

BCS, The Chartered Institute for IT

Annual Report and Consolidated Financial Statements

Year ended 31 August 2014

Registered charity number 292786

BCS, The Chartered Institute for IT

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BCS, The Chartered Institute for IT

OFFICERS, DISTINGUISHED FELLOWS AND EXECUTIVES

PATRON: HRH The Duke of Kent KG

TRUSTEE BOARD (and Members of Council)

President - E A Bacon CEng CSci FBCS CITP

Deputy President - J Creese FBCS

Immediate Past President - R Marshall FBCS CITP

Vice-Presidents

T Abram FBCS CITP

M V Cooper FBCS

J H Davenport FBCS CITP (from 12 March 2014)

R G George OBE FBCS CITP (from 12 March 2014)

J Magee FREng FBCS CITP (from 12 March 2014)

P Martynenko FBCS (from 12 March 2014)

M J Norton FREng FBCS CITP (from 12 March 2014)

K A Olisa OBE FBCS CITP (to 12 March 2014)

I Thompson CEng FBCS CITP

Chair of Council:

R G Johnson CEng FBCS CITP

Elected by Council:

C Andrews CEng FBCS CITP

T Crick FBCS

J H Davenport FBCS CITP (to 12 March 2014)

M Kneller CEng FBCS CITP

MEMBERS OF COUNCIL

Chair - R G Johnson CEng FBCS CITP

Vice-Chair - K Streater FBCS CITP

D P Alvares MBCS CITP

C Andrews CEng FBCS CITP

C Boldyreff FBCS CITP

P Burton MBCS

D Clarke MBE HonFBCS CITP - Chief Executive (to 30 June 2014)

D Copleston FBCS

T Crick FBCS

M G Cullen CEng FBCS CITP

I-S Fan MBCS

G A Fisher HonFBCS CITP

H Fletcher CEng MBCS CITP

P Fletcher FBCS - Chief Executive (from 1 September 2014)

T A Freedman FBCS CITP

A C Hall MBCS CITP

P Jagger FBCS CITP (to 30 September 2014)

S Kamali MBCS

L Keighley CEng FBCS CITP

M Kneller CEng FBCS CITP

J McCafferty MBCS

J A Mitchell CEng FBCS CITP

L Ojuwu MBCS

K Roosen FBCS

M Ross MBE CEng CSci FBCS CITP

L Senanayake FBCS CITP (from 1 October 2014)

C Smythe FBCS

I Thornton-Bryar FBCS CITP

J Uhomobhi FBCS CITP

A G Williamson CEng FBCS CITP

PAST PRESIDENTS

2013/14	R Marshall	1985/86	R A McLaughlin
2012/13	R J Harvey	1984/85	E S Page
2011/12	M J Norton FREng	1983/84	D Firnberg
2009/11	E A Sparrow	1982/83	HRH The Duke of Kent KG
2008/09	A W Pollard	1981/82	P D Hall OBE *
2007/08	R H A Burnett	1980/81	F J Hooper
2006/07	Sir Nigel Shadbolt FREng	1979/80	J L Bogod
2005/06	C E Hughes	1978/79	F H Sumner *
2004/05	D Morriss	1977/78	P A Samet
2003/04	Dame Wendy Hall DBE FRS FREng	1976/77	G A Fisher
2002/03	J L Ivinson *	1975/76	C P H Marks *
2001/02	N G McMullen	1974/75	E L Willey *
2000/01	A J P Macdonald CB	1973/74	R L Barrington
1999/00	D F Hartley	1972/73	G J Morris
1998/99	I C Ritchie CBE FRSE FREng	1971/72	A S Douglas CBE *
1997/98	Sir Brian Jenkins GBE	1970/71	A d'Agapeyeff OBE *
1996/97	R J McQuaker *	1969/70	The Earl of Halsbury *
1995/96	G W Robinson CBE FREng	1968/69	B Z de Ferranti *
1994/95	D W Mann	1967/68	S Gill *
1993/94	J P Leighfield CBE	1966/67	The Earl of Mountbatten of Burma KG PC OM *
1992/93	R G Johnson	1965/66	Sir Maurice Banks *
1991/92	S C T Matheson CB	1963/65	Sir Edward Playfair KCB *
1990/91	A R Rousell	1962/63	R L Michaelson *
1989/90	Dame Stephanie Shirley DBE FREng	1961/62	D W Hooper *
1988/89	B W Oakley CBE *	1960/61	F Yates CBE *
1987/88	E P Morris TD	1957/60	Sir Maurice Wilkes FRS FREng *
1986/87	Sir John Fairclough *		* deceased

EXECUTIVES

Group Chief Executive - P Fletcher FBCS

Group Finance Director - P L Jones FCA MBCS

Director - Customer Services - C Butcher MBCS

Director - Business Technology - C Harris MBCS CITP

Director - Membership - D Evans MBCS

Director - BCS Academy of Computing - W Mitchell MBCS CITP

Director - Professionalism, Communications, Policy and Public Affairs - A Thilthorpe FBCS

Chief Executive, BCS Learning & Development Limited - Jon Buttriss MBCS

DISTINGUISHED FELLOWS

G M Amdahl	S P Furber CBE FRS FREng
C W Bachman	W H Gates III KBE
I M Barron CBE	H Hauser CBE FRS FREng
Sir Tim Berners-Lee OM KBE FRS FREng	Sir Antony Hoare KBE FRS FREng
F P Brooks FREng	P T Kirstein CBE FREng
V Cerf	D E Knuth
D Deutsch FRS	S McNealy
W East FREng	R Wilmot OBE

BCS, The Chartered Institute for IT

PRESIDENT'S MESSAGE

This Institute is continuing to promote its strategy of leading and enabling the information society in the 21st Century by achieving further substantial progress in implementing our key strategic and charitable objectives.

