was released in June 2015. BCS released version 6 of its SFIPlus product at the same time and continues to work to support development and relevance of the framework. Through engagement with CEPIS the Institute remains engaged to ensure SFIA and especially SFIPlus remains relevant as the European Competency Framework (eCF) transitions to a European Standard which is due to take place in 2016.

- **Improve participation in the Profession through operating a network of stakeholders who promote Professionalism in IT; ensure chartered and professional status is widely recognised as a hallmark of competence and employers to consider BCS professional qualifications to be a pre-requisite for recruitment and development**

The Board has sought to extend its network of stakeholders who promote professionalism in IT engaged with activities to raise awareness of the IT profession and professionalism in the IT industry. Key to this activity has been support for promotion of the Institute's Organisational Membership product designed to offer employer bodies engagement opportunities alongside membership for their IT staff thereby encouraging adoption of professional behaviour by IT Practitioners.

Supported by its sub-committee, the Board has reviewed BCS policies related to the Institute's awarding body responsibilities for Chartered status and Professional membership and has reviewed Trustee Board Regulations Section II – Classes of membership and Schedule 1 – Membership Assessment Scheme. The definitions for the standards owned and regulated by BCS are now contained in Trustee Board Regulations Section II – Classes of membership.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

Policy & Public Affairs Board

Vice President: Rebecca George OBE

The purpose of the Policy and Public Affairs Board (PPAB) is to oversee the fulfilment of the Institute's mission in areas of externally facing policy affecting the profession and wider society.

The major role for the board is to develop a coordinated approach to development, promotion and maintenance of the Institute's public policy so that it can:

- Fulfil the Charter objectives, ensuring that IT makes the maximum contribution to society – in this case through public and professional policy.
- Help build the reputation and standing of the Institute, its Members, and the profession, serving that wider aim.
- Ensure that Institute meets the highest expectations of quality and relevance in its public policy development and furtherance of the resulting positions.
- Work inclusively; building a collective voice that is truly reflective of the profession's makeup and expert view, without undue influence by any special interest or viewpoint.
- Maintain a governance role ensuring that the Institute's policies are exemplars of robust but rational debate where the evidence and quality of the argument always beats the quantity or volume.

During the year, PPAB has continued to develop its strategy and programme of work under the headings of Inclusion, Next Practice and Profile and Recognition.

Inclusion:

The Inclusion Community of Expertise has continued its support for improved diversity and inclusivity in the IT profession. The second development phase of the Unconscious Bias training programme funded by Royal Academy of Engineering via the Engineering Diversity Concordat has concluded, and all other signatories of the Concordat are now able to benefit from the materials that we developed. Programme management and ambassador coordination has now transitioned into the Member Groups team to run as part of the existing networks.

We have further indicated our commitment to diversity issues by signing the Science Council Declaration on Diversity, and worked with partners to use our experience in helping design the declaration and accompanying roadmap. We also accepted a role on the STEM Disability Advisory Committee led by the Royal Society; working with other professional bodies to raise awareness and contribute to and influence policy development around the inclusion of disabled people studying or working in STEM. We have also reached out to our LGBT community by supporting and promoting the launch and establishment of the InterEngineering Initiative.

Profile and Recognition:

This year of a general election saw a reduced number of government consultations launched, and therefore the number of responses submitted by BCS reduced to ten. We published three new position papers and the existing eighteen underwent annual review.

In the run up to the general election in 2015, we worked on an editorial review of the manifestos published by other bodies; providing our Members with an overview of the various calls made and the response to those from the Institute's perspective.

Following the election, we ensured that BCS maintained its profile as a provider of impartial, independent and informed advice by drawing on the expertise of our Members to produce a series of Ministerial Briefing papers on Digital Skills and the Future of the Workplace; IT in Health and Social Care; Identity Management for Citizen Interaction with the Digital Economy; Online Government Services and Citizen Interaction; and Communications and Infrastructure.

The Institute once again hosted fringe events at two political party conferences, discussing the role of consumer data in the British economy with a Member of the Shadow Cabinet and a Minister of State.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

Our focus on the Internet of Things has continued with the launch of a joint research project to provide evidenced based policy feedback on the use of consent, intent of use of data, cybersecurity, benefits and costs to include implications for cross governmental cooperation.

Security continues to be a significant part of our CoE (Community of Excellence) activity, with identity assurance workshops once again running at major international forums throughout the year, as well as publication of a fourth annual "Aspects of Identity Yearbook" for 2014-15.

This year BCS once again ran the Healthtech Start-up School (HSS) collaborating with techUK to build capability, contacts and cut-through for Entrepreneurs. We have also made significant progress towards professionalism in Health and Care informatics, most notably through the development of new health and care professional registration which, whilst yet to be formally established, has received support and is referenced within the National Information Boards framework for Personalised Health and Care 2020. Through new ways of working BCS has been able to build relationships across the sector and importantly with clinical representatives from the Royal Colleges, increasing BCS reputation and building a platform upon which to make an impact in Health and Care during the coming year.

Next Practice:

Through its Next Practice stream, the Board continues to support and integrate with the engagement activities of Professionalism Board; increasing BCS relevance to all businesses, with particular focus on new technology/digital, by recognising the impact of changes in terms of standards, data management and professional qualifications. Joint Board driven events on diversity focussing on women in IT and enterprise architecture were hosted as part of a wider range of events to promote best and next practice thinking. These included 'IT Impact' events with influential speakers challenging the status quo of current corporate thinking on *The Power is in Your Hands* and *Data For the Good of Everyone*.

Registration and Standards Committee

Chair: Kevin Baxter

The purpose of Registration and Standards Committee is to exercise the responsibilities of BCS as the regulator for standards developed by BCS for professionals employed in the IT profession and ensure any risks to BCS in this role are mitigated.

During the past year the Committee has:

- Recommended an amendment to the standard for Registered IT Technician to mandate revalidation every three years in order to remain on the register which was approved by Trustee Board.
- Reviewed the regulatory policies covering the award of Chartered IT Professional status and agreed the policies necessary for the regulation of the standard for Registered IT Technician.
- Issued a notice to all awarding bodies following the launch of SFIA version 6 updating the requirement for assessment of Business Skills to include demonstration of ethical thinking alongside innovation and creativity in applying solutions for the benefit of the customer/stakeholder.
- Reviewed the definition of the standard for Chartered IT Professional and agreed that no revisions were needed.

