

Institute Of Customer Service

Annual Report and Financial Statements

For the year ended 31 March 2024

Institute Of Customer Service

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Company Information

The Board of directors

Giles Hawke	Chairman of the Board and Chairman of the Remuneration Committee
Joanna Causon	Chief Executive
Jonathan Cowie	Non-Executive Director
Shirley Fell	Non-Executive Director
Mark Gait	Non-Executive Director
Graham Edwards	Non Executive Director
David Macleod	Non Executive Director
Chris Pitt	Non-Executive Director (appointed in April 2024)

President

Simon Roberts	Chief Executive of Sainsburys
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Vice Presidents

Alison Japp	Customer Care Director	OVO Energy
Alison Jones	Group Managing Director UK	PSA Group
Angela Lockwood	Chief Executive Officer	North Star
Angela MacDonald	Director General of Customer Services	HM Revenue & Customs
Ant Middle	Chief Executive Officer	Ageas
Ben Fletcher	Group Chief Financial Officer	The Very Group
Carla Thomas	Business Customer Service Director	Openreach
David Roberts	Managing Director	Nu-Heat
Eric Leenders	Managing Director, Personal Finance	UK Finance
Fran Rea	Director of Customer Service	NewDay
Heather Smith	Chief Executive Officer	AXA Health
Jacqueline Starr	Chief Executive Officer	Rail Delivery Group
Jamie McDonald	Customer Director	Vivo Defence
Jeremy Hyams	Chief Executive Officer	Claims Consortium Group
Jo Marshall	Executive Director	YPO
Jo Moran	Independent Consultant	
Jo Upward	Former Managing Director	Platform Group
John Barnett	Former Director of Operations	Npower Energy Services
Kathryn O'Brien	Customer Experience Director	TransPennine Express
Liz Fairburn	Customer Experience Director	DWP
Louise Beardmore	Chief Executive Officer	United Utilities Group
Mark Evans	Independent Consultant	
Martyn Oakley	Operations Director	Laithwaites Wine
Mike Gauterin	Customer Services and Technology Director	United Utilities
Nigel Purveur	Ex Managing Director	Capita
Paul Harris	Executive Director Customer Experience	Curo Group
Dr Peter Carter	Independent Healthcare Consultant	
Peter Cross	Independent Consultant	
Peter Farrer	Chief Operating Officer	Scottish Water
Peter Markey	Chief Marketing Officer	Boots
Peter Sinden	Ex GI Executive Strategy Director	LV=
Phil McGilvray	Managing Director Debt Services	TDX Group
Richard Pash	UK Chief Customer Officer	Zurich
Sian Jones	Chief Executive Officer	Corella
Trafford Wilson	Executive Director of Customer Services	The Guinness Partnership

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Company Information

Company Secretary	Bill Leonard
Company Number	03316394
Registered Office	Ground Floor 4 Gainsford Street London SE1 2NE
Auditors	Gilberts Chartered Accountants Pendragon House 65 London Road St Albans Hertfordshire AL1 1LJ
Bankers	Lloyds Bank plc 27 High Street Colchester Essex CO1 1OU Metro Bank 1 Southampton Row London WC1B 5HA
Solicitors	Birkett Long Essex House 42 Crouch Street Colchester Essex CO3 3HH

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Strategic Report

For the year ended 31 March 2024

Foreword from the CEO

From many perspectives 2023/24 has been a difficult year for the UK. The economy has been stagnant, with many consumers, organisations and businesses feeling under pressure. Inflation and interest rates have impacted all industry sectors to some degree, from the burden of debt to managing wage inflation, which has in turn caused a knock-on effect to wider society. The war in Ukraine continues and there is now conflict in Gaza, which creates further geo-political issues. So of course, all of this has made it harder to plan for future growth on a sure footing. However, this is something we now must do – to drive forward the four pillars of the Service Nation.

AI has certainly come to the fore this year and presents a huge opportunity and challenge that the whole world will take some time to adapt to. Change is always a constant, but the pace of change feels like it is accelerating and with it there is a greater sense of the unknown when we look even towards the near future so holding onto our purpose, ensuring we remain relevant and measuring the impact we create will be even more important as we drive forward.

Against this uncertainty there is also growing optimism. To harness this, we need leaders to focus on the longer term and give more consideration beyond shareholders to customers, employees, suppliers and wider society, this came to the fore and is growing in importance to customers across all sectors and clearly evident in the research we have undertaken during the year on what good Governance should look like in a post Covid world.

