

BCS, The Chartered Institute for IT

Annual Report and Consolidated Financial Statements

Year ended 31 August 2013

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 - R Marshall FBCS CITP

Deputy President - E A Bacon CEng CSci FBCS CITP

Immediate Past President - R J Harvey CEng FBCS CITP

Vice-Presidents

T Abram FBCS CITP (from 9 May 2013)

R Assirati CBE FBCS CITP (to 13 March 2013)

M E Clarkson CEng FBCS CITP (to 13 March 2013)

M V Cooper FBCS (from 13 March 2013)

J McDermid OBE FEng CIP FBCS (to 21 March 2013)

K A Olisa OBE FBCS CITP

I Thompson CEng FBCS CITP (from 15 November 2012)

A Walmsley CEng FBCS CITP (to 5 June 2013)

Elected by Council:

C Andrews CEng MBCS CITP

C W Beveridge FBCS CITP (to 9 May 2013)

T Crick FBCS (from 9 May 2013)

M G Cullen CEng FBCS CITP (to 9 May 2013)

J H Davenport FBCS (from 9 May 2013)

R G Johnson CEng FBCS CITP (from 9 May 2013)

M Kneller CEng FBCS CITP

A G Williamson CEng FBCS CITP (to 9 May 2013)

MEMBERS OF COUNCIL

R G Johnson CEng FBCS CITP

K Streater FBCS CITP

D P Alvares MBCS CITP

C Andrews CEng MBCS CITP

C W Beveridge FBCS CITP

K Chamberlain CEng FBCS CITP (to 13 March 2013)

C Chang FBCS CITP (to 1 March 2013)

D Clarke MBE FBCS CITP - Chief Executive

T Crick FBCS

M G Cullen CEng FBCS CITP

J H Davenport FBCS CITP

G A Fisher HonFBCS CITP

T A Freedman FBCS CITP

A C Hall MBCS CITP (from 13 March 2013)

J G Hall CEng CSci FBCS CITP

P Jagger FBCS CITP

S Kamali MBCS

L Keighley CEng FBCS CITP

M Kneller CEng FBCS CITP

J A Mitchell CEng FBCS CITP

L Ojuwu MBCS

M Ross MBE CEng CSci FBCS CITP

L Senanayake FBCS CITP (from 13 March 2013)

I Thornton-Bryar FBCS CITP

I Thompson CEng FBCS CITP (to 15 November 2013)

J Uhomoihi FBCS CITP

G Wikramanayake MBCS CITP

A G Williamson CEng FBCS CITP

PAST PRESIDENTS

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 of 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

EXECUTIVES

Group Chief Executive - D Clarke MBE FBCS CITP

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

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 CBE 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 Institute has continued 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

Participation in our 'Computing At School' programmes has grown to more than 7,000 individuals during the year.

This is substantially driven through BCS, with the Royal Academy of Engineering, being asked by Ministers to coordinate the development of a new statutory Computing curriculum for schools last summer. This will take effect from September 2014 and introduce children from the age of five to the subject.

In February 2013, the Department for Education announced it had accepted the recommendations of a BCS report making the case for Computer Science to be counted as the fourth science alongside Physics, Chemistry and Biology in the English Baccalaureate performance measure.

The Department for Education invited BCS to run the new Computer Science Teaching Scholarship scheme for training teachers. The scheme is supported by Microsoft, Google, Facebook, BT, IBM, Toshiba, Metaswitch Networks and Ocado.

In June 2013, the Secretary of State for Education awarded a grant of £2 million to BCS over the next three years to set up a Network of Teaching Excellence in Computer Science for schools across England. The Network currently has support from 79 universities and includes over 770 schools. The Scottish Government has also awarded the Academy a £400,000 grant to provide CPD for Computing Science Teachers in Scotland.

Giving practitioners the professional development and career support they deserve

The Institute continues to develop and raise professional IT standards through our development of qualifications, in particular, through promotion of our Chartered IT Professional (CITP) standard and we seek to provide practitioners with the professional development and career support they deserve.

Highlights in this area during the year include:

- BCS Learning & Development Limited launched the enterprise programme to help develop long term strategic and profitable relationships with enterprise organisations.
- A new enterprise hub; designed for CIOs and digital leaders has enabled us to support the generation of over 400 new business opportunities.
- As part of a programme to improve support for the Continuing Professional Development of members, we launched the Personal Development Plan on-line portal to considerable acclaim. This allows members to record and reflect upon their CPD activities and can act as a portable record for those seeking new employment. Further developments in this area are planned.

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PRESIDENT'S MESSAGE *(continued)*

- In response to the growing interest in Agile and the benefits it can bring to organisations, BCS is expanding its portfolio and launched a new Agile certification programme in September 2013. The programme will certify Agile specialists against specific roles and skills aligned to the competency Skills Framework for the Information Age (SFIA). It will offer two levels of certification; Foundation and three Practitioner certifications – all of which will be available through accredited training providers as well as self-study.

In 2013, BCS and Computing UK IT Industry Awards included a brand new category for the most outstanding use of IT in the games, television, film, music or other creative industries.

The annual 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.

Following an overwhelming vote from its membership, the Institute for the Management of Information Systems (IMIS) agreed to merge with BCS. The agreement will see all IMIS professional members transfer into BCS membership. IMIS is a globally recognised provider of qualifications from Level 3 IMIS Foundation to the Level 5 Higher Diploma which gives exemptions from parts of the BCS level 6 Post Graduate Diploma and we are very pleased to be able to harness the experience of both BCS and IMIS to develop the scope of these qualifications.

Informing public policy on how IT can contribute to society

Over the past year, BCS has responded to nineteen government consultations. As a result of a response through our alliance with Engineering the Future, we were invited to give evidence to the Home Affairs Select Committee as part of a witness session on e-crime and continue to maintain on-going dialogue with senior civil servants and parliamentary offices.