Licence agreements for the award of Chartered IT professional status have been entered into with The Institute of IT professionals New Zealand and AWE plc. These are in addition to the licences already in place with the Irish Computer Society, the IET, and IBM UK Ltd. The Open CITS and Open CA certifications awarded by the Open Group, and CESG Certified Practitioner certifications awarded by BCS, are accredited for partial remission against the criteria for award of CITP.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

Audit and Risk Committee

Vice-President Finance: Michael Cooper

The principal objective of the Audit and Risk Committee (ARC) is to provide additional assurance on the quality and reliability of the financial information used by the Trustee Board and the financial statements issued by the Institute. This includes reviewing the policies and procedures operated for both financial and risk management control. ARC is responsible for:

- Overseeing the audit of the financial statements;
- Reviewing the framework for accountability – including modus operandi of the Boards and Committees, Business Reporting and Budget and Business Planning processes;
- Reviewing the effectiveness of the control environment – both financial and otherwise including risk analysis and risk management;
- Monitoring that the Institute is complying with its aims, objectives and governing instruments and all aspects of the law, relevant regulations and good practice including Charity Commission requirements; and
- Overseeing and coordinating the plan of external independent audit requirements (eg CEng, CSci and Green issues).

During the period, ARC undertook on behalf of Trustee Board a tendering exercise for the reappointment of auditors and after a thorough process ARC recommended the reappointment of the current auditors to both Trustee Board and the forthcoming AGM. It was, as expected, a highly competitive process in which KPMG was considered to be both best fit of resources, experience and knowledge and value for money for the purpose of reappointment.

The policy of Audit and Risk Committee is to undertake an annual review of the performance of the auditors against specific criteria prior to reaching their recommendation for their reappointment.

ARC held four meetings and fulfilled its obligations and responsibilities to Trustee Board including its review of the Risk Register and annual audit meeting with the external auditors.

BCS Council

Chair: Kurt Roosen

Council purpose is primarily to review and comment on the direction of the Institute, with particular focus on strategy and budget. Trustee Board delegates its authority to additional Boards to run the Institute, and Council also engages pro-actively with these Boards. Council also elects the Honorary Officers and other members of Trustee Board. Council represents a collective body of wisdom that can be consulted for the benefit of the Institute, and consists of Members elected from various constituencies from the membership, and the senior officers of the Institute.

During the year, Council has considered a wide range of topics, and has provided comment to Trustee Board on a range of strategic matters. In addition to the regular business of electing Vice-Presidents and Trustees, and reviewing its own methods of communication and collaboration, some of the other major topics of discussion have been:

- a) A major presentation and feedback on a new strategic direction for BCS to commence in the following financial year;
- b) A discussion on the work of Professionalism Board with a particular focus on growing the number of CITP registrants;
- c) A presentation and discussion on apprenticeships and technicians by the President, Jos Creese;
- d) Reviews of the work of the BCS Academy of Computing, focusing on the recent introduction of Computing into the national curriculum; and
- e) An informal debate evening on engaging and growing membership, with a particular emphasis on those early in their career.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

4. FINANCIAL REVIEW (including policy statements)

These financial statements comply with current statutory requirements of the Charity's governing document and with the Statement of Recommended Practice – 'Accounting and Reporting by Charities' (SORP 2005).

During the period, the Group operating activities from unrestricted funds had net incoming resources of £2,477,000 (2014: £362,000).

A summary of the key highlights are noted in the Group Chief Executive's Report on page 5.

BCS Learning & Development Limited (BCS L&D) continued to perform well in 2014/15 to achieve a surplus of £1,653,000 (2014: £323,000). There has been a significant increase of 36% in income during the year to £22.9m (2014: £16.8m) due to the successful execution of sales and product enablement strategies. There remains a significant focus on the digitisation of all services, and reorganising services to enable agile response to market conditions. In support of this strategy the trade, assets and liabilities of Activ Training Limited, a wholly owned subsidiary of BCS, the Chartered Institute for IT, were transferred to BCS L&D on 31 August 2015 to enable the streamlining of both product and customer services (see note 9c).

In addition to operating activity, there was an increase during the year in restricted funds of £394,000 (2014: £1,204,000) which is outlined in note 14 to the financial statements.

We are maintaining the strong financial position and operating performance that is necessary to support the ambitious and realistic programme of change and are continuing to operate sound financial management disciplines and procedures. This has provided a stable platform in previous years and the Institute is confident it has established the appropriate business plans to maintain this success in the future.

Reserves Policy

The consolidated total reserves of the Institute are represented by general and restricted funds. The basis of the restricted fund is described in note 14 of the financial statements.

The current level of consolidated "free reserves" which consists of the general funds represents approximately four months' operating costs which is within the three to nine month target range monitored on an annual basis. The consolidated free reserves in 2015 is £10,283,000 (2014: £7,806,000).

The Institute operates the policy of maintaining the self-financing nature of its core activities and the retention of adequate accumulated general funds to ensure efficient operations and provide financial stability for future development.

The movement and description of the restricted fund is included in note 14 of the financial statements.

Risk Management Policy

The Trustee Board is responsible for the management of risks faced by the Institute. Detailed reviews of the effectiveness of the control environment for both financial and non-financial risks are delegated to all Boards and in particular the Group Audit and Risk Committee (ARC), who are assisted by the Senior Staff Management team. Risks are identified, assessed and control effectiveness is measured on a regular basis. Additionally, a formal review of the risk management processes of the Institute is undertaken on an annual basis.

The key controls of the Institute include:

- Formal structure and agendas for Trustee Board, Council, Boards and Committees governed in line with detailed terms of reference.
- Specific support to the Trustees from the Audit and Risk Committee.
- Comprehensive business planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies including delegated approval and authorisation procedures.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

Through the risk management process of the Institute, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable assurance that major risks have been adequately managed.