From a service perspective the work we do is having an impact. The conversation about the service agenda is shifting - in the media, across Westminster and in the Boardroom – understanding of its strategic importance and its link to business performance is growing. It is fundamental to building a robust, growing economy; over 60% of employees in the UK working in customer-facing roles and 80% of our GDP is generated by the Service sector.

Our *Service with Respect* campaign continues to gain supporters and there will be work to do with the next Government to ensure workers across all sectors have better protection against the abuse many receive on a regular basis.

Regulation is more evident, but not always driving the right outcomes and customers are searching for greater value. We know we have an important role to play in shaping regulation that encourages regulated businesses to act in the best interests of customers that encourage innovation, long-term thinking and strategic investment in their service proposition.

Fraud and cyber risks are on the increase, cybersecurity has become central to customer experience. In some cases, businesses are having to introduce friction back into the customer journey to protect against fraud. The path of progress is rarely a straight-line and through good customer communication and processes designed with the customer's need in mind these should not be insurmountable obstacles.

In the last 12 months we have all witnessed some truly shocking governance scandals, these incidents make all our lives more challenging, in maintaining confidence and trust in business and public institutions.

And we should be collectively concerned about the state of customer satisfaction in the UK, which – as our UKCSI shows - has fallen in every sector. Service is critical to maintaining reputation, winning business and creating value within an organisation. In public services and the third sector, we have started to see the beginnings of a drive to make customer experience a more central priority – this is vital to our wellbeing and way of life.

As ever attracting and retaining talent will be a key deciding success factor. The only way to do this is to engage, train and develop our people – something our Academy consistently supports our members with.

As we build the Service Nation, we should consider the four themes that underpin it – customer service as a business asset, customer service as a profession, customer service as a catalyst for a fairer society and customer service as a driver for sustainable growth. We need your support to drive meaningful change as the UK's independent voice for the service profession. I would like to thank every one of our members for all your support, feedback and commitment. You have been critical to the success we have had positively influencing business, regulators, the Government and the media. Here's to the next exciting 12 months, where we hope to repay your faith as together, we build the Service Nation.

Joanna Causon

CEO

10 July 2024

Institute Of Customer Service

Strategic Report (Continued)

For the year ended 31 March 2024

The directors have pleasure in presenting their Strategic Report and the financial statements of the company for the year ended 31st March 2024.

Principal activities and review of the business

The Institute of Customer Service was formed in 1996 and incorporated as a company limited by guarantee in February 1997. The Institute is the not-for-profit professional body for customer service.

Our vision is to see a world where customer experience makes a positive and sustained impact on individuals, organisations, society, and the economic wellbeing of the UK.

Our mission is for The Institute of Customer Service to deliver tangible benefits to individuals, organisations and stakeholders. We are the leading independent expert, setting and upholding the standards to enable our customers to improve their business performance through service, so that the UK is seen as the place to experience great service and a valued expert on the global stage.

The Institute is also recognised as expert in all aspects of customer service and this is demonstrated through the provision of tangible benefits of membership including:

- knowledge, delivered through insight, research, advice and networking
- collateral to demonstrate that customer service is a harder-edge business driver
- training and assessments
- case studies
- bespoke research
- organisational and individual professional development
- benchmarking and insight
- customer service skills development
- qualifications and accreditation
- standard setting
- public policy development

External environment

The external world in 2023/24 continued to present its challenges. The operational environment got tougher for organisations and customers. The cost of living continued to weigh on customers, employees, and businesses.

The conflict in Ukraine continued, exacerbating the energy crisis and contributing to inflation. Food shortages and supply chain disruptions were significant challenges, with the added strain of rising interest rates affecting economic stability across various sectors.

While the economy shows signs of recovery compared to the previous year, investment levels were still not sufficient to spur substantial growth. While most businesses were cautiously optimistic, many seem still to be awaiting clearer policy directions and what a new Government might mean for business.

The rapid development of AI and other emerging technologies has maintained its momentum, bringing both opportunities and challenges. These technologies offer potential solutions to many business problems but also raise legitimate ethical and societal concerns regarding their impact on employment and privacy.