Working with the Department of Health Informatics Directorate, BCS Health launched 'Keeping your online health and social care records safe' advising individuals on the importance of protecting their data as we move to the government-mandated online medical records system in 2015.

BCS became a founding member of the Professional Records Standards Body for Health and Social Care, working with many of the Royal Colleges and patient representative bodies to ensure that the requirements of those who provide and receive care are fully expressed in the structure and content of health and social care records.

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 launched in September 2013 includes six new units and five new qualifications.

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 has supported the Middle East's economic vision at conferences in Dubai, Kuwait and Oman. We brought together some of the finest technologists from academia and industry at our very first international conference in Abu Dhabi, with over 250 senior officials in attendance and an impressive Chief Information Officer panel producing a Digital CIO report concluding that innovation is about people not technology.

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PRESIDENT'S MESSAGE *(continued)*

We continue to increase our presence in North America through our partnerships and a team of BCS experts exhibiting at prestigious events such as the Gartner Symposium and HIMMS, the world's largest healthcare conference.

Our first ever US-focused webinar promoted how BCS can support technological advances, personal development and business transformation.

The year in numbers

Overall this has been another busy and successful year for the Institute. Details of the operating and financial performance are included in the following Chief Executive's report, however, I will conclude by giving a flavour of some of the key statistical highlights in relation to last year:

- Over 11,000 new members joined the Institute.
- We now have over 11,000 members resident outside the UK.
- A record number of 690 member group events took place during the year.
- 60,000 Professional Certification exams taken – up from 58,000 last year.
- Number of people who have taken ECDL now exceeds 2 million.
- Membership of Computing at Schools is now over 7,000.
- Over 700 schools have registered for our network of excellence and over 70 universities are involved.

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.

Roger Marshall FBCS CITP
President: 2013-14
27 November 2013

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CHIEF EXECUTIVE'S REPORT

As highlighted in the President's Message, and the individual Board reports that follow, the Institute has continued to excel in making an impact and significant contribution in a wide range of programmes which represent, by its own nature, the diverse scope, opportunity and challenges of our IT profession.

I am pleased to report that securing funding for this programme of activity at a consistent level over consecutive years' has provided the stability necessary for reliably delivering these programmes and has been an important key to our success for many years. This platform has been achieved during the toughest economic climate experienced in recent times, by both developing and increasing the relevance of all our products and member services to maximise revenue opportunities, while at the same time reducing our cost base through overall efficiencies.

Membership numbers are again up on previous years and currently stand at an all-time record in excess of 74,000. Our profile in the profession amongst all stakeholders – members, employers and government – is also running at an all-time high. In particular we are providing increased and tailored support to digital training and education at all levels – schools, further education and employer programmes.

This has been an outstanding achievement; however, it is important that the Institute keeps reviewing its key objectives to ensure that focus – which indeed it does through its comprehensive business planning and budgeting cycle involving both operational staff, members and volunteers.

As I reported last year, as a significant step to ensure we have the appropriate internal structure that can maximise our focus on delivering the best individual service and response to our members, customers and partners, we launched a new internal structure from the start of the financial year in September 2012.

Previously, all activities have been operated as business units within the Institute which is a registered charity incorporated by Royal Charter. This structure had served BCS well for many years. However, as the Institute continues to grow and matures as an organisation there were numerous limitations and constraints placed on the efficiency and performance of its other charitable 'qualifications products business'. This latter activity of the Institute performs alongside traditional commercial competitors and is required to operate in a more responsive and different 'business like' culture within a more common legal framework readily recognised by both international markets and in relationships with third parties. Accordingly, with effect from 1 September 2012 the Institute has continued to focus on its membership and professional body activities and the qualifications product and publications business was transferred to BCS Learning and Development Limited (BCS L&D). Although BCS L&D remains a company 100% owned by the Institute, it will be structured and operated as an independent business under the management control of its own management team.

The restructuring BCS L&D was undertaken during the current financial year and great effort was taken to minimise the external impact amongst members and customers and we are now in a position to improve the response by both the Institute and BCS L&D to the needs of both members and customers. I believe the additional flexibility that has been created is needed to make the overall business more agile and to be able to be better placed to respond to market conditions.

In view of this environment, I am tremendously proud of what we have been able to achieve during the last twelve months. We have been able to increase total group income by 5% to over £21 million and carefully managed our cost base to reduce our overall net expenditure to £520,000 (from £1.17 million in 2012). This performance was achieved despite a very disappointing performance during the first half of the financial year within BCS L&D which resulted in a significant shortfall against the original plan. Actions were implemented to improve balance of expenditure more appropriate with the actual level of income and the performance improved during the latter part of the financial year; this improvement in performance has continued into the start of the new financial year.

The strength of our overall level of group reserves of approximately £7.5 million has allowed us to operate at this level during what was essentially a transitional year. However, the budget basis for the coming year and future years is to return to a balanced and self-financing budgetary result.

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CHIEF EXECUTIVE'S REPORT *(continued)*

These indeed continue to be challenging and exciting times for the Institute and its combined Group activity. Providing we all continue to focus our efforts to benefiting and growing our wider IT profession, as I mentioned in previous reports, we remain optimistic that we will achieve further step changes to both our organisation and the profession – and continue to realise new opportunities even within the current economic climate.

We have excellent Members, volunteers and staff and I very much recognise their enormous on-going contribution for which I am very grateful.

David Clarke MBE FBCS CITP
Chief Executive
27 November 2013

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TRUSTEES' REPORT

The Trustees' Report covers the activity of the Institute for the year ended 31 August 2013.

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 2013 and 2012 is shown below:

	Number of Members	
	2013	2012
Fellows	3,074	2,903
Members	44,467	45,245
Associate members	11,473	5,357
Companions	8	8
Students	13,352	14,399
Affiliates	2,420	2,471
CMA members	-	* 986
	<hr/>	<hr/>
	74,794	71,369
	<hr/>	<hr/>

**Transferred to BCS membership grades during 2013*

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 Chief Executive's Report on pages 2 to 6.