In recent years, we have developed a clear strategy based around five specific pillars in order to address these challenges. They will support:

1. Bridging the gap between education practice and research;
2. Giving practitioners the professional development and career support they deserve;
3. Informing public policy on how IT can contribute to society;
4. Ensuring everyone benefits from IT; and
5. Championing the global IT profession.

We will continue to refine and refresh these pillars in the future and focus our resources on those activities which give the greatest benefits in supporting our members, developing the IT profession and benefiting society in general.

Bridging the gap between education, practice and research

A new computing curriculum covering primary and secondary education was launched in schools in England from September 2014. The development of this curriculum was co-ordinated by BCS and the Royal Academy of Engineering.

Together with the Computing At School group (CAS) and funding from the Department for Education we have established a Network of Teaching Excellence in Computer Science which encompasses over 1,300 schools. The network is designed to support the transition to the new curriculum. So far we have 78 universities involved, and over 14,000 teachers have benefited from computing CPD. A similar scheme is underway in Scotland supported by a grant from the Scottish Government.

In March 2014, BCS was awarded £1m by the Department for Education to run the Barefoot Computing project which will help primary school teachers ready themselves for the new computing curriculum. The project is run by BCS, in collaboration with BT. We are also running the QuickStart Computing project, which is funded by Microsoft and the Department for Education. It will provide further CPD support for teachers and create the capacity to run up to 50,000 training courses over the next 12 months.

The computing teacher training scholarship scheme is in its second year. The scheme is designed to attract the very best people to train as computing teachers and is backed by major employers such as Microsoft, IBM, BT, Google, HP, Morgan Stanley, Ocado, Toshiba, Metaswitch Networks, Compare the Market, Goldman Sachs and Citrix.

Giving practitioners the professional development and career support they deserve

Through our Next Wave whitepaper series we helped to prepare digital leaders by examining the technological trends set to impact business and the skills of the workforce. BCS hosted a further two CIO dinners as part of our ongoing Enterprise 200 programme and launched Digital Leaders in January – our new-look annual IT strategy publication, replacing the previous Twenty13 format.

In response to the growing security threats in IT, we expanded our security portfolio to include the new Foundation Certificate in Data Protection and Practitioner Certificate in Information Assurance Architecture. These enable employers and practitioners to continue to raise the levels of professionalism and confidence in the industry.

This year our annual Turing Lecture series visited London, Cardiff, Manchester and Edinburgh. This year's speaker, Dr Bernie Meyerson, IBM Fellow and VP for Innovation, delivered an inspiring lecture entitled 'Beyond silicon: cognition and much, much more'.

The annual UK IT Industry Awards are renowned as the Oscars for the IT profession, providing a platform to showcase and celebrate best practice, innovation and excellence. Entrants can be organisations or individuals involved in IT across the public, not for profit and commercial sectors.

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PRESIDENT'S MESSAGE (continued)

Informing public policy on how IT can contribute to society

Over the past year, BCS has responded to fifteen government consultations and published six new position papers. We signed up to the Engineering Diversity Concordat alongside 26 other Professional Engineering Institutions committing to address the gender, ethnicity and disability gap affecting the profession. As a result of this, we were awarded £18,000 by the Royal Academy of Engineering to develop the second phase of the Unconscious Bias training programme which will be undertaken by all board and committee members from across the Institute's membership, as well as being offered to thirty other Professional Engineering Institutions.

BCS hosted panel debates at fringe events at the 2014 Conservative and Labour Party Conferences, discussing the impact of cybercrime on the UK economy.

BCS Health continued to champion patient privacy, while promoting the enormous benefits technology can bring to healthcare, by issuing position statements on Patient Information Governance and the Caldicott2 review, making recommendations on Hospital Data collections, and issuing a joint statement with UKCHIP and IHRIM on the implementation of care data. The community also initiated the Health Start-up Schools in collaboration with TechUK.

We launched the Cyber to the Citizen initiative, in partnership with Get Safe Online, asking volunteers from our membership to identify and deliver practical advice and education to communities and organisations in their local area who they feel would benefit.

Ensuring everyone benefits from IT

The BCS Digital Literacy for Life programme is leading the UK drive for digital skills. It aims to become the 'natural home' for digital literacy in the UK. It will provide research results, case studies, white papers and consultations and support schools in the delivery of the digital literacy element of the new computing curriculum. In support, the new ECDL range of qualifications was launched in September 2013 and includes six new units and five new qualifications.

Since its release, 142 new schools have joined us and we continue to bring new schools on board every week.

Over two million people in the UK have learned IT skills and demonstrated them via ECDL. ECDL is among only 125 qualifications (out of more than 3,100) that the Department for Education has identified as GCSE-equivalent, high-quality, rigorous courses with a track record of taking young people into good jobs or higher education.

Championing the global IT profession

BCS acquired the Institute for the Management of Information Systems (IMIS) in 2013. All IMIS members became BCS members and IMIS qualifications were brought into our HEQ portfolio. IMIS qualifications are currently delivered almost exclusively in Africa – their largest market is Zambia, with Nigeria also a growing market.

BCS books continue to attract a worldwide readership – well-illustrated this year as we sold foreign language rights to a number of our books in Russian, Polish, Arabic and Mongolian. This year, we were also successful in delivering SFIAplus programmes in North America and the Middle East.

The year in numbers:

- Over 60 member group events are held each month
- 64,000 Professional Certification exams taken – up from 60,000 the previous year
- 8,792 users since the launch of our Personal Development Plan in May 2013
- SFIAplus and consulting business increased revenue by 34%
- Online vs paper exam delivery doubled in past year
- BCS website page visits up 19.2% in six months following the web redesign
- Visitors to our North America website up 435% and our Middle East website up 389.5%

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PRESIDENT'S MESSAGE (continued)

The challenges and opportunities created by BCS is a result of the fantastic and wide range of activities it undertakes, and the successful achievement and consistent progress in rolling out our long term plans in such difficult economic times makes the Institute's achievements even more special. Accordingly, I express my sincere thanks to all those BCS members and staff who have been so committed to ensuring the Institute's success last year as it continues to lead and enable the information society in the 21st Century and, I have no doubt, that this will be built on in the future to achieve so much more.