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Strategic Report (Continued)

For the year ended 31 March 2024

Notable Achievements

Executive Summary

- Financially, we had a reasonably strong year, with revenue of £5.4m (the highest level for four years) and a surplus of £175k after interest and taxation
- We ended the year with 357 members with a total of 1,271 membership years, down 5.8% on the previous year, reflecting the external environment but something we have been addressing in the last 6 months
- Our Service with Respect campaign continued to resonate, and helped bring further protections for workers up the political and media agenda
- We were featured prominently in long-form pieces in The FT, The Telegraph and The Economist
- Our CEO has featured on BBC Radio 5 Live's Wake up to Money on what has now become a regular slot, which a great deal of airtime being devoted to the service agenda
- In the last 6 months of the trading year, we invested significantly in additional personnel within the Client Experience, Marketing and Product function to align with member needs and address some concerns in service levels
- We responded to 24 policy consultations/requests to submit evidence to parliamentary committees
- We continued to invest in developing our product portfolio
- Member and non-member and media engagement with our research increased, with strong turnout for launch webinars
- We continued to work closely with Parliamentarians, other key public officials and regulators to influence policy
- Our Academy achieved a total of £420k revenue
- We increased automation and integrated our systems better to drive greater efficiencies and effectiveness across the business

Financial Overview

2023/24 was a positive year financially for the Institute. This is against a backdrop of a difficult external market, which was unpredictable and showed stagnant growth.

We were therefore pleased to make a surplus of £175k and to strengthen our cash position with reserves (members' funds) now over £1m. We have also had our best year in four years in terms of revenue.

Member Engagement

Throughout the financial year we responded to the immediate 'here and now' whilst ensuring we remained fit for purpose and relevant for the future. We sought to recruit well to ensure we have people with not only the right skills but behaviours and understanding of the bigger purpose of the Institute. This has been an issue, as it is for many SME organisations. Therefore, in the last six months of the year we deliberately recruited ahead of immediate need and invested in all areas of the Institute increasing our head count by 20% overall and in the field facing roles by 38%.

We also made further developments in our IT systems, processes, and products to ensure we remain relevant and make us more efficient. There is still more to do in this area, and we will launch several new services and products in 2024/25 as well as revamping our training and Academy services to remain true to our purpose and relevant to the membership. The Client facing team are engaging with members and establishing themselves as the critical friend at a time when member expectations have become more demanding.

Our research has once again guaranteed that we are seen as thought leaders as we have chosen pertinent and strategic topics that all organisations have been seeking to understand and address.

This ensures that we are seen as the 'go to place' for thought leadership and ensures we are well respected by a range of influential stakeholders. The UKCSI which is now firmly established as a barometer of the state of customer service in the UK. Increasing sample sizes and responding to the regulators to demonstrate our independent thought leadership and benchmarking capability.

From an influencing and profile position 2023/24 has been an exceptional year, with the Institute being sought out on a regular basis by government, media, and other stakeholders for expert opinion.

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Strategic Report (Continued)

For the year ended 31 March 2024

Our weekly CEO statement emails have continued and have built up a significant following. They have also led to several media and speaking enquiries, with a CEO statement on aviation [published in full in Travel Weekly](#) earlier this year.

Our case studies, and open webinars also continue to be popular with members and non-members and help bring to life the work we are doing to *Inspire a Service Nation*.

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

Our CEO spoke at 39 different external conferences and events over the year, up significantly from 26 in 2022, as well as 10 member events. This is in addition to CEO breakfasts, industry roundtables and VP meetings.

Our Head-to-Head series hit the 100th episode in October 2023. This coincided with a revamp of the Head-to-Head website, with a compilation video and a gate to access content for data capture.

We continued to publish Customer Focus magazine three times a year and have enhanced variety of interviewees featured. We expect to publish three issues again next financial year. Our issues this year featured a range of experienced professionals such as Chris Pitt (CEO, first direct), Oke Eleazu (CEO, ManyPets) or Ant Middle (CEO, Ageas UK), and covered key themes such as Governance, Diversity and Inclusion and Leadership to Sustainable Growth.

Our member satisfaction score (which reached its highest ever at 84.5 last year) has fallen, for the first time in seven years, to 76.2. However, we scored well for quality of our product offering (UKCSI, Business Benchmarking and ServiceMark in particular) and have an extensive programme to address better contact in the field.

Ensuring our products and services are fit for purpose

The membership survey in 2023 revealed some areas of member engagement and satisfaction for us to improve on.

To address this, we have increased the headcount within the client facing team by 38% and we have already seen a significant improvement in engagement and member retention.

We introduced measures to deepen engagement through improving our member engagement plans, improving onboarding and dedicated training of new starters, product knowledge assessments, a wider campaign to focus on impact and ROI, stronger case studies by sector and by member, and better reporting tools within CRM to capture activity levels.