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

Deputy President & Chair: Professor Liz Bacon

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. The Computing At School group (CAS) is part of the Academy, and has over 7,000 members.

The last twelve months has been a really significant and important year for the academy and truly reflects reward for the investment in programmes during the last couple of years.

In Autumn 2012, the BCS Academy and the Royal Academy of Engineering coordinated the development of a draft ICT Programme of Study (PoS) at the invitation of the Department for Education (DfE). In the spring of 2013 DfE Ministers invited both bodies to revisit the draft and amplify the computer science content in order for computer science to become the central focus of the new curriculum. DfE agreed to rename ICT to Computing in order to reflect the significance of computer science within the new curriculum. The new statutory Computing school curriculum published in September 2013 is based on the significant report prepared by the BCS Academy and Royal Academy of Engineering final version.

Michael Gove, Secretary of State for Education, August 2013: "I am delighted that Microsoft, Google and others have played a role through BCS and the Royal Academy of Engineering in developing it [the new Computing curriculum] and that they have publicly approved our proposals."

In January 2013, DfE accepted the recommendations of the Academy expert panel report to include Computer Science as the fourth science in the EBacc school performance measure. DfE also announced that in future BCS and the Royal Academy of Engineering will be asked to validate the rigorousness of new Computer Science GCSE-s before they are included in the EBacc performance measure.

The Academy has successfully completed the first year of running the DfE funded teaching scholarship scheme, awarding around sixty scholarships each worth £20,000. The scheme has been run with help from Microsoft, Google, IBM, HP, BT, Toshiba, Metaswitch Networks and Ocado.

This year the Academy was awarded a £2m grant from DfE to establish the Network of Teaching Excellence in Computer Science over the next three years. So far during the year 770 schools have joined the Network and 79 universities across the UK have offered their help.

The Scottish Government has also awarded the Academy a £400,000 grant to provide CPD for Computing Science Teachers in Scotland. The project, known as PLAN C, will be run in collaboration with Computing at Schools Scotland (CASS), the Royal Society of Edinburgh Exemplification Group, ScotlandIS and the Scottish Information and Computer Science Alliance (SICSA).

Engineering and Science Board

Deputy President & Acting Chair: Professor Liz Bacon (from 21 March 2013)

Vice-President & Chair: Professor John McDermid OBE (to 21 March 2013)

The Engineering and Science Board (ESB) had responsibility for ensuring the Institute enhances and promotes the status of science and engineering amongst the professions and society in general. The work of ESB has helped to ensure that the Institute successfully renewed its Chartered Engineer (CEng) and Chartered Scientist (CSci) licences this year from the Engineering Council and from the Science Council respectively.

As part of the BCS's Governance Review in 2012 it was decided that the Engineering and Science Board should be amalgamated with the Academy Board, with some of its functions being transferred to the Professionalism Board, and these changes are being implemented in the current year.

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TRUSTEES' REPORT (continued)

Membership Board

Vice-President & Chair: 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 sixty 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.

During the year, MB has built on the launch of the volunteer portal in the previous year, making use of this platform to improve communications with volunteers. Combined with the hard work of the committees, the budgeting and policy processes have run smoothly, enabling volunteers in the groups to better focus on the running of their events and management of their communities. MB has also been working through the year to re-examine priorities, focusing on the next series of strategic changes necessary to build for the future.

The year has also seen increased social media engagement, with around 2,000 people following the Member Groups feed, and the BCS Membership LinkedIn group approaching 10,000. A new Member Champion pack has also been launched, including promotional material and guidance for groups to support them in recruiting attendees and answering the question 'why should I join?'

The work on recording and broadcasting from the previous year was also followed up with continued encouragement and support for groups interested in recording and remote participation; many recordings can be seen on the YouTube channel <http://www.youtube.com/user/BCSgroupsandbranches>. This includes video coverage of the volunteer conventions in the Autumn and Spring, where those running Member Groups had a chance to network, discuss subjects of mutual interest and hear about exciting developments such as the work on the schools Computing curriculum.

The new Personal Development Plan, the Institute's CPD recording tool, was launched as planned to much critical acclaim, rapidly exceeding 2,000 registered users. As well as proliferating an outcomes-based approach to CPD, the tool also provides opportunities to engage IT professionals with a wider array of the development activities offered by the Institute, from events, to blogs, to books and qualifications. The tool is designed to work across desktop, tablet and mobile devices, and a future roadmap of features is in place.

BCS Health had a number of important achievements through the year, including the launch of patient guidance on online health records (available on nhs.uk as well as bcs.org) and a successful event, HC2013, working for the first time with the US-based health organisation HIMSS.

Policy and Public Affairs Board

Vice-President: Ken Olisa OBE
Chair: 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.

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TRUSTEES' REPORT (continued)

- 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 established headings of Employers; Standards and Standing; Inclusion and Commerce.

Employers:

PPAB continues to support and integrate with the engagement activities of Professionalism Board and is actively involved in driving the professionalism agenda with central and local government, as well as private sector client and supply side organisations. CIO budgets are shrinking whilst the spend on technology is actually growing as the workforce becomes more digitally aligned and tech savvy with wider experience of social media and new technologies. Therefore, in particular this year, the Board has focussed its attention on the emerging disruptive shift in the technology environment (and the range of opportunities and threats this presents).

BCS must address these changes in order to remain relevant by using the levers of SFIA to propagate the change and ensure capability, best practice and next practice. PPAB is therefore developing a programme of work which will help other parts of the business engage with new technologies and educate our membership on this shift.