Investment Policy

The Institute has continued the policy of recent years to hold surplus cash as bank deposits and has not invested in higher risk equity investments. The Trustees have adopted this approach, given both the short and medium term requirements for the use of these funds, and the current economic volatility and uncertainties. Accordingly, the Institute is not exposed to any equity investment risk. The Institute reviews the continuance of this policy as part of its routine business processes.

People with Disabilities

It is the policy of the Institute to encourage the employment and development of suitable people with disabilities. No unnecessary limitations are placed on the type of work that they perform and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working practices. Full and fair consideration will be given to applicants with disabilities for employment and existing employees who become disabled will have the opportunity to retrain and continue in employment.

Employee Involvement

The Institute is committed to informing and consulting with its employees. There are dedicated forums which directly encourage employee involvement in the performance of the charity. Periodic internal staff events raise awareness of the financial and economic factors which the charity faces. There is also an annual staff satisfaction survey.

The Institute's aim is to fit the qualifications, aptitude and ability of all Members of staff and applicants for employment to the appropriate job and to provide equal opportunity regardless of sex, religion and ethnic origin.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

A list of the members of the Trustee Board, all of whom are the Trustees of the Institute is included on page 1.

The constitution of Trustee Board is:

- President
- Deputy President
- Immediate Past President
- Up to nine Vice-Presidents
- Chair of Council
- Four elected members of Council

Council provides support to the Trustee Board in an advisory capacity and elects the appointment of Honorary Officers. Trustees are elected to office in accordance with the Bye-laws by the Professional Membership and by Council itself. On election, Trustees are provided with both guidance on the structure of the Institute, and duties of Trustees, through induction training and more formal training events for all Trustees are held throughout the year as necessary. Trustees are precluded from receiving remuneration from the Institute except when acting as examiner for professional exams.

Trustee Board delegates much of the strategic work of the Institute's key activities to Boards and Committees. Each Board is normally chaired by a Vice-President, and also includes a senior member of HQ staff appointed by the Group Chief Executive. The Boards adopt and progress programmes of work in their respective areas to meet the Institute objectives.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

Attendance at the eight Trustee Board meetings during the year was as follows:

Trustee	Attendance	
	Eligible	Present
Roger Marshall	5	5
Liz Bacon	8	7
Michael Cooper	8	8
Iain Thompson	8	8
Tom Abram	8	8
Chris Andrews	8	8
Tom Crick	8	6
James Davenport	8	7
Roger Johnson	6	6
Maggie Kneller	5	4
Jos Creese	8	6
Jim Norton	8	6
Rebecca George	8	5
Paul Martynenko	8	7
Jeff Magee	8	3
Ray Long	3	3
Kurt Roosen	2	1
Daniel Copleston	2	2
Margaret Ross	2	2

KEY BOARDS AND COMMITTEES OF TRUSTEE BOARD

BCS Academy of Computing	Promoting the creation, study and application of knowledge in computing in collaboration with other key bodies
Membership Board	Strategic oversight of all aspects of membership including application, recruitment, retention, Member benefits and communications: broadening the membership in all areas of activity in IT and computing
Professionalism Board	Oversee the Institute's strategy to increase value and respect for the IT profession through excellence in standards and delivery
Policy and Public Affairs Board	Oversee the fulfilment of the BCS mission in areas of externally-facing policy affecting the profession and wider society
Registrations and Standards Committee	To exercise the responsibilities of BCS as the regulator for standards developed by BCS for professionals employed in the IT profession
Group Audit and Risk Committee	Review of audit processes and risk management

The Executive Management team is detailed on page 1.

The administration of the Institute is undertaken by a full-time executive staff based at the registered office in Swindon. Although the Institute's operations have a full time staff, as mentioned in the President's Message, the Institute benefits from the significant input and contribution of its Honorary Officers and volunteers. However, it is not considered practical to include an estimate of this time due to the nature and variety of the contribution by volunteers to the various Boards, Committees, Specialist Groups and Branches.

The Institute also maintains offices in London, which are used primarily for meetings.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

The AGM was held in March 2015 and the following business was conducted:

- Adoption of the Trustees' Report and the Financial Statements for the year ended 31 August 2014.
- Reappointment of KPMG LLP as auditors.

Bankers

Lloyds TSB Bank Plc in Barnwood 1, Barnett Way, Gloucester GL4 3RL.

Legal Advisers

Charles Russell Speechlys Solicitors of 5 Fleet Place, London EC4M 7RD.

Auditors

A resolution for the reappointment of KPMG LLP, 100 Temple Street, Bristol BS1 6AG as auditors of the Institute is to be proposed at the forthcoming Annual General Meeting.

Registered Office

The registered office of the Institute is First Floor, Block D, North Star House, North Star Avenue, Swindon SN2 1FA

Relationships with Related Parties

Relationships with related parties are detailed in note 18 and note 19 to the financial statements.

Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each Trustee has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

TRUSTEES' REPORT (continued)

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the Financial Statements

Under the Bye-laws of the Institute and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare Financial Statements for each financial year.

The group and charity's Financial Statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the group's excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- state whether the financial statements comply with the Royal Charter and Bye-laws, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The Trustees are required to act in accordance with the Royal Charter and Bye-laws of the Institute, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

By order of the Board

Jos Creese FBCS
Chair of Trustee Board
25 November 2015

Independent auditor's report to the Trustees of BCS, The Chartered Institute for IT

We have audited the group and charity financial statements (the 'financial statements') of BCS, The Chartered Institute for IT, for the year ended 31 August 2015 set out on pages 20 to 39. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Charity's affairs as at 31 August 2015 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Emma Holiday
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

100 Temple Street, Bristol BS1 6AG

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 11 December 2015

BCS, The Chartered Institute for IT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2015