The strategy to introduce a Group Client Development Director has further evolved by replacing this with the introduction of two newly created Directors of Strategic Memberships in Q4. These roles have been designed to look after our group and several of our more complex accounts. Operating at executive level 'within' our group membership brands to understand their business and customer experience issues. To provide personalised membership support and solutions based on the Institutes products and services and purpose. To drive organic growth and increase membership revenue by scaling their relationship with the Institute and embedding us in their business to tangibly demonstrate the ROI of Membership. Example members include the John Lewis Partnership, Amazon, Capita, Boots & Unilever.

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

Profile, Influence and Impact

We are increasingly sought out by top UK business and leadership focused outlets, both nationally and internationally (BBC, The Financial Times, The Economist, The Telegraph, The Observer, Forbes, and many others), with organic and repeat interviews becoming more commonplace.

Our January 2024 UKCSI launch, for example, resulted an extended piece on BBC Radio 5's Wake Up to Money, and a regular (quarterly) slot for Jo on the programme. Additionally, a strong feature interview in The Telegraph resulted in a pitch from BBC Morning Live, watched by millions of viewers weekly. The FT has also visited our offices to conduct a 3-hour CEO interview for a future extended column piece in their Magazine.

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Strategic Report (Continued)

For the year ended 31 March 2024

Media highlights this year included:

- [BBC Radio 5's Wake up to Money](#) (three separate appearances over the last year)
- [The Telegraph – Why aren't we being served?](#)
- [The Economist - Customer service is getting worse—and so are customers](#)
- [The Economist 1843 Magazine – The last stand of the call-centre worker](#)
- [The Sunday Times – What went wrong with Britain's customer service](#)
- [The Daily Mail - Third of shop staff could quit jobs after assaults and abuse amid surge in verbal and physical attacks](#)
- [Forbes - Thank You For Not Calling! Agents Are On The Verge Of Burnout, Study Finds](#)
- [The Grocer - M&S's FTSE return shows the power of customer service](#)
- **UKCSI:** [The Telegraph](#), [The Observer](#), [City AM](#), [The Sunday Telegraph](#), BBC Radio London

Our media engagement strategy in 2023/4 has centred around understanding who our target audience is (business leaders) and creating more focused and valuable opportunities with business and trade media – rather than a broader approach with mainly consumer-focused coverage. In mid-2023, we changed our PR partners to a more business-focused agency as part of this strategy.

We shifted our focus to landing our key messages with our target audience based on their profile and business seniority. While we generated less coverage by volume in 2023 (913 pieces compared to 1,700 in 2022), we featured in most if not all of the UK's premier business-focused titles – including BBC Radio 5's Wake up to Money, The Financial Times, The Economist, The Telegraph, The Observer, and Business Live with Ian King. The Telegraph was our leading print source for 2023.

We also featured more heavily in the top trade publications in our key target sectors (including retail, financial services, utilities and travel) with op-eds and interviews in The Grocer, Utility Week, The Insurance Post, and Travel Weekly.

In terms of online and broadcast coverage, we featured over 600 times in online publications – with major features corresponding with increased traffic to the website. We also featured more than 200 times on radio and TV, including appearances on various BBC channels, Sky and LBC.

Our messages are grouped around themes for our media and public policy engagement, including declining customer satisfaction levels, Service with Respect & Inspiring a Service Nation; Governance, the ROI of good service, and the future of customer service amid emerging technologies such as AI.

National Customer Service Week 2023 (NCSW) went with a bang. Our launch emails saw the most opens we have ever had (20% open rate in 2023 vs 13% open rate in 2022), and NCSW drove a lot of additional traffic to our website, leading to almost 36k views vs. 24.5k in 2022 (up 47% yoy). We hit our sales target for NCSW merchandise (£19,114 this year vs £16,819, up 13% yoy) and have had 2,028 downloads of our digital pack compared to 1,943 the previous year (up 4% yoy). Similarly, the event was very well received by both members and non-members on social media, resulting in a total of over 24,500 impressions, 1,000 interactions (likes, comments, shares) and 300 clicks.

On social media, our Twitter presence held steady 5,942 compared to 5,996 last year. LinkedIn remains our primary channel of focus, and we hit the 27k follower milestone, ending the year up 8% from 25,083 to 27,041.

We continue our programme of improvements to our website, including optimising key pages under Professional Development/Standards and Accreditation and Speaking Engagements categories to improve conversion and reach, which should result in more inbound enquiries. From a traffic and SEO perspective, overall website traffic was up (592k page views vs. 509k in 2022-23 and 262k sessions vs. 249k in 2022-23). We are continuing to make structural website improvements and improve search optimisation by focusing on content, keywords, and site speed.