Standards and Standing:

The work of the Government Relations Group continues to oversee public policy development, maintenance and promotion and ensures that ad hoc and planned responses to consultations from government and other bodies are produced. This year BCS has submitted a total of 18 public consultation responses and published seven Position Statements, each with nominated spokespeople. Two of our consultation responses have also resulted in appearances before Commons Select Committees to provide evidence.

The Institute hosted fringe events at two political party conferences, discussing the threat of cybercrime with members of the Shadow Cabinet and Home Office and Cabinet Office Ministers. This has further increased BCS' profile as a provider of impartial, independent and informed advice.

The Board has also invested in development of a new dedicated website to host the BCS Policy Hub. This will better showcase BCS policy activity and engagement, and allow all BCS members to review and input to consultation responses, position statements and discussion, without need for a separate sign up process. Activity in the security domain continues to be significant with a series of identity assurance workshops running at major international forums (InfoSec, Digital Enterprise Europe, and UN IGF) throughout the year, as well as the publication of its second annual "Aspects of Identity Yearbook" for 2012-13.

In the Health space, BCS has worked with many of the Royal Colleges and patient representative groups to found the Professional Records Standards Body (PRSB) for health and social care. The PRSB supports the development, implementation and understanding of professional structure and content standards for clinical records and the Institute now maintains a seat on the Management Board. Also in the Health area, the "Guidance for Patients on Safe Record Keeping" produced jointly with the Department of Health was published in early 2013 and was recognised as runner up in the 'Information That Aids Decision Making' category of the BMA Patient Information Awards. The next Health publication project is now underway, focussing on Interoperability Guidelines for health record systems in the open market.

Inclusion:

The Inclusion Community of Expertise has increased its activity across the breadth of the Institute. The Board has re-aligned its engagement through the withdrawal of the inactive Inclusion Policy Panel (which it is hoped will establish as a member group within the Community) with efforts now focussed on promoting expertise and best practice in this space, rather than leading a separate agenda. The Institute has joined as a member of the Business Disability Forum (BDF) and will support the agenda of the Technology Taskforce in the wider profession as well as using the resources provided by BDF internally to ensure that the Institute is an exemplar of good practice.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

The first phase of the Unconscious Bias training programme was rolled out throughout the year, addressing all aspects of inclusion and diversity across all centrally reporting BCS Boards and Committees and resulting in 103 members attending the programme. Phase Two of the programme has been scoped with the aim of delivering training throughout 2014 and onwards for member group and branch committees via a network of regional ambassadors.

BCS, alongside 25 other Professional Engineering Institutes, signed up to the RAEng led Engineering Diversity Concordat. This demonstrates the Institute's support for this aspect of the STEM agenda and our commitment to developing diversity in our membership. PPAB intends to develop a stronger focus on the business community and government within this grouping and potentially lead other professional bodies towards unconscious bias programmes similar to our own.

Commerce:

PPAB has initiated a new set of initiatives under its Commerce objective, whilst still maintaining oversight of the activity of the Innovation and Entrepreneur programme within BCS L&D. A work programme has been scoped for implementation from autumn 2013, to ensure that the business of IT is as important as the development and use of IT. It addresses 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. Working across the Institute, PPAB will enable and support education, mentoring and professional development, lead the debate on professional qualifications tailored to constantly changing technology environments and put in place activities, collaboration and partnerships to attract new members, in particular from the digital community, SMEs and innovators.

Professionalism Board

Chair: Paul Martynenko

Paul Martynenko was reappointed to the Chair of the Board at the AGM 2013 for a further year but was unfortunately unavailable to accept a nomination as a Trustee of the Institute and thereby fulfil the role in the capacity as Vice-President. Jim Norton, as Immediate Past President, provided the Board's link to Trustee Board from September 2012 to March 2013, and from March 2013, Chris Andrews has provided the link.

The purpose of Professionalism Board is unchanged: 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 Board has kept abreast of progress towards BCS being able to commence development of a standard for IT practitioners at SFIA level 3 and is pleased to report that funding has been agreed by the Gatsby Foundation and work has started. Establishing a standard at SFIA level 7 also remains an ambition.

To promote the IT profession Board members have engaged with senior IT professionals across the industry working closely with CIOs in both the public and private sectors. The IET has joined the Irish Computer Society in being licensed to award CITP status to its members and BCS currently has 220 group membership schemes which collectively have circa 6,000 members.

There are well established relationships with e-Skills UK and Intellect and BCS works with representatives from these bodies and industry partners to promote professionalism and establish the IT profession.

During 2012/13, the Board retained responsibility for the BCS regulation of the CITP standard alongside its responsibilities for the BCS role as an awarding body. To underpin these roles, the Board has:

- Approved policies related to the Institute's responsibilities for the regulation of the CITP standard including:
 - The policy for reinstatement of CITP status.
 - The policy for revalidation of CITP Certificates of Current Competence.
 - The policy for recruitment and training of volunteers who assess applications for award CITP status.
 - The policy for Transfer of Chartered IT Professional registration between membership bodies licensed to award CITP status.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

- Approved and/or reviewed BCS policies relating to the Institute's responsibilities as an awarding body for Chartered status and Professional membership including:
 - Upgrade and Reinstatement of Membership.
 - Membership Appeals policy.
 - Quality assurance of applications for admission to membership of the Institute.
 - Recruitment and Training of Volunteers to assess applications for professional Registration V1.
- Overseen the review of the syllabus for the BCS Breadth of Knowledge test and publication of revised test papers.
- Set out the criteria for assessment of organisations entering CITP processing agreements through which they assess and recommend members for award of CITP status.
- Reviewed and made recommendations to Trustees concerning:
 - Trustee Board Regulations Section II – Classes of membership revising the criteria for award of Fellowship to include the need to demonstrate leadership in the profession.
 - Trustee Board Regulations Schedule 1 – Membership Assessment Scheme.

BCS Council

Chair: Dr Roger Johnson

Council exists 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 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.