	Notes	General Fund £000	Restricted Fund £000	Total 2015 £000	Total 2014 £000
Incoming Resources					
Incoming resources from generated funds:					
Investment income	7	83	-	83	113
Incoming resources from charitable activities:					
Membership and Other Professional Programmes	3 (a)	7,058	3,287	10,345	8,684
Qualifications and Examination Programmes	3 (b)	23,853	-	23,853	17,727
Publications	3 (c)	808	-	808	708
Other incoming resources:					
Other income	5 (b)	378	-	378	152
		<u>32,180</u>	<u>3,287</u>	<u>35,467</u>	<u>27,384</u>
Less: income of joint venture (included above)	3 (c)	(302)	-	(302)	(247)
Total incoming resources		<u>31,878</u>	<u>3,287</u>	<u>35,165</u>	<u>27,137</u>
Resources expended					
Charitable activities:					
Membership and Other Professional Programmes	3 (a)	6,958	2,893	9,851	7,412
Qualifications and Examination Programmes	3 (b)	21,776	-	21,776	17,322
Publications	3 (c)	328	-	328	438
Governance costs:					
Governance costs	3(d),4	448	-	448	453
Less: costs of joint venture (included above)	3 (c)	(3)	-	(3)	(4)
Total resources expended		<u>29,507</u>	<u>2,893</u>	<u>32,400</u>	<u>25,621</u>
Net incoming resources before goodwill	5 (a)	2,371	394	2,765	1,516
Goodwill amortised		<u>(193)</u>	<u>-</u>	<u>(193)</u>	<u>(193)</u>
Net incoming resources after goodwill		2,178	394	2,572	1,323
Net share of results of joint venture	3 (c)	<u>299</u>	<u>-</u>	<u>299</u>	<u>243</u>
Net incoming resources		<u>2,477</u>	<u>394</u>	<u>2,871</u>	<u>1,566</u>
Reconciliation of funds					
Total funds brought forward		<u>7,806</u>	<u>1,204</u>	<u>9,010</u>	<u>7,444</u>
Total funds carried forward	14	<u>10,283</u>	<u>1,598</u>	<u>11,881</u>	<u>9,010</u>

All results arose from continuing activities.

There is no material difference between the Group results as reported and on an unmodified historical cost basis. Accordingly, no note of historical cost income and expenditure is included.

The Group has no recognised gains or losses other than the net movement in funds for the period.

BCS, The Chartered Institute for IT

BALANCE SHEETS

at 31 August 2015

	Notes	Group 2015 £000	Institute 2015 £000	Group 2014 £000	Institute 2014 £000
Fixed assets					
Tangible assets	9(a)	238	221	352	285
Intangible assets	9(b)	2,746	-	2,775	-
Investments	9(c)	1	4,396	1	4,396
		<u>2,985</u>	<u>4,617</u>	<u>3,128</u>	<u>4,681</u>
Current assets					
Debtors	10	4,868	4,925	6,088	3,841
Cash at bank – current holdings		3,169	1,063	2,848	1,514
– held on deposit		10,396	8,535	5,519	5,020
		<u>18,433</u>	<u>14,523</u>	<u>14,455</u>	<u>10,375</u>
Creditors: amounts falling due within one year	11	(8,918)	(5,423)	(7,954)	(4,957)
		<u>9,515</u>	<u>9,100</u>	<u>6,501</u>	<u>5,418</u>
Net current assets					
		<u>9,515</u>	<u>9,100</u>	<u>6,501</u>	<u>5,418</u>
Total assets less current liabilities		<u>12,500</u>	<u>13,717</u>	<u>9,629</u>	<u>10,099</u>
Provisions for liabilities	13	(619)	(519)	(619)	(519)
		<u>11,881</u>	<u>13,198</u>	<u>9,010</u>	<u>9,580</u>
Net assets					
		<u>11,881</u>	<u>13,198</u>	<u>9,010</u>	<u>9,580</u>
Funds					
General fund	14	10,283	11,600	7,806	8,376
Restricted fund	14	1,598	1,598	1,204	1,204
		<u>11,881</u>	<u>13,198</u>	<u>9,010</u>	<u>9,580</u>

The notes on pages 24 to 39 form part of these financial statements

These financial statements were approved by Trustee Board on 25 November 2015 and signed on its behalf by:

J Creese
President: 2015-16

M V Cooper
Vice-President Finance

P Fletcher
Group Chief Executive

BCS, The Chartered Institute for IT

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 August 2015

	Notes	2015 £000	2014 £000
Cash flow from operating activities	(a)	5,162	1,237
Returns on investments and servicing of finance			
Investment income		83	113
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(159)	(352)
Purchase of intangible fixed assets		(187)	-
Income receivable from joint venture		299	243
Net cash outflow from capital expenditure and financial investment		(47)	(109)
Cash inflow before management of liquid resources		5,198	1,241
Net (increase)/decrease in short term deposits	(b)	(4,877)	536
Increase in cash in the year	(b)	321	1,777
Reconciliation of net cash flow to movement in net funds			
		2015 £000	2014 £000
Increase in cash in the year		321	1,777
Cash outflow/(inflow) from increase/(decrease) in liquid resources		4,877	(536)
Movement in net funds in the year		5,198	1,241
Net funds at the start of the year	(b)	8,367	7,126
Net funds at the end of the year	(b)	13,565	8,367

BCS, The Chartered Institute for IT

Consolidated Cash Flow Statement (continued)

(a) Reconciliation of changes in resources to cash flow from operating activities

	2015	2014
	£000	£000
Net incoming resources before interest in joint ventures	2,572	1,323
Investment Income	(83)	(113)
	2,489	1,210
Depreciation	273	368
Amortisation	216	193
Decrease/(increase) in debtors	1,220	(2,588)
Increase in creditors	964	1,828
Increase in provisions	-	219
Loss on disposal of fixed asset	-	7
Net cash inflow from operating activities	5,162	1,237

(b) Analysis of changes in net funds

	At 1 September 2014	Cash flow	At 31 August 2015
	£000	£000	£000
Cash at bank and in hand	2,848	321	3,169
Cash held on deposit	5,519	4,877	10,396
Total net funds	8,367	5,198	13,565

BCS, The Chartered Institute for IT

NOTES *(forming part of the financial statements)*

1 Status of the Institute

The Institute is incorporated by Royal Charter and is a registered charity.

2 Accounting policies

The following accounting policies have been applied consistently with the items which are considered material in relation to the Institute's financial statements.