Research and Insight

Our research programme focused around four key areas:

- The *UK Customer Satisfaction Index (UKCSI)* is a national benchmark of customer satisfaction which enables us to track results and trends in 13 sectors. The UKCSI output includes the main state of the nation report, 13 sector reports and sector resource packs containing extra data and insight, and a member launch webinar
- Through our *breakthrough research* we publish research, as a member benefit, giving an independent, expert perspective on key issues that are of vital interest to service leaders
- We deliver *bespoke business benchmarking* projects which enable member organisations to combine core UKCSI benchmarking with additional organisation-specific measures and analysis

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Strategic Report (Continued)

For the year ended 31 March 2024

- Through the *insight consultancy*, we deliver a variety of insight projects for member organisations, as a commercial service

In July 2023 and January 2024, we published the *UK Customer Satisfaction Index (UKCSI)*, featuring the latest benchmarking, trends and insights into customer satisfaction in the UK and evidence of the links between customer satisfaction and business performance.

In the July 2023 UKCSI, we looked at the extent to which customers feel that organisations understand and respond to a customer's personal needs and situation and how this impacts satisfaction, especially for customers with low financial well-being, or who have a disability or long-term health condition. We also examined how and why customers use social media to engage with organisations.

In the January 2024 UKCSI, we examined the relationship between customer satisfaction and buying behaviours, evolving use of channels to engage with organisation and customers' experiences of and perspectives on artificial intelligence and emerging technologies in the context of customer service.

The UKCSI has created significant opportunities to engage with and build relationships with member and non-member organisations.

The July 2023 UKCSI main report was downloaded by 2.5k people (members and non-members). Members joined the member webinar launch. The January 2024 UKCSI main report was downloaded by 1.7k people). We also created a UKCSI executive summary which was sent to selected CEOs of non-member organisations that appear in the UKCSI.

In August 2023, we published our breakthrough research, *Governance and the Voice of the Customer*. The research looks at the extent to which customers are considered in corporate governance and how companies balance the needs of all their stakeholders - customers, employees, suppliers and partners, the wider community, as well as shareholders. The research includes perspectives from CEOs and senior executives, managers, investors and customers. It concludes with recommendations – for companies, government and regulators, and investors - on embedding the customer perspective in corporate governance, so that both business performance and customer outcomes improve. The research was sponsored by Ageas UK, UK Power Networks and Very Group.

In September 2023, we launched *The Customer Service Dividend Revisited: How to achieve sustainable growth, profitability and productivity*. The research is an update of our ground-breaking 2017 research *The Customer Service Dividend* and examines companies' customer satisfaction, as recorded in the UKCSI, alongside financial performance in companies' annual reports and accounts. The research shows that over the last 5 years, companies with higher customer satisfaction than their sector average have achieved higher EBITDA, revenue growth and revenue per employee than those with below average satisfaction.

In December 2022 we published *Customer Service Trends and Predictions 2024*, highlighting issues and trends that will be significant for the customer experience environment in 2024 and how organisations should respond. *Customer Service Trends and Predictions 2023* has been downloaded by 423 people (members and non-members).

Additionally, across bespoke benchmarking and insight consultancy we have delivered 26 research projects member organisations during 23-24.

Public Policy

Through the year we continued to build relationships with Parliamentarians and other key public officials, as well as facilitating member engagement with key political figures through the APPG on Customer Service.

In November 2023, following an updated round of research showing sustained customer hostility and a lack of reporting among those who experienced it, we issued a second open letter. This time, it was to call on the policing minister to ensure assaults on public service workers are recorded separately in police statistics. The open letter and updated research received national coverage including articles in The Daily Mail, The Independent, and The Telegraph as well as an appearance on BBC Radio 5's Wake up to Money.

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Strategic Report (Continued)

For the year ended 31 March 2024

Our All-Party Parliamentary Group (APPG) on Customer Service, for which we are the secretariat, continued to go from strength-to-strength in 2023. We held four meetings all attended by MPs, peers and CEOs. In particular, the APPG on regulated sectors highlighted the ability of The Institute to bring senior regulators, business leaders and parliamentarians together to discuss the importance of minimum service standards.

Additionally, we worked hard to secure the future of the APPG ahead of new rules coming into effect on 31 March 2024, gaining the ongoing commitment from our Chair, officers and a total of 20 parliamentary members.