In particular, and on behalf of the Trustee Board, we wish to record our sincere thanks to our retiring Group Chief Executive, David Clarke for all his effort in developing and raising the profile of both BCS and the IT profession during his twelve year tenure – and wish him a happy retirement. Equally, we all welcome our new Group Chief Executive, Paul Fletcher, who joined in September 2014.

Professor Liz Bacon CEng CSci FBCS CITP
President: 2014-15
26 November 2014

BCS, The Chartered Institute for IT

GROUP CHIEF EXECUTIVE'S REPORT

I'm delighted to have joined BCS as Group CEO in September 2014 following the retirement of David Clarke in June 2014; I thank David for his many years of commitment to the organisation.

During 2013/14, the organisation has made an operating financial surplus, met the overall target for membership numbers and stabilised operations in BCS Learning & Development Limited. Through Computing At School (CAS), BCS has made a massive contribution to getting schools ready to teach the new Computing Curriculum and ensure that school leavers, as the workforce of the future, will be ready for the digital world.

In the light of both the challenges in the global economy, together with significant internal changes to its governance and management structure, BCS has achieved an excellent financial performance during the last year achieving an overall group operating surplus of £362,000 (2013: £520,000 deficit). This improvement in financial performance has been achieved by an overall increase of 27% in total operating income while costs have, under close control, increased by 17%.

These successes provide a stable footprint on which to build the future of the organisation. Going forward we will be focussing on three strategic aims:

- To be the representative body for IT, championing our members by helping them build knowledge, opportunities and careers
- To be an independent standards body ensuring that quality within the sector is maintained and improves over time
- To set best practice and promote skills / personal development tools through our BCS Learning & Development subsidiary

To give you an insight into what those three strategic aims look like in 2015, during the coming year you will see BCS:

1. Enhance the benefits for our members and the systems that support membership
2. Collaborate with e-Skills, and other partners, to embed SFIA as THE professional framework in IT in the UK and Europe
3. Invest in our Learning and Development offerings and systems
4. Launch the Register of IT Technicians, working with the Gatsby charitable foundation
5. Further embed the new teaching curriculum in schools through teaching scholarships, the roll out of over 800 Barefoot Computing workshops and the issuing of a "Quickstart" CPD guide to schools
6. Take an even bigger "share of voice" in IT public policy, whether through events like the party political conferences or our commentary on the IT agenda issues of the moment.

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
26 November 2014

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TRUSTEES' REPORT

The Trustees' Report covers the activity of the Institute for the year ended 31 August 2014.

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 2014 and 2013 is shown below:

	Number of Members	
	2014	2013
Fellows	3,161	3,074
Members	42,916	44,467
Associate members	14,008	11,473
Companions	7	8
Students	13,162	13,352
Affiliates	2,256	2,420
	<u>75,510</u>	<u>74,794</u>

2. THE FUTURE OF THE INSTITUTE - Enabling the information society

The Institute is continuing to focus on and develop its programme of activities specifically towards being increasingly and even more relevant to our members, volunteers, the academic community, industry, government and the wider public. Our stated mission is to enable the information 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.

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TRUSTEES' REPORT (continued)

Knowledge: Today's economy is built on knowledge and it's on our ability to process, share and manage information that our society thrives or declines. We increasingly rely upon it to protect us from crime and terror; diagnose and treat us when we are ill; monitor and mitigate our impact on the planet; provide open access to goods and services to fulfil our human needs; help us to save and spend our money wisely and profitably; collect, allocate and redistribute our taxes; ensure efficient and transparent markets; and work more effectively and efficiently on a daily basis. Ultimately, we rely upon information-based technologies to support the most human need of all, to communicate: sharing our needs, desires and aspirations with others.

Information society: IT could reasonably be called the first truly global profession, and the world needs an organisation that leads an IT profession fit to drive the information society, not just to follow it. The Institute is intent on being this organisation. To put IT to work, we must actively address a range of social integration challenges:

The digital divide: Contrary to popular belief, the digital divide has not closed. We too easily mistake broadband access for information literacy. A real and persistent gulf exists between the information haves and have-nots.

Information vulnerability: From identity theft to benefit fraud, money laundering and deception – information is still not secure.

Lax information management: The value of data is still not highly valued by the public, by modern institutions or even our profession.

Project failure: Many public and private projects enabled by IT still fail to deliver: too often, and too often on a grand scale.

Skills shortages: Nationally, and even globally, too few people are training in IT and too few are trained in the underlying fundamentals of computer science to solve our pressing problems.

Lack of a clear career path: Finally, too few of those who do train actually make it up the chain of command into management whether inside or outside the IT function.

We have developed a clear strategy based around five specific pillars in order to address these challenges. They support:

- 1 **Bridging the gap between education practice and research**
- 2 **Giving practitioners the professional development and career support they deserve**
- 3 **Informing public policy on how IT can contribute to society**
- 4 **Ensuring everyone benefits from IT**
- 5 **Championing the global IT profession**

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 enable the information 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.

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TRUSTEES' REPORT (continued)

BCS Academy of Computing

Vice-President & Chair: Prof Jeff Magee
Vice-President: Prof James Davenport

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.