Basis of preparation

These statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. They have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, and the Institute's Bye-laws. The Institute is a going concern and the current business plan forecasts a continuation of the Institute's current operations for the foreseeable future.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the Institute and its subsidiaries, BCS Learning & Development Limited, Information Systems Examinations Board Limited (ISEB), BCS ITEXT Limited, CMA, i-2-K Limited, Activ Training Limited, and The Institute for the Management of Information Systems for the year ended 31 August 2015.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal. The results of the Institute and its subsidiaries are consolidated on a line by line basis.

An associate is an undertaking in which the Group has a long-term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and joint ventures is included in the consolidated statement of financial activities and its interest in their net assets is included in investments in the consolidated balance sheet.

The consolidated financial statements account for ITEXT Limited as a joint venture.

The Bye-laws require the Institute to prepare financial statements in accordance with the Companies Act. The Institute has taken advantage of Section 408 of the Companies Act 2006 and paragraph 397 of the SORP whereby it is not required to prepare a Statement of Financial Activities for the Institute since a consolidated Statement of Financial Activities is prepared.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, which ranges from two to twenty years based on the Trustees' assessment of useful economic life.

Fund accounting

General funds comprise accumulated unrestricted surpluses and deficits on general funds and are available for use at the discretion of the Trustees in furtherance of the objects of the Institute.

Restricted funds are funds subject to specific instructions by the donor, but still within the objects of the Institute.

BCS, The Chartered Institute for IT

NOTES (continued)

Incoming resources

Incoming resources are reported gross and the Statement of Financial Activities recognises all incoming resources receivable during the period after adjustments for any deferred income which is included in the balance sheet as creditors.

Investment income is recognised on a receivable basis.

The Institute receives income from candidates at the time of registering for the ECDL. Income is recognised at this point. Costs are accrued to match future costs which the Institute is contracted to incur in respect of issuing the certificate to successful candidates. The accrual is calculated statistically on the basis of historic information of candidate completion rates.

Examinations income is recognised when candidates sit examinations.

Event income is recognised when the course or event is run. Income received in advance of the course or event dates is deferred and included in creditors on the balance sheet.

Membership subscription income is accounted on a receivable basis and represents only that part of the subscription which relates to the financial year in which it is paid, the balance is included in deferred income in creditors on the balance sheet and released in the period to which it relates.

Life membership is accounted for on a receivable basis and released into the Statement of Financial Activities over ten years. The balance is included in creditors and carried forward to future years.

The four subsidiary companies, BCS Learning & Development Limited (BCS L&D), Communications Management Association (CMA), Institute for the Management of Information Systems (IMIS) and Activ Training Limited all provide goods and services. The income for these goods and services are recognised at the time goods and services are delivered.

Resources expended

Resources expended are shown gross and an accrual adjustment has been made for all known liabilities at the year end.

Charitable activities include expenditure associated with professional programmes, events, meetings and special projects and publications. The costs are incurred by the Institute, Specialist Groups and Branches and include both direct and indirect costs relating to these activities.

Direct costs are allocated on an actual basis to the relevant expense heading.

Governance costs include those costs incurred in the governance of the Institute and its assets and are primarily associated with constitutional and statutory requirements. Support costs/central overheads are reallocated to the relevant expense heading on the basis of staff numbers engaged in the relevant activity.

Provisions for liabilities

A provision has been made for the estimate of costs for dilapidations which will be required at the end of the lease which has been capitalised in accordance with FRS15 and will be depreciated over the life of the lease to the Statement of Financial Activities.

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Statement of Financial Activities.

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NOTES (continued)

Research and Development

Expenditure on research is written off to the profit and loss account in the year in which it is incurred.

Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources exist to enable the project to be completed. This development expenditure is written off to the profit and loss account over a two year period from the date of completion of the project.

Taxation

The Institute, as a registered charity is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the period.

The profits of the non-charitable subsidiaries are normally gift aided to the parent Charity and any profit remaining is subject to a taxation charge. The charge for taxation is based on the result for the period. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Operating leases

The cost of operating leases is charged to the Statement of Financial Activities over the period to which they relate.

Fixed Assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The de-minimus capitalisation limit is £500. A provision is made for depreciation at a rate based on the estimated useful life of each class of asset. The rates currently in use are as follows:

Office and computer equipment	–	25% - 33% per annum on cost
Fixtures & fittings	–	10% per annum on cost
Short leasehold improvements	–	over the period of the lease

Investments

Investments in subsidiary, associate and joint venture undertakings are carried in the balance sheet of the Institute at cost, less any provisions for diminution in value.

Pensions

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

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NOTES (continued)

3 Incoming resources and resources expended

	Income	Staff costs	Other direct costs	Support Costs	Charitable expenditure	Surplus/ (deficit) 2015	Surplus/ (deficit) 2014
	£000	£000	£000	£000	£000	£000	£000
3 (a) Membership and Other Professional Programmes							
Membership	6,393	1,503	1,487	1,542	4,532	1,861	1,755
Member Groups	236	207	531	322	1,060	(824)	(717)
BCS Academy/Education	295	369	234	450	1,053	(758)	(704)
Corporate Events	134	103	114	96	313	(179)	(266)
	<u>7,058</u>	<u>2,182</u>	<u>2,366</u>	<u>2,410</u>	<u>6,958</u>	<u>100</u>	<u>68</u>
Government Grants	3,287	208	2,685	-	2,893	394	1,204
	<u>10,345</u>	<u>2,390</u>	<u>5,051</u>	<u>2,410</u>	<u>9,851</u>	<u>494</u>	<u>1,272</u>
3 (b) Qualifications and Examination Programmes	<u>23,853</u>	<u>3,698</u>	<u>12,987</u>	<u>5,091</u>	<u>21,776</u>	<u>2,077</u>	<u>405</u>
3 (c) Publications							
Journals and books	506	-	225	100	325	181	27
Share of joint venture	302	-	-	3	3	299	243
	<u>808</u>	<u>-</u>	<u>225</u>	<u>103</u>	<u>328</u>	<u>480</u>	<u>270</u>
3 (d) Other expenditure							
Governance (note 4)	-	4,184	3,865	(7,601)	448	(448)	(453)
Total expenditure 2015		<u>10,272</u>	<u>22,128</u>				
Total expenditure 2014		<u>9,389</u>	<u>16,284</u>				