We responded to over 20 Government policy consultations, ensuring The Institute has a voice in policy matters relating to customer service, with an average of two per month responded to. We engaged with Ofwat and the water companies to support use of the UKCSI as a key customer satisfaction benchmark in Ofwat's regulatory framework.

This year will likely see a General Election, with a government shake up strongly predicted. Considering this, we have developed a 'Service Manifesto' outlining our key asks of the current and potential future UK Government. This manifesto was soft launched at our APPG EGM in March 2024, and will be launched to members and externally in April 2024. In additional preparation for a potential new Government, we have been organising key meetings with select Parliamentarians and potential parliamentary candidates to discuss the work of The Institute.

Outside of Westminster, and as part of our Service with Respect campaign, we have been liaising with Police Crime Commissioners (PCCs) in key regions, including Kent, Leicestershire, and Gloucestershire. We will continue this work into FY 24/25 with community engagement events for members in these areas.

Our Service with Respect campaign has made significant strides in advocating for the safety and dignity of all public service workers. Designed with the purpose of safeguarding all public-facing workers from assault and harassment, the campaign has garnered widespread support and recognition.

However, despite the campaign's success and a change in the law, our latest round of research issued in November 2023 reveals that customer hostility is still a major issue. As a result, we have continued to campaign through an open letter (signed by 55 CEOs, business leaders and politicians) urging the policing minister to classify assaults on public service workers separately in police statistics to ensure a more accurate representation of the challenges faced by these workers.

With our sustained outreach effort, the campaign has successfully engaged 287 supporters to date, reflecting a growing community dedicated to fostering a culture of respect and protection for all.

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

The Academy

We saw some ebbs and flows in our Academy uptake, with a noticeable peak in the final two quarters. The Academy and other services showed resilience and we managed to achieve some record firsts as the year progressed.

Further change was introduced by the appointment of a new Director of Marketing and Customer Experience, who started on 1st November. Allowing for transitioning and learning, the Academy's baseline performance was sustained through increased engagement with the Client facing team regular product training and feedback on our services and support from across the directorate.

We observed a significant shift in our members' interests, particularly in the increased demand for our Train the Trainer programs, which we delivered in greater numbers. This trend suggests a move away from outsourced training to more in-house schemes, either for cost-saving purposes or expediency. We saw sustained high interest in in-person events for our ServiceFocus offerings, indicating a divergent trend in preferences for our various training formats.

Highlights include:

- Through a deep dive into the historical data, we uncovered that we had trained over 10k individuals, issued over 18k individual memberships and provided accreditation for over 10k TrainingMark certificates. These are likely conservative numbers and demonstrate the influence and reach of our offering
- Enriching landing pages for the Academy and our half-day workshops, including introducing more CTAs to increase the enquiry pipeline

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Strategic Report (Continued)

For the year ended 31 March 2024

- Product penetration within the Academy grew to 11.9%
- February 2024 saw our highest revenue in three years for the Academy
- We launched a new Academy workshop – Customer Service Root Cause Analysis – which was very well received
- To encourage engagement, we delivered 4 x webinars with approximately 260 registrations in total, highlighting our professional and management qualifications.
- January brought in record-breaking revenue from our masterclasses
- This year has been exceptionally successful for our Train the Trainer program, with 8 sessions conducted and 25 trainers certified. This is our best on record.
- To the end of February 2024, we trained a total of 905 individuals this year through various programs: 25 in-house workshops serving 275 participants, 40 ServiceFocus training courses reaching 480 participants, and one bespoke training session to 150 participants
- We conducted 13 ServiceMark assessments and have seen growth in our ServiceMark pipeline although recognise there is much to do in this area.

Standards and Quality

We continued to uphold our standards and quality, managing exception requests and adhering to the frameworks we have in place. Timeframes were kept consistently, and surveys administered promptly and managed to meet member expectations. Overall, our position as the authority through our member experiences via benchmarking, accreditation and the quality of our qualifications, continues to remain unequivocally strong.

Highlights of delivery were:

- We refined our ServiceMark Criteria, enhancing comprehension of the measurement strategies and required data for the ServiceMark evaluation.
- We reviewed and modified the ServiceMark re-accreditation process to incorporate a "temperature check" one year following the initial survey
- A ServiceMark campaign was launched, featuring a comprehensive marketing effort, updated materials with a new landing page and brochure
- We undertook a data mining project to track the number of surveys, ServiceMark accreditations to date, and the total surveyed respondents across our Business Benchmarking and ServCheck platforms.
- We started revising additional questions in our Business Benchmarking portal to simplify costs and minimize unnecessary email volume.
- Throughout the year, we conducted 13 ServiceMark assessments, awarded 22 TrainingMark accreditations, and enrolled 23 delegates in Management Qualifications.
- We achieved our most successful year yet for the Train the Trainer program.