Highlights during the last year include:

- CAS membership has reached over 15,000 in October 2014. Over 80% of members are schoolteachers, the rest are IT professionals and university academics. There are now 110 local CAS Hubs, where teachers meet regularly to share and develop teaching practice. There are 2200 online resources available on the CAS website.
- BCS runs the DfE funded teaching scholarships for trainee computing teachers. This year BCS has awarded 121 scholarships, with a total value of £3m. The scheme is run with the support of Microsoft, IBM, BT, HP, Toshiba, Google, Ocado, Metaswitch Networks, Compare the Market, Morgan Stanley, Goldman Sachs, Citrix, GE Healthcare and GE Intelligent Platforms.
- The 2014 Informatics Europe Best Practices in Education Award has been awarded to Computing at School. Prof. Carlo Ghezzi, Chair of Software Engineering, Politecnico di Milano Italy, President of Informatics Europe, has written to the Secretary of State for Education saying: "The UK is now, in effect, establishing computing as a brand-new school subject, from primary school onwards. Doing so requires a major, sustained programme of teacher training, and our award is partly based on CAS's leadership in doing so."
- The Network of Teaching Excellence in Computer Science (NoE) is a DfE funded BCS project to encourage schools to aspire to excellence in their teaching of computer science. During 2013/14 over 14,000 teachers were provided with CPD through the NoE. It is supported by seventy eight universities, including most of the major universities. Thirteen hundred schools are institutional members of the NoE, of which over four hundred have become Lead Schools.
- In March 2014 BCS was 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 intends to run around 800 workshops for primary teachers by April 2015. The project is run in partnership with BT.

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 60 events each month on a vast range of computing-related topics, engaging members both in the UK and around the globe.

MB operates established processes and policies for running member groups. Managing coherent and consistent processes across a diverse volunteer organisation is constantly challenging, but the organisational stability of recent years means that processes and procedures are well understood. Financially, the groups operate effectively and efficiently, and the Finance Committee's self-policing of spending has proven to be very effective. The Policy Committee has over several years greatly simplified regulations, placed them online, and they are now in a stable situation.

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TRUSTEES' REPORT (continued)

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.

HC2014, the leading health informatics community event, was held in Manchester, continuing in partnership with the US-based health informatics not-for-profit Healthcare Information and Management Systems Society (HIMSS). BCS Health is continuing to push forward the professionalism agenda on many fronts, constructively engaging and working with the clinical Royal Colleges, NHS England and other national bodies, and partner organisations such as HIMSS.

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, Profile and Recognition and Next Practice.

Inclusion:

The Inclusion Community of Expertise continues to gather recognition as its activity increases. The previous Inclusion Policy Panel has been established as the Digital Accessibility member group and continues to work within the Community.

Through our membership of the Business Disability Forum (BDF) the Institute has signed the Accessible Technology Charter and undertaken a benchmarking exercise against the BDF maturity model to ensure that the Institute is an exemplar of good practice.

The second phase of the Unconscious Bias training programme has been developed with a successful bid for funding of £18,000 from the Royal Academy of Engineering via the Engineering Diversity Concordat. Through this project, all board and committee members from across the Institute's membership will undertake the training, and the model will also be delivered to thirty other Professional Engineering Institutions (PEI's) positioning BCS as the lead organisation in this field across the PEIs.

Profile and Recognition:

With the increased engagement via our Policy Hub website and the changing nature of government consultations, the Government Relations Group has been withdrawn. This allows for our Communities of Expertise to manage their key relationships which are centrally overseen and coordinated within the Policy Hub. This year BCS has submitted a total of fifteen public consultation responses and published six Position Statements, each with nominated spokespeople.

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TRUSTEES' REPORT (continued)

The Institute hosted fringe events at two political party conferences, discussing the rise of the Internet of Things (IoT), Benefits -v- Privacy with a member of the Shadow Cabinet and a Minister of State. This has further increased BCS' profile as a provider of impartial, independent and informed advice.

Specialist knowledge continues to be engaged via our Communities of Expertise (CoE). As a result of an initial working group considering the emergence of the IoT, we have established a new IoT Community of Expertise to lead on advising and making recommendations to policy makers on the future of this phenomenon. We have also recognised a need for more policy work in the area of communications and have set up a further Community of Expertise enabling BCS as an authoritative voice in this area.

Security continues to be a significant part of our CoE activity, with identity assurance workshops once again running at major international forums throughout the year, as well as publication of a third annual "Aspects of Identity Yearbook" for 2013-14. We have extended our online safety work by launching a partnership with Get Safe Online, recruiting BCS ambassadors to take "Cyber to the Citizen" via presentations in their local areas delivering online safety advice.

Our information privacy work continues to be recognised, with an updated edition of our Personal Data Guardianship code published this year destined at informing those handling data who have no formal knowledge of requirements.

In the Health space, BCS has been particularly active in developing skills for entrepreneurs through the Healthtech Start-up School (HSS) collaborating with TechUK. The programme builds capability, contacts and cut-through for Entrepreneurs. The internationally recognised Informatics in Primary Care Journal has been refreshed to extend focus beyond primary and into secondary care and our work on developing Interoperability guidelines for health record systems in the open market has continued. Our health policy activity continues; of particular note are our responses to Caldicott2 and the Department of Health's consultation on protecting personal health and care information.

Next Practice:

This year, PPAB has merged its previous Employers and Commerce objectives into the newly titled Next Practice heading. The Board continues to support and integrate with the engagement activities of Professionalism Board. We continue our focus on the emerging disruptive shift in the technology environment and the range of opportunities and threats this presents, ensuring that the business of IT is as important as the development and use of IT. Our new work programme will address the changes in and broadening use of technology, its delivery and related roles and responsibilities beyond traditional IT. This will increase BCS' relevance to all businesses, with particular focus on new technology/digital and including SMEs, by recognising the impact of changes in terms of standards, data management and professional qualifications.

Professionalism Board

Vice-President: Paul Martynenko

The purpose of Professionalism Board is to achieve recognition for the IT profession. Its declared mission is to establish an IT profession which is valued for the benefit it provides to its stakeholders.

The emphasis of purpose of PB was revised during the year to focus the remit of the Board beyond furthering the interests of BCS. The responsibility for standards for IT professionals and IT profession are emphasised as is the need to work independently and in partnership with others as appropriate. The Board's key responsibilities were amended to emphasise the responsibility of the Board to engage with employers of IT professionals to promote professionalism in IT and encourage adoption of professional behaviours.