The year began with Chris Andrews, who was elected at the May 2012 meeting, retiring as Chair and being succeeded by Dr Roger Johnson who was elected for 2 years from May 2013.

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

- a) **Governance Review:** Discussions around reducing the number of Boards and the problems of overlap in responsibilities between Boards, and to reduce governance overheads, and aid simplification.
- b) **Vice-President Elections:** It was agreed that Council will elect VPs to particular roles and, should roles change, the VP's position will be reconsidered to facilitate the matching of the VPs and their skills to particular roles.
- c) **International Development Initiative:** The development and piloting of international Specialist Groups sub-groups involving BCS Women, Green IT, e-Learning and Quality SGs.
- d) **Student Engagement:** An initiative to set up a six month pilot to establish six student chapters which could be extended to other universities.
- e) **Council Regulations:** A Working Party undertook a substantial update to Council Regulations including voting at electronic meetings.
- f) **Proposals to Improve Member Communications:** Considering how Council engages with the broad membership.
- g) **Education "What is Computing":** A discussion on what were the key contemporary problems that computing aims to solve and hence point to an answer to the question "what is computing?" and how to convey the essence of computing to younger people to try to inform their career choices.

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TRUSTEES' REPORT (continued)

Audit and Risk Committee

Vice-President Finance & Chair: Michael Cooper

The principal objectives of the Audit and Risk Committee (ARC) are 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.

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 Institute and its Group activities had net outgoing resources of £520,000 (2012: £1,170,000).

A summary of the key highlights are included in the Chief Executive's Report on pages 5 to 6.

In recent years, the Group achieved significant growth and annual operating surpluses. However, due to investment in new products and programmes during tougher and more difficult economic conditions, the Group has incurred net outgoing results during the last two years. As can be seen in these financial statements, the net outgoings reduced from £1.2m to £520,000 in 2013 and a balanced budget is in place for the coming year.

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.

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TRUSTEES' REPORT (continued)

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 15 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 2013 is £7,444,000 (2012: £7,964,000).

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 15 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 Audit and Risk Committee (ARC), who are assisted by the Senior Staff Management team. Risks are identified, assessed and controls established on a regular basis and a formal review of the risk management processes of the Institute is undertaken on an annual basis.

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.

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

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.

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
- Five 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 Chief Executive. The Boards adopt and progress programmes of work in their respective areas to meet the Institute objectives.

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

Trustee	Attendance	
	Eligible	Present
Tom Abram	3	3
Chris Andrews	7	7
Bob Assirati	3	2
Liz Bacon	7	6
Colin Beveridge	4	4
Mary Clarkson	3	3
Michael Cooper	4	4
Tom Crick	3	3
Mike Cullen	4	4
James Davenport	3	3
Bob Harvey	7	7
Roger Johnson	3	3
Maggie Kneller	7	7
Roger Marshall	7	7
John McDermid	4	3
Jim Norton	3	3
Ken Olisa	7	5
Iain Thompson	6	6
Adrian Walmsley	6	6
Adrian Williamson	4	4

BCS, The Chartered Institute for IT

TRUSTEES' REPORT (continued)

In addition, Trustee Board held six electronic meetings during the year.

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
Engineering and Science Board	Developing the status of engineering and science in information systems and technology
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
Products and Services Board	Operational review and monitoring of the Institute's portfolio of products and services including ECDL, ISEB, Professional Products, Publications and Membership Services
Professionalism Board	Oversee the Institute's strategy for achieving recognition for the IT profession and development of CITP
Audit and Risk Committee	Review of audit processes and risk management

The Group Chief Executive is David Clarke and his 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 2013 and the following business was conducted:

- Adoption of the Trustees' Report and the Financial Statements for the year ended 31 August 2012.
- Reappointment of KPMG LLP as auditors.

Bankers

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

Legal Advisers

Charles Russell 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.

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.

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TRUSTEES' REPORT (continued)

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 19 and note 20 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.

BCS, The Chartered Institute for IT

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 expenditure over income 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

Roger Marshall FBCS CIP
Chair of Trustee Board: 2013-14
27 November 2013

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 2013 set out on pages 21 to 40. 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 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 19, 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 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 2013 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 accounts 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.

Antonio Antonius
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street, Bristol BS1 6AG

Date: 15 January 2014

BCS, The Chartered Institute for IT

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2013

	Notes	General Fund £000	Restricted Fund £000	Total 2013 £000	Total 2012 £000
Incoming Resources					
Incoming resources from generated funds:					
Investment income	7	157	-	157	177
Incoming resources from charitable activities:					
Membership and Other Professional Programmes	3 (a)	6,246	214	6,460	6,157
Qualifications and Examination Programmes	3 (b)	13,694	-	13,694	12,987
Publications	3 (c)	729	-	729	786
Other incoming resources:					
Other income	5 (b)	482	-	482	143
		<u>21,308</u>	<u>214</u>	<u>21,522</u>	<u>20,250</u>
Less: income of joint venture (included above)	3 (c)	(223)	-	(223)	(197)
Total incoming resources		<u>21,085</u>	<u>214</u>	<u>21,299</u>	<u>20,053</u>
Resources expended					
Charitable activities:					
Membership and Other Professional Programmes	3 (a)	7,280	214	7,494	7,041
Qualifications and Examination Programmes	3 (b)	13,586	-	13,586	13,100
Publications	3 (c)	422	-	422	565
Governance costs:					
Governance costs	3(d),4	346	-	346	520
Less: costs of joint venture (included above)	3 (c)	(4)	-	(4)	(4)
Total resources expended		<u>21,630</u>	<u>214</u>	<u>21,844</u>	<u>21,222</u>
Net outgoing resources before goodwill	5 (a)	(545)	-	(545)	(1,169)
Goodwill amortised		(194)	-	(194)	(194)
Net outgoing resources after goodwill		<u>(739)</u>	-	<u>(739)</u>	<u>(1,363)</u>
Net share of results of joint venture	3 (c)	219	-	219	193
Net outgoing resources		<u>(520)</u>	-	<u>(520)</u>	<u>(1,170)</u>
Reconciliation of funds					
Total funds brought forward		<u>7,964</u>	-	<u>7,964</u>	<u>9,134</u>
Total funds carried forward	15	<u>7,444</u>	-	<u>7,444</u>	<u>7,964</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 2013