Assessments continued to be virtual during 2023-24.

Operational and People Development

Employee Engagement:

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

Performance Management:

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

Hybrid working:

Hybrid working and virtual delivery have become the norm and are reflected in our day-to-day operations both internally and externally. We continue to ensure this is well-managed and monitored in terms of both productivity and personal wellbeing.

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Strategic Report (Continued)

For the year ended 31 March 2024

The London-based team is together for 2 days per week and we are trialling for certain teams a move to 3 days to maximise the value of the office, teamwork and cross functional working. We are also encouraging certain roles within field-based teams to attend the office on a regular basis to support team cohesion.

Resourcing and structure:

We have invested significantly in additional headcount this year in the client experience function to align with customer and market needs. We are introducing new recruiting and onboarding methods to ensure our new people get the best possible welcome and can contribute quickly at the level required. We have created a new team of Directors of Strategic Relationships to support our most strategic and complex accounts. The search for a new Commercial Director to lead the team was completed and the individual will start with us in the Autumn. We have also invested in the Marketing and Customer Service directorate, creating an additional role to head up Customer Service. The roles and responsibilities across this team have been redefined so the Head of Academy and Head of Product & Member Propositions have clarity and direction over their areas.

Benefits and reward:

We determined our annual pay review in 2024 very carefully in terms of managing expectations around inflation whilst also rewarding strong performance and keeping an eye on retention. We have ensured market-competitive reward packages by benchmarking our roles and working closely with trusted suppliers. We decide to increase the employer pension contribution for all employees to 5% w.e.f. 1st May 2024, and have uplifted the payments for our employee referral scheme. We continue to review our benefits packages against market standards.

Security, Systems & Business Improvement:

As part of our overall IT Strategy, this year we set out with a plan to focus on improving our system capabilities, predominately around the implementation and development of our CRM.

We had some key objectives around improving adoption of use of the system and driving a culture of self-service. As we looked to drive our Membership numbers and increase product engagement, we were clear that in doing this, we would need to be able to provide accurate and timely management information, demonstrating ROI and engagement back to the Membership and our teams.

We entered the year with vast amounts of duplication of data management and a fledgling CRM hub that was configured with the potential to start the process of migrating and integrating various platforms and systems into the solution. This pathway was designed to reduce duplication, improve efficiency, and provide a holistic view of each customer.

We were also clear that a key emphasis would be given to the responsibility to protect the data of the members and the Institute, and we must take further steps to improve the network security, data audit, access controls and data retention.

Over the twelve months, we tried to focus on a quarter-by-quarter approach to many of our projects to ensure that we tracked to plan for the year.

Business Continuity Planning:

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

Governance

The Institute received a 'clean audit' of 2022/23 year-end accounts.

An Internal Audit review was conducted during the year with nothing significant identified and all recommendations actioned and in place.

We also re-appointed Gilberts as The Institute's external auditors, following ratification at the AGM in July 2023.

The governance of The Institute is achieved through its Board and committee structures, operational management activities, and implementation of its policies. The Board is responsible for setting the overall CSR policy and goals for The Institute and senior management are responsible for their operational implementation

Institute Of Customer Service

Strategic Report (Continued)

For the year ended 31 March 2024

Corporate Social Responsibility

The Institute recognises its business operations have an impact on the communities and environment in which it operates. As per our CSR policy, we review our charity partner every two years and vote on who to support. As part of that process, we selected Mind as our new partner and ran an auction of promises to raise money as part of our support.

The Institute is committed to operating its business in a manner that is both sensitive and responsible with proper regard to its legal obligations and according to relevant directives, regulations, and codes of practice.

We are committed to supporting the Government's vision for Corporate Social Responsibility, specifically:

- Promoting business activity that brings simultaneous economic, social, and environmental benefits
- Encouraging innovative approaches and continuing development and application of best practices
- Ensuring the best minimum levels of performance in areas such as health and safety, the environment, and equal opportunities
- Creating a framework that facilitates business practices that balance financial success with achievement of social and sustainability goals
- Taking an active part in supporting the local community and social causes

GDPR Compliance

We continue to work to ensure our compliance with the EU GDPR. The Institute ensures personal data is handled and dealt with properly, however it is collected, recorded, and used.