BCS regulatory responsibilities related to BCS standards are now delegated by Trustee Board to the BCS Registration and Standards Committee.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

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

- **Improve participation in the Profession through a network of stakeholders who promote Professionalism in IT**
PB has established a Panel of Advisors which it is seeking to extend and engage with to promote professionalism in IT and encourage adoption of professional behaviours.
- **Chartered and professional status to be widely recognised as a hallmark of competence**
- **Employers consider BCS professional qualifications to be a pre-requisite for recruitment and development**
- **Extend CITP through licensing and accreditation**
PB is supporting promotion of the Organisation Membership product introduced this year which is replacing Group Membership schemes. Organisations promote membership to their employees in return for access to a range of benefits and services which encourage engagement by those employers.
- **A 'career ladder' exemplified by a single definition and standard for skills**
Through BCS representation to CEPIS the Board has continued to engage in conversations and developments in the development of eCF and its potential alignment with other frameworks and tools.
BCS has worked closely with the SFIA Foundation towards development of version 6 of the framework expected in 2015. A complementary release of an update to SFIAplus is planned in the same period. Discussions are ongoing with e-Skills UK to align SFIA/SFIAplus with the National Occupational Standards (NOS).
BCS is a member of the Steering Board of the CEN project, led by CapGemini, to develop a pan-European foundational body of knowledge for ICT professionals, as well as a sustainable operating model for the promotion of ICT professionalism in Europe.
- **Professional membership grades / standards to be extended**
Trustee Board has agreed a standard at SFIA level 3 proposed by Registration and Standards Committee. Development of the standard is supported by the Gatsby Foundation. The register is expected to launch in 2015.
The Board held a workshop to consider the rationale for a standard for IT Professionals at SFIA level 7. No further action is being taken currently.

Supported by Membership Board, PB 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. Trustee Board approved the recommendation to include National Qualification Framework levels and inclusion of NQF level 4 certifications allowing one year's remission from practical experience towards award of membership.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

BCS Council

Chair: Dr Roger Johnson

The purpose of Council is 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 oversee the Institute, and Council also engages pro-actively with these Boards. Council 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 in particular.

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

- Facilitated workshops on BCS strategy, centred around the 5 strategic pillars
- Discussion of governance arrangements around the BCS Learning & Development subsidiary
- Reviews of the work of the BCS Academy of Computing, and the Membership Board
- Presentation and debate on the Women in IT scorecard

Audit and Risk Committee

Vice-President Finance: Michael Cooper

The principal objectives 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 instrument 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 (e.g. CEng, CSci and Green issues).

During the period, 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, 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 £362,000 (2013: £520,000 deficit).

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

After a difficult 2012/13 BCS Learning & Development Limited (BCS L&D) achieved a solid turnaround in 2013/14 to achieve a surplus of £323,000 (2013: £2,000). During the early part of 2014, BCS L&D restructured the business to take advantage of future market opportunities.

In addition to operating activity, there was an increase during the period in restricted funds of £1,204,000 (2013: £nil) 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 "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 2014 is £7,806,000 (2013: £7,444,000).

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 is assisted by the Senior Staff Management team. Risks are identified, assessed and controls established on a regular basis. Additionally, a formal review of the risk management processes of the Institute is undertaken on an annual basis.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

The key controls 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 ARC.
- Comprehensive business planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies including authorisation and approval procedures.

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.

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.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

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.

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

Trustee	Attendance	
	Eligible	Present
Roger Marshall	9	7
Liz Bacon	9	9
Bob Harvey	4	4
Michael Cooper	9	9
Iain Thompson	9	8
Tom Abram	9	8
Ken Olisa	4	3
Chris Andrews	9	9
Tom Crick	9	6
James Davenport	9	9
Roger Johnson	9	9
Maggie Kneller	9	9
Jos Creese	5	3
Jim Norton	5	3
Rebecca George	5	4
Paul Martynenko	5	5
Jeff Magee	5	3

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

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 for achieving recognition for the IT profession and development of CITP
Policy and Public Affairs Board	Oversee the fulfilment of the BCS mission in areas of externally-facing policy affecting the profession and wider society
Audit and Risk Committee	Review of audit processes and risk management

The Group Chief Executive, David Clarke, retired on 30 June 2014 and the new Group Chief Executive, Paul Fletcher, started 1 September 2014. 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.

The AGM was held in March 2014 and the following business was conducted:

- Adoption of the Trustees' Report and the Financial Statements for the year ended 31 August 2013.
- 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

The policy of Audit and Risk Committee undertake an annual review of the performance of the auditors against specific criteria prior to reaching their recommendation for their reappointment. During the next three months, BCS is undertaking an audit tender process, in accordance with best practice, to confirm the appointment of auditors for the year ended 31 August 2015 at the 2015 AGM.

Registered Office

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

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

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.

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

Professor Liz Bacon CEng CSci FBCS CITP
Chair of Trustee Board: 2014-15
26 November 2014

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 2014 set out on pages 19 to 38. 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 17, 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 2014 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: **26 January 2015**

BCS, The Chartered Institute for IT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2014