	Notes	Group 2013 £000	Institute 2013 £000	Group 2012 £000	Institute 2012 £000
Fixed assets					
Tangible assets	9(a)	375	361	605	597
Intangible assets	9(b)	2,968	-	3,162	-
Investments	9(c)	1	4,396	1	4,396
		<u>3,344</u>	<u>4,757</u>	<u>3,768</u>	<u>4,993</u>
Current assets					
Debtors	10	3,501	2,889	3,036	3,514
Cash at bank – current holdings		1,071	254	1,736	822
– held on deposit		6,055	5,558	6,093	6,093
		<u>10,627</u>	<u>8,701</u>	<u>10,865</u>	<u>10,429</u>
Creditors: amounts falling due within one year	12	<u>(6,127)</u>	<u>(5,246)</u>	<u>(6,269)</u>	<u>(6,508)</u>
Net current assets		<u>4,500</u>	<u>3,455</u>	<u>4,596</u>	<u>3,921</u>
Total assets less current liabilities		<u>7,844</u>	<u>8,212</u>	<u>8,364</u>	<u>8,914</u>
Provisions for liabilities	14	<u>(400)</u>	<u>(400)</u>	<u>(400)</u>	<u>(400)</u>
Net assets		<u>7,444</u>	<u>7,812</u>	<u>7,964</u>	<u>8,514</u>
Funds					
General fund	15	7,444	7,812	7,964	8,514
Restricted fund	15	-	-	-	-
		<u>7,444</u>	<u>7,812</u>	<u>7,964</u>	<u>8,514</u>

The notes on pages 25 to 40 form part of these financial statements

These financial statements were approved by Trustee Board on 27 November 2013 and signed on its behalf by:

R Marshall
President: 2013-14

M V Cooper
Vice-President Finance

D Clarke
Chief Executive

BCS, The Chartered Institute for IT

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 August 2013

	Notes	2013		2012	
		£000	£000	£000	£000
Cash flow from operating activities	(a)		(988)		(1,903)
Returns on investments and servicing of finance					
Investment income			157		177
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(91)		(86)	
Income receivable from joint venture		219		193	
Net cash inflow from capital expenditure and financial investment			128		107
Acquisitions and disposals					
Purchase of subsidiary undertakings			-		-
Cash outflow before management of liquid resources			(703)		(1,619)
Net decrease in short term deposits	(b)		38		1,486
Decrease in cash in the year	(b)		(665)		(133)
Reconciliation of net cash flow to movement in net funds					
			2013		2012
			£000		£000
Decrease in cash in the year			(665)		(133)
Cash outflow from increase in liquid resources			(38)		(1,486)
Movement in net funds in the year			(703)		(1,619)
Net funds at the start of the year	(b)		7,829		9,448
Net funds at the end of the year	(b)		7,126		7,829

BCS, The Chartered Institute for IT

Consolidated Cash Flow Statement (continued)

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

	2013	2012
	£000	£000
Net outgoing resources before interest in joint ventures	(739)	(1,363)
Investment Income	(157)	(177)
	(896)	(1,540)
Depreciation	321	354
Amortisation	194	194
Increase in debtors	(465)	(172)
Decrease in creditors	(142)	(739)
Net cash outflow from operating activities	(988)	(1,903)

(b) Analysis of changes in net funds

	At 1 September 2012	Cash flow	At 31 August 2013
	£000	£000	£000
Cash at bank and in hand	1,736	(665)	1,071
Cash held on deposit	6,093	(38)	6,055
Total net funds	7,829	(703)	7,126

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.

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 2013.

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) 2013	Surplus/ (deficit) 2012
	£000	£000	£000	£000	£000	£000	£000
3 (a) Membership and Other Professional Programmes							
Membership	5,696	1,562	1,297	1,883	4,742	954	1,335
Member Groups	285	198	619	369	1,186	(901)	(1,063)
BCS Academy/Education	169	253	248	259	760	(591)	(634)
CMA Forum	-	-	-	-	-	-	(88)
Corporate Events	96	150	167	111	428	(332)	(349)
Strategic Planning, Marketing and Web services	-	147	17	-	164	(164)	(828)
Government Grants	214	-	214	-	214	-	-
	<u>6,460</u>	<u>2,310</u>	<u>2,562</u>	<u>2,622</u>	<u>7,494</u>	<u>(1,034)</u>	<u>(1,627)</u>
3 (b) Qualifications and Examination Programmes							
	<u>13,694</u>	<u>4,040</u>	<u>6,289</u>	<u>3,257</u>	<u>13,586</u>	<u>108</u>	<u>888</u>
3 (c) Publications							
Journals and books	506	86	286	46	418	88	28
Share of joint venture	223	-	-	4	4	219	193
	<u>729</u>	<u>86</u>	<u>286</u>	<u>50</u>	<u>422</u>	<u>307</u>	<u>221</u>
3 (d) Other expenditure							
Governance (note 4)	-	2,769	3,506	(5,929)	(346)	(346)	(520)
Total expenditure 2013		<u>9,205</u>	<u>12,643</u>				
Total expenditure 2012		<u>8,860</u>	<u>12,301</u>				

Membership income comprises:

	2013 £000	2012 £000
Membership Subscriptions:		
Subscriptions received during the year	5,347	5,202
Adjustments for subscriptions received in advance	(35)	(33)
Net subscription income	<u>5,312</u>	<u>5,169</u>
Engineering Council	181	192
Other	203	158
	<u>5,696</u>	<u>5,519</u>