Membership income comprises:

	2015 £000	2014 £000
Membership Subscriptions:		
Subscriptions received during the year	6,072	5,916
Adjustments for subscriptions received in advance	11	(321)
Net subscription income	<u>6,083</u>	<u>5,595</u>
Engineering Council	184	174
Other	126	185
	<u>6,393</u>	<u>5,954</u>

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NOTES (continued)

4 Support Costs Allocation

	Staff Costs £000	Direct Costs £000	2015 Total £000	2014 Total £000
IT	912	647	1,559	1,294
Finance & Administration, HR and Legal	769	1,139	1,908	1,739
Premises	225	1,230	1,455	1,443
Offices Supplies and Equipment	-	85	85	85
Depreciation	-	223	223	328
Secretariat	192	92	284	256
General and Administration	2,086	449	2,535	1,466
	<u>4,184</u>	<u>3,865</u>	<u>8,049</u>	<u>6,611</u>
Allocation to individual Charitable Activities	(3,885)	(3,716)	(7,601)	(6,158)
	<u>299</u>	<u>149</u>	<u>448</u>	<u>453</u>
Governance Costs				
	<u>299</u>	<u>149</u>	<u>448</u>	<u>453</u>
Governance costs comprise:				
Secretariat	192	92	284	256
Audit	-	56	56	66
Governance legal costs	-	(8)	(8)	25
Apportionment of Directorate	107	9	116	106
	<u>299</u>	<u>149</u>	<u>448</u>	<u>453</u>

Cost allocation includes an element of judgement and the Institute has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the period. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

The above total support costs have been allocated to individual charitable activities on the basis of staff numbers engaged in the relevant activity as shown in note 3.

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NOTES (continued)

5 (a) Net outgoing resources

	2015 £000	2014 £000
<i>Net outgoing resources are stated after charging:</i>		
Audit of these financial statements	23	24
Amounts receivable by the auditor and its associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	33	42
Other services relating to taxation	10	7
All other services	2	5
Depreciation and other amounts written off owned tangible fixed assets	273	368
Amortisation of intangible assets	23	-
Amortisation of goodwill	193	193
Hire of assets under operating leases	880	798
<i>and after crediting:</i>		
Rent receivable	(64)	(56)

5 (b) Other income

	2015 £000	2014 £000
Miscellaneous income	378	152

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 240 (2014: 251). The aggregate payroll costs of these persons were as follows:

	2015 £000	2014 £000
Wages and salaries	9,001	8,226
Social security costs	902	808
Other pension costs (see note 17)	369	355
	10,272	9,389

Remuneration of Trustees

No Trustees have received any form of remuneration for their services provided to the Institute or its subsidiary undertakings. During the year 13 Trustees (2014: 12) were reimbursed for expenses of £27,628 (2014: £16,267) incurred for undertaking their duties and attending meetings on behalf of the Institute.

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NOTES (continued)

Employees

The number of employees whose emoluments for the period fell within each of the following bands is as follows:

	Total	2015 Institute	L&D	Total	2014 Institute	L&D
£380,000 – 389,999	1	-	1	-	-	-
£290,000 – 299,999	1	1	-	-	-	-
£240,000 – 249,999	-	-	-	1	1	-
£220,000 – 229,999	-	-	-	-	-	-
£210,000 – 219,999	2	1	1	-	-	-
£180,000 – 189,999	1	-	1	1	1	-
£130,000 – 139,999	1	-	1	-	-	-
£120,000 – 129,999	1	1	-	-	-	-
£110,000 – 119,999	3	2	1	-	-	-
£100,000 – 109,999	1	1	-	1	1	-
£90,000 – 99,999	-	-	-	3	2	1
£80,000 – 89,999	-	-	-	1	-	1
£70,000 – 79,999	6	1	5	3	1	2
£60,000 – 69,999	6	4	2	5	3	2

The above analysis of emoluments excludes pension contributions of £108,482 (2014: £78,318) in respect of 23 (2014: 13) employees.

7 Investment income

	2015 £000	2014 £000
Interest receivable on bank balances	<u>83</u>	<u>113</u>

8 Taxation

There is no UK corporation tax due for the period (2014: £nil). The Institute, as a registered charity is exempt from taxation on its income and gains falling within section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the period.

No tax is payable by its subsidiaries as any profits are gifted to the Charity.

There is no provided or unprovided deferred taxation for the period (2014: £nil).

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NOTES (continued)

9 Fixed assets

(a) *Tangible fixed assets:*

<u>Group</u>	Short leasehold improvements	Office and computer equipment	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 September 2014	1,877	362	482	2,721
Additions	-	146	13	159
Disposals	(459)	(93)	(165)	(717)
At 31 August 2015	1,418	415	330	2,163
Depreciation				
At 1 September 2014	1,707	315	347	2,369
Charged for year	143	102	28	273
On disposals	(507)	(82)	(128)	(717)
At 31 August 2015	1,343	335	247	1,925
Net book value				
At 31 August 2015	75	80	83	238
At 31 August 2014	170	47	135	352
<u>Institute</u>	Short leasehold improvements	Office and computer equipment	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost				
At 1 September 2014	1,777	284	481	2,542
Additions	-	146	13	159
Disposals	(459)	(93)	(165)	(717)
At 31 August 2015	1,318	337	329	1,984
Depreciation				
At 1 September 2014	1,674	237	346	2,257
Charged for year	93	102	28	223
On disposals	(507)	(82)	(128)	(717)
At 31 August 2015	1,260	257	246	1,763
Net book value				
At 31 August 2015	58	80	83	221
At 31 August 2014	103	47	135	285

The fixed assets are held for charitable activities.