	Notes	General Fund £000	Restricted Fund £000	Total 2014 £000	Total 2013 £000
Incoming Resources					
Incoming resources from generated funds:					
Investment income	7	113	-	113	157
Incoming resources from charitable activities:					
Membership and Other Professional Programmes	3 (a)	6,729	1,955	8,684	6,460
Qualifications and Examination Programmes	3 (b)	17,727	-	17,727	13,694
Publications	3 (c)	708	-	708	729
Other incoming resources:					
Other income	5 (b)	152	-	152	482
		<u>25,429</u>	<u>1,955</u>	<u>27,384</u>	<u>21,522</u>
Less: income of joint venture (included above)	3 (c)	(247)	-	(247)	(223)
Total incoming resources		<u>25,182</u>	<u>1,955</u>	<u>27,137</u>	<u>21,299</u>
Resources expended					
Charitable activities:					
Membership and Other Professional Programmes	3 (a)	6,661	751	7,412	7,494
Qualifications and Examination Programmes	3 (b)	17,322	-	17,322	13,586
Publications	3 (c)	438	-	438	422
Governance costs:					
Governance costs	3(d),4	453	-	453	346
Less: costs of joint venture (included above)	3 (c)	(4)	-	(4)	(4)
Total resources expended		<u>24,870</u>	<u>751</u>	<u>25,621</u>	<u>21,844</u>
Net incoming/(outgoing) resources before goodwill	5 (a)	312	1,204	1,516	(545)
Goodwill amortised		(193)	-	(193)	(194)
Net incoming/(outgoing) resources after goodwill		119	1,204	1,323	(739)
Net share of results of joint venture	3 (c)	243	-	243	219
Net incoming/(outgoing) resources		<u>362</u>	<u>1,204</u>	<u>1,566</u>	<u>(520)</u>
Reconciliation of funds					
Total funds brought forward		<u>7,444</u>	<u>-</u>	<u>7,444</u>	<u>7,964</u>
Total funds carried forward	14	<u>7,806</u>	<u>1,204</u>	<u>9,010</u>	<u>7,444</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 2014

	Notes	Group 2014 £000	Institute 2014 £000	Group 2013 £000	Institute 2013 £000
Fixed assets					
Tangible assets	9(a)	352	285	375	361
Intangible assets	9(b)	2,775	-	2,968	-
Investments	9(c)	1	4,396	1	4,396
		<u>3,128</u>	<u>4,681</u>	<u>3,344</u>	<u>4,757</u>
Current assets					
Debtors	10	6,088	3,841	3,501	2,889
Cash at bank – current holdings		2,848	1,514	1,071	254
– held on deposit		5,519	5,020	6,055	5,558
		<u>14,455</u>	<u>10,375</u>	<u>10,627</u>	<u>8,701</u>
Creditors: amounts falling due within one year	11	<u>(7,954)</u>	<u>(4,957)</u>	<u>(6,127)</u>	<u>(5,246)</u>
Net current assets		<u>6,501</u>	<u>5,418</u>	<u>4,500</u>	<u>3,455</u>
Total assets less current liabilities		<u>9,629</u>	<u>10,099</u>	<u>7,844</u>	<u>8,212</u>
Provisions for liabilities	13	<u>(619)</u>	<u>(519)</u>	<u>(400)</u>	<u>(400)</u>
Net assets		<u>9,010</u>	<u>9,580</u>	<u>7,444</u>	<u>7,812</u>
Funds					
General fund	14	7,806	8,376	7,444	7,812
Restricted fund	14	1,204	1,204	-	-
		<u>9,010</u>	<u>9,580</u>	<u>7,444</u>	<u>7,812</u>

The notes on pages 23 to 38 form part of these financial statements

These financial statements were approved by Trustee Board on 26 November 2014 and signed on its behalf by:

E Bacon
President: 2014-15

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 2014

	Notes	2014		2013	
		£000	£000	£000	£000
Cash flow from operating activities	(a)		1,237		(988)
Returns on investments and servicing of finance					
Investment income			113		157
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(352)		(91)	
Income receivable from joint venture		243		219	
Net cash (outflow)/inflow from capital expenditure and financial investment			(109)		128
Cash outflow before management of liquid resources			1,241		(703)
Net decrease in short term deposits	(b)		536		38
Increase/(decrease) in cash in the year	(b)		1,777		(665)
Reconciliation of net cash flow to movement in net funds					
			2014		2013
			£000		£000
Increase/(decrease) in cash in the year			1,777		(665)
Cash outflow from increase in liquid resources			(536)		(38)
Movement in net funds in the year			1,241		(703)
Net funds at the start of the year	(b)		7,126		7,829
Net funds at the end of the year	(b)		8,367		7,126

BCS, The Chartered Institute for IT

Consolidated Cash Flow Statement (continued)

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

	2014	2013
	£000	£000
Net incoming/(outgoing) resources before interest in joint ventures	1,323	(739)
Investment Income	(113)	(157)
	1,210	(896)
Depreciation	368	321
Amortisation	193	194
Increase in debtors	(2,588)	(465)
Increase in creditors	1,828	(142)
Increase in provisions	219	-
Loss on disposal of fixed asset	7	-
Net cash inflow/(outflow) from operating activities	1,237	(988)

(b) Analysis of changes in net funds

	At 1 September 2013 £000	Cash flow £000	At 31 August 2014 £000
Cash at bank and in hand	1,071	1,777	2,848
Cash held on deposit	6,055	(536)	5,519
Total net funds	7,126	1,241	8,367

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 2014.

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.

BCS, The Chartered Institute for IT

NOTES (continued)

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.

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.

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.

BCS, The Chartered Institute for IT

NOTES (continued)

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.

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 covered 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.

BCS, The Chartered Institute for IT

NOTES (continued)

3 Incoming resources and resources expended

	Income	Staff costs	Other direct costs	Support Costs	Charitable expenditure	Surplus/ (deficit) 2014	Surplus/ (deficit) 2013
	£000	£000	£000	£000	£000	£000	£000
3 (a) Membership and Other Professional Programmes							
Membership	5,954	1,436	1,372	1,391	4,199	1,755	954
Member Groups	266	170	511	302	983	(717)	(901)
BCS Academy/Education	403	424	290	393	1,107	(704)	(591)
Corporate Events	106	98	183	91	372	(266)	(332)
Strategic Planning, Marketing and Web services	-	-	-	-	-	-	(164)
Government Grants	1,955	-	751	-	751	1,204	-
	<u>8,684</u>	<u>2,128</u>	<u>3,107</u>	<u>2,177</u>	<u>7,412</u>	<u>1,272</u>	<u>(1,034)</u>
3 (b) Qualifications and Examination Programmes							
	<u>17,727</u>	<u>4,214</u>	<u>9,261</u>	<u>3,847</u>	<u>17,322</u>	<u>405</u>	<u>108</u>
3 (c) Publications							
Journals and books	461	94	258	82	434	27	88
Share of joint venture	247	-	-	4	4	243	219
	<u>708</u>	<u>94</u>	<u>258</u>	<u>86</u>	<u>438</u>	<u>270</u>	<u>307</u>
3 (d) Other expenditure							
Governance (note 4)	-	2,953	3,658	(6,158)	(453)	(453)	(346)
Total expenditure 2014		<u>9,389</u>	<u>16,284</u>				
Total expenditure 2013		<u>9,205</u>	<u>12,643</u>				