BCS, The Chartered Institute for IT

NOTES (continued)

4 Support Costs Allocation

	Staff Costs £000	Direct Costs £000	2013 Total £000	2012 Total £000
IT	729	447	1,176	1,164
Finance & Administration, HR and Legal	576	1,018	1,594	1,378
Premises	212	1,162	1,374	1,278
Offices Supplies and Equipment	-	82	82	90
Depreciation	-	314	314	347
Secretariat	162	45	207	296
General and Administration	1,090	438	1,528	1,393
	<u>2,769</u>	<u>3,506</u>	<u>6,275</u>	<u>5,946</u>
Allocation to individual Charitable Activities	(2,523)	(3,406)	(5,929)	(5,426)
	<u>246</u>	<u>100</u>	<u>346</u>	<u>520</u>
Governance costs comprise:				
Secretariat	162	45	207	296
Audit	-	62	62	52
Governance legal costs	-	(17)	(17)	33
Apportionment of Directorate	84	10	94	139
	<u>246</u>	<u>100</u>	<u>346</u>	<u>520</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.

BCS, The Chartered Institute for IT

NOTES (continued)

5 (a) Net outgoing resources

	2013 £000	2012 £000
<i>Net outgoing resources are stated after charging:</i>		
Audit of these financial statements	23	40
Amounts receivable by the auditor and its associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	39	12
Other services relating to taxation	-	3
All other services	7	7
Depreciation and other amounts written off owned tangible fixed assets	321	354
Amortisation of goodwill	194	194
Hire of assets under operating leases	805	789
<i>and after crediting:</i>		
Rent receivable	(46)	(38)

5 (b) Other income

	2013 £000	2012 £000
Miscellaneous income	94	143
Income on acquisition of IMIS (note 11)	388	-
	482	143

6 Staff numbers and costs

The average number of persons employed by the Group during the year was 259 (2012: 250). The aggregate payroll costs of these persons were as follows:

	2013 £000	2012 £000
Wages and salaries	8,030	7,772
Social security costs	845	773
Other pension costs (see note 18)	330	315
	9,205	8,860

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 16 Trustees (2012: 13) were reimbursed for expenses of £24,794 (2012: £32,298) incurred for undertaking their duties and attending meetings on behalf of the Institute.

BCS, The Chartered Institute for IT

NOTES (continued)

Employees

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

	2013	2012
£240,000 – 249,999	1	-
£220,000 – 229,999	-	1
£140,000 – 149,999	1	-
£130,000 – 139,999	1	3
£120,000 – 129,999	-	-
£110,000 – 119,999	1	-
£100,000 – 109,999	1	1
£90,000 – 99,999	1	1
£80,000 – 89,999	1	2
£70,000 – 79,999	3	2
£60,000 – 69,999	2	3

The above analysis of emoluments excludes pension contributions of £73,675 (2012: £81,000) in respect of 12 (2012: 13) employees.

7 Investment income

	2013 £000	2012 £000
Interest receivable on bank balances	<u>157</u>	<u>177</u>

8 Taxation

There is no UK corporation tax due for the period (2012: £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 (2012: £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 2012	1,658	504	573	-	2,735
Additions	-	84	2	6	91
Disposals	-	(188)	(65)	-	(252)
At 31 August 2013	1,658	400	510	6	2,574
Depreciation					
At 1 September 2012	1,288	439	403	-	2,130
Charged for year	179	106	36	-	321
On disposals	-	(188)	(64)	-	(252)
At 31 August 2013	1,467	357	375	-	2,199
Net book value					
At 31 August 2013	191	43	135	6	375
At 31 August 2012	370	65	170	-	605
<u>Institute</u>	Short leasehold improvements	Office and computer equipment	Fixtures and fittings	Total	
	£000	£000	£000	£000	
Cost					
At 1 September 2012	1,658	430	570	2,658	
Additions	-	76	2	78	
Disposals	-	(188)	(64)	(252)	
At 31 August 2013	1,658	318	508	2,484	
Depreciation					
At 1 September 2012	1,288	371	402	2,061	
Charged for year	179	98	37	314	
On disposals	-	(188)	(64)	(252)	
At 31 August 2013	1,467	281	375	2,123	
Net book value					
At 31 August 2013	191	37	133	361	
At 31 August 2012	370	59	168	597	

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
Cost	
At 1 September 2012 and 31 August 2013	4,452
Amortisation	
At 1 September 2012	1,290
Charged in year	194
At 31 August 2013	1,484
Net book value	
At 31 August 2013	2,968
At 31 August 2012	3,162

(c) *Investments:*

	Shares in group undertaking £000	Participating interests £000	Total £000
<u>Institute</u>			
At 1 September 2012	4,395	1	4,396
Additions	-	-	-
At 31 August 2013	4,395	1	4,396

BCS, The Chartered Institute for IT

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	25% 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
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The amounts included in respect of joint ventures/associates comprise the following:

Group

<i>Joint venture/associates</i>	2013 £000	2012 £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 2013 £000	Institute 2013 £000	Group 2012 £000	Institute 2012 £000
Trade debtors	2,184	149	1,782	1,567
Prepayments and other debtors	1,317	929	1,254	1,209
Amounts owed by group undertakings	-	1,811	-	738
	<u>3,501</u>	<u>2,889</u>	<u>3,036</u>	<u>3,514</u>

11 Acquisitions

On 5 June 2013, the Institute acquired controlling interest in the Institute for the Management of Information Systems, a company limited by guarantee via an Extraordinary General Meeting on 16 April 2013 when the Institute became its Institutional member and obtained 100% of the voting rights. Income of £388,000 was recognised on acquisition.