BCS, The Chartered Institute for IT

NOTES (continued)

(b) *Intangible fixed assets:*

<u>Group</u>	Goodwill £000	Product Development £000	Total £000
Cost			
At 1 September 2014	4,452	-	4,452
Additions	-	187	187
At 31 August 2015	4,452	187	4,639
Amortisation			
At 1 September 2014	1,677	-	1,677
Charged in year	193	23	216
At 31 August 2015	1,870	23	1,893
Net book value			
At 31 August 2015	2,582	164	2,746
At 1 September 2014	2,775	-	2,775

(c) *Investments:*

	Shares in group undertaking £000	Participating interests £000	Total £000
<u>Institute</u>			
At 1 September 2014	4,395	1	4,396
Additions	-	-	-
At 31 August 2015	4,395	1	4,396

During the year, the trade and net liabilities of Activ Training Limited were transferred to BCS L&D Limited at their book value which was less than their fair value. The cost of the company's investment in Activ Training Limited reflected the underlying fair value of its net liabilities and goodwill at the time of acquisition. As a result of this transfer, the value of the company's investment in Activ Training Limited fell below the amount at which it was stated in the company's accounting records. The Charities SORP 2005 requires that the investment be written down accordingly and that the amount be charged as a loss in the Institute's Statement of Financial Activities. However, the Trustees consider that, as there has been no overall loss to the Institute, it would fail to give a true and fair view to charge that diminution to the Institute's Statement of Financial Activities for the year and it should instead be re-allocated to the investment in BCS L&D Ltd, so as to recognise in the Institute's individual balance sheet the effective cost to the Institute of that investment. The effect of this departure is to increase the Institute's net incoming resources for the financial year by £4,344,000 and to increase the value of investments by £4,344,000 in the Institute's balance sheet. The consolidated financial statements are not affected by this transfer.

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NOTES (continued)

The undertakings in which the Institute's interest at the period end is more than 20% are as follows:

	Country of incorporation	Principal activity	Direct/ Indirect	Class and percentage of shares held
Subsidiary undertakings				
Activ Training Limited	England and Wales	Software Training Services	Direct	100% of ordinary shares
BCS Learning & Development Limited	England and Wales	Publications, Conferences & Consultancy	Direct	100% of ordinary shares
Institute for the Management of Information Systems	England and Wales	Examinations & Standards	Direct	100% limited by guarantee
BCS ITEXT Limited	England and Wales	Dormant	Direct	100% of ordinary shares
Information Systems Examination Board Limited	England and Wales	Dormant	Indirect	100% limited by guarantee
i-2-K Limited	England and Wales	Dormant	Direct	100% of ordinary shares
Communications Management Association	England and Wales	Dormant	Direct	100% limited by guarantee
Institute for Communications Arbitration and Forensics	England and Wales	Dormant	Indirect	100% limited by guarantee
ICAF Limited	England and Wales	Dormant	Indirect	100% of ordinary shares
Associated undertakings – joint ventures				
ITEXT Limited	England and Wales	Production of Publications	Direct	50% of ordinary shares & 100% of preference shares
Activ Educate Limited	England and Wales	E-learning Software	Indirect	50% of ordinary shares
Associated undertakings – associates				
SFIA Foundation	England and Wales	Skills Framework	Direct	20% limited by guarantee
The Institute holds the following other investments:				
European Computer Driving Licence Foundation (ECDL-F)	Ireland	IT Examinations Licensing Body	Direct	3% limited by guarantee

The amounts included in respect of joint ventures/associates comprise the following:

Group

Joint venture/associates	2015 £000	2014 £000
Investment in joint venture:		
– share of gross assets	3	3
– share of gross liabilities	(2)	(2)
	<u>1</u>	<u>1</u>

BCS, The Chartered Institute for IT

NOTES (continued)

10 Debtors

	Group 2015 £000	Institute 2015 £000	Group 2014 £000	Institute 2014 £000
Trade debtors	3,552	257	4,004	773
Prepayments and other debtors	1,316	881	2,084	1,355
Amounts owed by group undertakings	-	3,787	-	1,713
	4,868	4,925	6,088	3,841

11 Creditors

	Group 2015 £000	Institute 2015 £000	Group 2014 £000	Institute 2014 £000
Trade creditors	2,138	880	2,049	856
Other creditors	734	400	595	184
Accruals	2,116	686	1,461	603
Deferred income (note 12)	3,930	3,437	3,849	3,311
Amounts owed to group undertakings	-	20	-	3
	8,918	5,423	7,954	4,957

12 Deferred income

Deferred income comprises advance income for extended membership periods including life membership, sales of consultancy and training examination regulations for which the relevant service income has yet to be earned at the year end.

Group

	Events Income £000	Life Membership £000	Annual Membership £000	Examinations Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2014	88	117	3,106	260	278	3,849
Amounts released to incoming resources	(88)	(21)	(2,973)	(260)	(278)	(3,620)
Amount deferred in year	71	54	3,083	209	284	3,701
Balance at 31 August 2015	71	150	3,216	209	284	3,930

BCS, The Chartered Institute for IT

NOTES (continued)

<u>Institute</u>	Events Income £000	Life Membership £000	Annual Membership £000	Examinations Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2014	88	117	3,106	-	-	3,311
Amounts released to incoming resources	(88)	(21)	(2,973)	-	-	(3,082)
Amount deferred in year	71	54	3,083	-	-	3,208
Balance at 31 August 2015	71	150	3,216	-	-	3,437

13 Provisions for liabilities

<u>Group</u>	Dilapidation provision £000
Balance at 1 September 2014	619
Increase in provision	-
Balance at 31 August 2015	619

<u>Institute</u>	Dilapidation provision £000
Balance at 1 September 2014	519
Increase in provision	-
Balance at 31 August 2015	519

The dilapidation provision relates to the leasehold properties held by the Institute and is the Trustees best estimate of the cost of the work which it is required to perform either during or at the end of the lease.