Membership income comprises:

	2014 £000	2013 £000
Membership Subscriptions:		
Subscriptions received during the year	5,916	5,347
Adjustments for subscriptions received in advance	(321)	(35)
Net subscription income	<u>5,595</u>	<u>5,312</u>
Engineering Council	174	181
Other	185	203
	<u>5,954</u>	<u>5,696</u>

BCS, The Chartered Institute for IT

NOTES (continued)

4 Support Costs Allocation

	Staff Costs £000	Direct Costs £000	2014 Total £000	2013 Total £000
IT	761	533	1,294	1,176
Finance & Administration, HR and Legal	640	1,099	1,739	1,594
Premises	230	1,213	1,443	1,374
Offices Supplies and Equipment	-	85	85	82
Depreciation	-	328	328	314
Secretariat	167	89	256	207
General and Administration	1,155	311	1,466	1,528
	<u>2,953</u>	<u>3,658</u>	<u>6,611</u>	<u>6,275</u>
Allocation to individual Charitable Activities	(2,695)	(3,463)	(6,158)	(5,929)
	<u>258</u>	<u>195</u>	<u>453</u>	<u>346</u>
Governance costs comprise:				
Secretariat	167	89	256	207
Audit	-	66	66	62
Governance legal costs	-	25	25	(17)
Apportionment of Directorate	91	15	106	94
	<u>258</u>	<u>195</u>	<u>453</u>	<u>346</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

	2014 £000	2013 £000
<i>Net outgoing resources are stated after charging:</i>		
Audit of these financial statements	24	23
Amounts receivable by the auditor and its associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	42	39
Other services relating to taxation	7	-
All other services	5	7
Depreciation and other amounts written off owned tangible fixed assets	368	321
Amortisation of goodwill	193	194
Hire of assets under operating leases	798	805
<i>and after crediting:</i>		
Rent receivable	(56)	(46)

5 (b) Other income

	2014 £000	2013 £000
Miscellaneous income	152	94
Income on acquisition of IMIS	-	388
	<u>152</u>	<u>482</u>

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 251 (2013: 259). The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	8,226	8,030
Social security costs	808	845
Other pension costs (see note 17)	355	330
	<u>9,389</u>	<u>9,205</u>

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 12 Trustees (2013: 16) were reimbursed for expenses of £16,267 (2013: £24,794) 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:

	2014	2013
£240,000 – 249,999	1	1
£180,000 – 189,999	1	-
£140,000 – 149,999	-	1
£130,000 – 139,999	-	1
£110,000 – 119,999	-	1
£100,000 – 109,999	1	1
£90,000 – 99,999	3	1
£80,000 – 89,999	1	1
£70,000 – 79,999	3	3
£60,000 – 69,999	5	2

The above analysis of emoluments excludes pension contributions of £78,318 (2013: £73,675) in respect of 13 (2013: 12) employees.

7 Investment income

	2014 £000	2013 £000
Interest receivable on bank balances	<u>113</u>	<u>157</u>

8 Taxation

There is no UK corporation tax due for the period (2013: £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 liability for the period (2013: £nil).

BCS, The Chartered Institute for IT

NOTES (continued)

9 Fixed assets

(a) Tangible fixed assets:

<u>Group</u>	Short leasehold improvements	Office and computer equipment	Fixtures and fittings	Vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2013	1,658	400	510	6	2,574
Additions	219	98	35	-	352
Disposals	-	(136)	(63)	(6)	(205)
At 31 August 2014	1,877	362	482	-	2,721
Depreciation					
At 1 September 2013	1,467	357	375	-	2,199
Charged for year	240	94	34	-	368
On disposals	-	(136)	(62)	-	(198)
At 31 August 2014	1,707	315	347	-	2,369
Net book value					
At 31 August 2014	170	47	135	-	352
At 31 August 2013	191	43	135	6	375
<u>Institute</u>	Short leasehold improvements	Office and computer equipment	Fixtures and fittings	Total	
	£000	£000	£000	£000	
Cost					
At 1 September 2013	1,658	318	508	2,484	
Additions	119	98	35	252	
Disposals	-	(132)	(62)	(194)	
At 31 August 2014	1,777	284	481	2,542	
Depreciation					
At 1 September 2013	1,467	281	375	2,123	
Charged for year	207	88	33	328	
On disposals	-	(132)	(62)	(194)	
At 31 August 2014	1,674	237	346	2,257	
Net book value					
At 31 August 2014	103	47	135	285	
At 31 August 2013	191	37	133	361	

The fixed assets are held for charitable activities.