	Book value £000	Re-valuation £000	Fair value £000
Fixed assets			
Tangible	16	-	16
Current assets			
Debtors	25	-	25
Investments	628	-	628
Cash	29	-	29
Total assets	<u>698</u>	<u>-</u>	<u>698</u>
Liabilities			
Creditors	310	-	310
Total liabilities	<u>310</u>	<u>-</u>	<u>310</u>
Net assets	<u>388</u>	<u>-</u>	<u>388</u>
Purchase consideration and costs of acquisition			<u>-</u>
Income on acquisition			<u>388</u>

The acquired undertaking made a loss of £218,563 from 1 January 2013 to the date of acquisition. In its previous financial year commencing on 1 January 2012, the loss was £108,673.

In the eight months prior to the acquisition provisions of £149,000 were made for reorganisation and restructuring costs and these are included in creditors above.

BCS, The Chartered Institute for IT

NOTES (continued)

12 Creditors

	Group 2013 £000	Institute 2013 £000	Group 2012 £000	Institute 2012 £000
Trade creditors	895	557	1,176	956
Other creditors	671	204	470	466
Accruals	1,101	358	1,203	1,028
Deferred income (note 13)	3,460	2,955	3,420	3,415
Amounts owed to group undertakings	-	1,172	-	643
	<u>6,127</u>	<u>5,246</u>	<u>6,269</u>	<u>6,508</u>

13 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 2012	92	98	2,603	299	328	3,420
Amounts released to incoming resources	(92)	(21)	(2,603)	(299)	(328)	(3,343)
Amount deferred in year	84	33	2,642	239	385	3,383
	<u>84</u>	<u>110</u>	<u>2,642</u>	<u>239</u>	<u>385</u>	<u>3,460</u>
Balance at 31 August 2013	84	110	2,642	239	385	3,460

Institute

	Events Income £000	Life Membership £000	Annual Membership £000	Examinations Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2012	92	98	2,603	299	323	3,415
Amounts released to incoming resources	(92)	(21)	(2,603)	(299)	(323)	(3,338)
Amount deferred in year	84	33	2,637	-	124	2,878
	<u>84</u>	<u>110</u>	<u>2,637</u>	<u>-</u>	<u>124</u>	<u>2,955</u>
Balance at 31 August 2013	84	110	2,637	-	124	2,955

BCS, The Chartered Institute for IT

NOTES (continued)

14 Provisions for liabilities

<u>Group and Institute</u>	Dilapidation provision £000
Balance at 31 August 2012 and 2013	<u>400</u>

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.

15 Funds

	2012	Incoming Resources	Outgoing Resources	Net share of results of joint ventures	2013
	£000	£000	£000	£000	£000
<u>Group</u>					
General Fund	7,964	21,085	(21,824)	219	7,444
Restricted Fund - Government grants	-	214	(214)	-	-
	<u>7,964</u>	<u>21,299</u>	<u>(22,038)</u>	<u>219</u>	<u>7,444</u>
<u>Institute</u>					
General Fund	8,514	6,927	(7,629)	-	7,812
Restricted Fund - Government grants	-	214	(214)	-	-
	<u>8,514</u>	<u>7,141</u>	<u>(7,843)</u>	<u>-</u>	<u>7,812</u>

The restricted fund relates to the government grants received under the Network of Teaching Excellence and Computer Science Teaching Scholarship schemes.

BCS, The Chartered Institute for IT

NOTES (continued)

16 Operating leases

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

	2013		2012	
	Land & Buildings £000	Other £000	Land & Buildings £000	Other £000
Expiring within 1 year	267	12	-	-
Expiring within 2 to 5 years inclusive	-	53	334	70
Expiring after more than 5 years	338	-	338	-
	<u>605</u>	<u>65</u>	<u>672</u>	<u>70</u>

17 Capital commitments

There were no capital commitments at 31 August 2012 and 2013.

18 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 £330,000 (2012: £315,000). 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.

19 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 £219,294 (2012: £193,000) being the covenanted 50% share of the pre-tax profits of ITEXT Limited and £20,000 (2012: £20,000) rental income;
- ii) The Institute purchased publications of £140,281 (2012: £218,000) from ITEXT Limited.

20 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.

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NOTES (continued)

A summary of its trading results is shown below:

	8 months ended 31 August 2013 £000
Statement of financial activities	
Incoming resources	179
Resources expended	(414)
Interest receivable	5
Net movement of funds	(230)

The assets and liabilities of the subsidiary were:

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

	2013 £000	2012 £000
Summary profit and loss account		
Turnover	1,135	1,313
Cost of sales and overheads	(916)	(1,098)
Development costs	(25)	(125)
Interest receivable	2	1
Net profit	196	91
Amount gifted to the Institute	(196)	(91)
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed assets	-	7
Current assets	964	1,354
Creditors: amounts falling due within one year	(395)	(792)
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:

	2013	2012
	£000	£000
Summary profit and loss account		
Turnover	13,230	549
Cost of sales and administrative expenses	(13,199)	(323)
Interest paid	(29)	-
Net profit	2	226
Amount gifted to the Institute	(2)	(226)
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed Assets	1	-
Current assets	3,643	455
Creditors: amounts falling due within one year	(3,538)	(349)
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:

	2013	2012
	£000	£000
Gross incoming resources	6,772	19,726
Total expenditure on charitable activities	(7,284)	(20,102)
Designated fund expenditure	-	(258)
Governance costs	(346)	(520)
Investment income	155	177
Net outgoing resources	(703)	(977)
Total funds brought forward	8,514	9,491
Total funds carried forward	7,811	8,514
Represented by:		
General fund	7,811	8,514
Restricted fund	-	-
	7,811	8,514

The Institute holds a 100% investment in BCS L&D. Transactions during the financial year are as follows:

- Management Charge £nil (2012: £25,000).

The Institute holds a 100% investment in Activ Training Limited. Transactions during the financial year are as follows:

- Management Charge £nil (2012: £24,000)