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NOTES (continued)

14 Funds

	2014	Incoming Resources	Outgoing Resources	Net share of results of joint ventures	2015
	£000	£000	£000	£000	£000
<u>Group</u>					
General Fund	7,806	31,878	(29,700)	299	10,283
Restricted Fund					
- Network of Teaching Excellence	694	1,044	(981)	-	757
- Scottish CPD	-	247	(200)	-	47
- Computing at Schools	77	340	(57)	-	360
- Countdown to Computing	110	399	(336)	-	173
- Barefoot Computing	304	793	(868)	-	229
- Digital Education Scotland	10	50	(60)	-	-
- Scholarship Scheme	9	72	(52)	-	29
- Gatsby Foundation	-	342	(339)	-	3
Total Funds	1,204	3,287	(2,893)	-	1,598
	9,010	35,165	(32,593)	299	11,881
<u>Institute</u>					
General Fund	8,376	10,630	(7,406)	-	11,600
Restricted Fund					
- Network of Teaching Excellence	694	1,044	(981)	-	757
- Scottish CPD	-	247	(200)	-	47
- Computing at Schools	77	340	(57)	-	360
- Countdown to Computing	110	399	(336)	-	173
- Barefoot Computing	304	793	(868)	-	229
- Digital Education Scotland	10	50	(60)	-	-
- Scholarship Scheme	9	72	(52)	-	29
- Gatsby Foundation	-	342	(339)	-	3
	1,204	3,287	(2,893)	-	1,598
Total Funds	9,580	13,917	(10,299)	-	13,198

The restricted fund relates to the government grants received under the Network of Teaching Excellence, Scottish CPD, Computing at Schools, Countdown to Computing, Barefoot Computing, Digital Education Scotland, Computer Science Teaching Scholarship and Gatsby Foundation schemes.

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NOTES (continued)

15 Operating leases

In the following accounting period the Group and Institute are committed to the following payments in respect of operating leases:

	2015		2014	
	Land & Buildings £000	Other £000	Land & Buildings £000	Other £000
Expiring within 1 year	8	5	-	21
Expiring within 2 to 5 years inclusive	-	23	25	9
Expiring after more than 5 years	763	-	338	-
	<u>771</u>	<u>28</u>	<u>363</u>	<u>30</u>

16 Capital commitments

There were no capital commitments at 31 August 2014 and 2015.

17 Pensions

The Group operates two pension schemes arranged through Standard Life and Scottish Widows. Both schemes invest contributions individually in the name of each scheme member. Members receive individual valuations of their own fund on an annual basis.

The Standard Life scheme is a defined contribution arrangement to which the member and the employer contribute 2 - 9% of scheme earnings. The Group recognises the cost of contributions when they fall due. The pension costs charge for the period represents contributions by the Institute to the fund and amount to £369,000 (2014: £355,000). There are no outstanding or prepaid contributions at the balance sheet date.

The Scottish Widows scheme is closed to new members and there are no current employees contributing to the scheme.

18 Related party disclosures

The transactions between the Institute and ITEXT Limited, the joint venture referred to in note 9, are as follows:

- The Institute received income during the period of £299,177 (2014: £242,988) being the covenanted 50% share of the pre-tax profits of ITEXT Limited and £20,000 (2014: £20,000) rental income;
- The Institute purchased publications of £136,368 (2014: £131,971) from ITEXT Limited.

The transactions between the Institute and BCS L&D Limited are as follows:

- The Institute received income during the period of £22,085 (2014: £50,389) being the interest due on the loan from the Institute to BCS L&D Limited.

19 Operating results of subsidiary undertakings

Institute for the Management of Information Systems

On 5 June 2013, the Institute acquired controlling interest in The Institute for the Management of Information Systems (IMIS). IMIS is a registered charity (number 291495) and a company limited by guarantee. Its objectives are to advance the interests of the data processing profession and its members.

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NOTES (continued)

A summary of its trading results is shown below:

	2015 £000	2014 £000
Statement of financial activities		
Incoming resources	103	170
Resources expended	(105)	(176)
Interest receivable	1	4
Net movement of funds	(1)	(2)

The assets and liabilities of the subsidiary were:

Fixed assets	-	-
Current assets	407	531
Creditors amounts falling due within one year	(33)	(156)
Total net assets	374	375
Reserves	374	375

Activ Training Limited

The wholly-owned trading subsidiary Activ Training Limited, which is incorporated in the United Kingdom, pays its profits to the Institute by gift aid. Activ Training Limited undertakes software training services. The Institute owns the entire issued share capital of 1,070 ordinary shares of £1 each. A summary of the trading results is shown below:

	2015 £000	2014 £000
Summary profit and loss account		
Turnover	2,122	1,596
Cost of sales and overheads	(980)	(1,333)
Development costs	(271)	(73)
Interest receivable	2	2
Net profit	873	192

The amount of gift aid to the Institute in 2014/15 was £1,426,562 (2013/14 £192,406).

The assets and liabilities of the subsidiary were:

Fixed assets	-	67
Current assets	1,624	1,004
Creditors: amounts falling due within one year	(1,508)	(399)
Provisions for liabilities	(100)	(103)
Total net assets	16	569
Aggregate share capital and reserves	16	569

BCS, The Chartered Institute for IT

NOTES (continued)

BCS Learning & Development Limited

The wholly-owned trading subsidiary BCS Learning & Development Limited (BCS L&D), which is incorporated in the United Kingdom, pays its profits to the Institute by gift aid. From 1 September 2012, BCS L&D undertakes qualifications and publications activities on behalf of the Institute. The Institute owns the entire issued share capital of fifty thousand ordinary shares of £1 each. A summary of the trading results is shown below:

	2015	2014
	£000	£000
Summary profit and loss account		
Turnover	22,935	16,811
Cost of sales and administrative expenses	(21,260)	(16,434)
Interest paid	(22)	(54)
Net profit	1,653	323

The amount of gift aid to the Institute in 2014/15 was £1,653,163 (2013/14 £322,689).

The assets and liabilities of the subsidiary were:

Fixed Assets	181	-
Current assets	5,887	4,450
Creditors: amounts falling due within one year	(5,962)	(4,344)
Total net assets	106	106
Aggregate share capital and reserves	106	106

21 Financial activities of the charity

A summary of the financial activities undertaken by the Institute is set out below:

	2015	2014
	£000	£000
Gross incoming resources	13,837	9,527
Total expenditure on charitable activities	(6,958)	(6,661)
Restricted fund expenditure	(2,893)	(751)
Governance costs	(448)	(453)
Investment income	80	106
Net incoming resources	3,618	1,768
Total funds brought forward	9,580	7,812
Total funds carried forward	13,198	9,580
Represented by:		
General fund	11,600	8,376
Restricted fund	1,598	1,204
	13,198	9,580