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NOTES (continued)

(b) *Intangible fixed assets:*

<u>Group</u>	Goodwill £000
Cost	
At 1 September 2013 and 31 August 2014	4,452
	<hr/>
Amortisation	
At 1 September 2013	1,484
Charged in year	193
	<hr/>
At 31 August 2014	1,677
	<hr/>
Net book value	
At 31 August 2014	2,775
	<hr/>
At 31 August 2013	2,968
	<hr/>

(c) *Investments:*

	Shares in group undertaking £000	Participating interests £000	Total £000
<u>Institute</u>			
At 1 September 2013	4,395	1	4,396
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 August 2014	4,395	1	4,396
	<hr/>	<hr/>	<hr/>

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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	2014 £000	2013 £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 2014 £000	Institute 2014 £000	Group 2013 £000	Institute 2013 £000
Trade debtors	4,004	773	2,184	149
Prepayments and other debtors	2,084	1,355	1,317	929
Amounts owed by group undertakings	-	1,713	-	1,811
	6,088	3,841	3,501	2,889

11 Creditors

	Group 2014 £000	Institute 2014 £000	Group 2013 £000	Institute 2013 £000
Trade creditors	2,049	856	895	557
Other creditors	595	184	671	204
Accruals	1,461	603	1,101	358
Deferred income (note 12)	3,849	3,311	3,460	2,955
Amounts owed to group undertakings	-	3	-	1,172
	7,954	4,957	6,127	5,246

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NOTES (continued)

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 2013	84	110	2,642	239	385	3,460
Amounts released to incoming resources	(84)	(23)	(2,580)	(239)	(385)	(3,311)
Amount deferred in year	88	30	3,044	260	278	3,700
Balance at 31 August 2014	88	117	3,106	260	278	3,849

Institute

	Events Income £000	Life Membership £000	Annual Membership £000	Examinations Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2013	84	110	2,637	-	124	2,955
Amounts released to incoming resources	(84)	(23)	(2,575)	-	(124)	(2,806)
Amount deferred in year	88	30	3,044	-	-	3,162
Balance at 31 August 2014	88	117	3,106	-	-	3,311

13 Provisions for liabilities

Group

	Dilapidation provision £000
Balance at 1 September 2013	400
Increase in provision	219
Balance at 31 August 2014	619

Institute

	Dilapidation provision £000
Balance at 1 September 2013	400
Increase in provision	119
Balance at 31 August 2014	519

BCS, The Chartered Institute for IT

NOTES (continued)

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.

14 Funds

	2013	Incoming Resources	Outgoing Resources	Net share of results of joint ventures	2014
	£000	£000	£000	£000	£000
<u>Group</u>					
General Fund	7,444	25,182	(25,063)	243	7,806
Restricted Fund					
- Network of Teaching Excellence	-	1,123	(429)	-	694
- Scottish CPD	-	98	(98)	-	-
- Computing at Schools	-	114	(37)	-	77
- Countdown to Computing	-	167	(57)	-	110
- Barefoot Computing	-	383	(79)	-	304
- Digital Education Scotland	-	10	-	-	10
- Scholarship Scheme	-	60	(51)	-	9
Total Funds	-	1,955	(751)	-	1,204
	7,444	27,137	(25,814)	243	9,010
<u>Institute</u>					
General Fund	7,812	7,678	(7,114)	-	8,376
Restricted Fund					
- Network of Teaching Excellence	-	1,123	(429)	-	694
- Scottish CPD	-	98	(98)	-	-
- Computing at Schools	-	114	(37)	-	77
- Countdown to Computing	-	167	(57)	-	110
- Barefoot Computing	-	383	(79)	-	304
- Digital Education Scotland	-	10	-	-	10
- Scholarship Scheme	-	60	(51)	-	9
Total Funds	-	1,955	(751)	-	1,204
Total Funds	7,812	9,633	(7,865)	-	9,580

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 and Computer Science Teaching Scholarship schemes.

BCS, The Chartered Institute for IT

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:

	2014		2013	
	Land & Buildings £000	Other £000	Land & Buildings £000	Other £000
Expiring within 1 year	-	21	267	12
Expiring within 2 to 5 years inclusive	25	9	-	53
Expiring after more than 5 years	338	-	338	-
	<u>363</u>	<u>30</u>	<u>605</u>	<u>65</u>

16 Capital commitments

There were no capital commitments at 31 August 2013 and 2014.

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 £355,000 (2013: £330,000). 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:

- i) The Institute received income during the period of £242,988 (2013: £219,294) being the covenanted 50% share of the pre-tax profits of ITEXT Limited and £20,000 (2013: £20,000) rental income;
- ii) The Institute purchased publications of £131,971 (2013: £140,281) from ITEXT 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 procession and its members.

BCS, The Chartered Institute for IT

NOTES (continued)

A summary of its trading results is shown below:

	12 months ended 31 Aug 2014 £000	8 months ended 31 Aug 2013 £000
Statement of financial activities		
Incoming resources	170	179
Resources expended	(176)	(414)
Interest receivable	4	5
Net movement of funds	(2)	(230)

The assets and liabilities of the subsidiary were:

Fixed assets	-	13
Current assets	531	531
Creditors amounts falling due within one year	(156)	(167)
Total net assets	375	377
Reserves	375	377

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:

	2014 £000	2013 £000
Summary profit and loss account		
Turnover	1,596	1,135
Cost of sales and overheads	(1,333)	(916)
Development costs	(73)	(25)
Interest receivable	2	2
Net profit	192	196
Amount gifted to the Institute	(192)	(196)
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed assets	67	-
Current assets	1,004	964
Creditors: amounts falling due within one year	(399)	(395)
Provisions for liabilities	(103)	-
Total net assets	569	569
Aggregate share capital and reserves	569	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:

	2014	2013
	£000	£000
Summary profit and loss account		
Turnover	16,811	13,230
Cost of sales and administrative expenses	(16,434)	(13,199)
Interest paid	(54)	(29)
Net profit	323	2
Amount gifted to the Institute	(323)	(2)
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed Assets	-	1
Current assets	4,450	3,643
Creditors: amounts falling due within one year	(4,344)	(3,538)
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:

	2014	2013
	£000	£000
Gross incoming resources	9,527	6,772
Total expenditure on charitable activities	(6,661)	(7,283)
Restricted fund expenditure	(751)	-
Governance costs	(453)	(346)
Investment income	106	155
Net incoming/(outgoing) resources	1,768	(702)
Total funds brought forward	7,812	8,514
Total funds carried forward	9,580	7,812
Represented by:		
General fund	8,376	7,812
Restricted fund	1,204	-
	9,580	7,812