Our data protection policy sets out how we seek to protect personal data and ensure that staff understand the rules governing their use of personal data to which they have access in the course of their work. We have been working to improve our systems, processes, and contracts to help achieve this. We have also worked with members and suppliers to maintain compliance across our supply chain.

Our privacy policy covers how organisations' and individuals' data are secured, covering both their right to data being kept private and their right to privacy from tele and online marketing, unless they have opted-in to receive it. It also helps ensure The Institute complies with the Privacy and Electronic Communications Regulations (PECR) and that applies in conjunction with data protection legislation, such as GDPR.

Our key strategic priorities in 2024/25 are:

Deliver on the final year of our current three-year strategy.

Develop our research, knowledge, and insight capability: We will continue to demonstrate our credibility, influence and impact through our research and insight. With relevant topics on reputation, leadership, engagement and regulation,

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

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

ServiceMark: Embed as the national organisational standard and demonstrate its impact in terms of improved customer satisfaction.

We will continue to build the profile and engagement with ServiceMark and are targeting a total of 40 Accreditations for the year, 25 new and 15 renewals. In line with the ServiceMark review, we will consider how we make this more accessible to larger/more complex organisations in terms of scale and profile.

Institute Of Customer Service

Strategic Report (Continued)

For the year ended 31 March 2024

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

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

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

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

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

Deliver a clear and focused Policy and Government agenda: To work with the new government to drive through the Service with respect campaign and Service Manifesto.

Infrastructure, skills and capability: Invest further in our systems development to ensure we are easy to do business with for members and non-members. We will continue to review the organisation's structure and ensure we have the right skills and capabilities to deliver a seamless and integrated membership experience. Our CRM will drive greater efficiencies and effectiveness. We will continue to work in a hybrid way. In terms of product support, we will be developing a ROI calculator and SME offering (see more below).

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

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

Showing the link between service investment and business returns: We will develop an ROI calculator underpinned by an effective model that shows the link between strategic and operational service improvement and financial performance, customer retention and organisational efficiencies.

Building an SME offering fit for the current environment: We will scope, develop and bring to market a new membership proposition aimed at the SME market. This will replace our Pathway membership proposition and fill a gap which we have been seeing increasing demand for.

Institute Of Customer Service

Strategic Report (Continued)

For the year ended 31 March 2024

Appendix 1 – New members 2023/24 (from a wide range of sectors)

Argent Services LLP	Lampton Services
Belron UK Ltd / Autoglass	London Borough of Havering
Buckinghamshire New University	Matrix SCM
Bulk	Moneybarn Vehicle Finance
CA Auto Finance UK	Nationwide Building Society
Charities Aid Foundation	One Family
Croda	QMetrics
Deckers Europe Limited	Rapid Relocate
Eurovent Certita Certification	Skewb Ltd
EXL Service (UK) Limited	SMT GB
First Open Access Operations	South Tyneside Homes
Govia Thameslink Railway Ltd	Synertec Ltd
Great Western Railway	UK SBS Ltd
Haydock Finance Ltd	Worthing Homes
Home Office-Immigration and Enforcement	XPS Pensions Group PLC
Iris Capital Ltd	
Jisc	
Konecranes Demag UK Ltd	

Institute Of Customer Service

Directors' Report

For the year ended 31 March 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

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

Directors

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

Joanna Causon
Jonathan Cowie
Giles Hawke
Shirley Fell
Mark Gait
David Macleod
Graham Edwards
Chris Pitt

(Appointed 30 April 2024)

Auditor

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

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

Small companies exemption

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

Institute Of Customer Service

Directors' Report (Continued)

For the year ended 31 March 2024

On behalf of the board

Joanna Causon

Director

10 July 2024



Institute Of Customer Service

Independent Auditor's Report

To the Members of Institute Of Customer Service

Opinion

We have audited the financial statements of Institute Of Customer Service (the 'company') for the year ended 31 March 2024 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.



Institute Of Customer Service

Independent Auditor's Report (Continued)

To the Members of Institute Of Customer Service

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. There are inherent limitations in the audit procedures noted above, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance, miscellaneous receipts and payments testing, journal entry testing, analytical procedures and obtaining additional corroborative evidence as required. In doing so we evaluate whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.
- We recognise that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



Institute Of Customer Service

Independent Auditor's Report (Continued)

To the Members of Institute Of Customer Service

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of Gilberts Chartered Accountants (Statutory Auditor)

Pendragon House
65 London Road
St Albans
Hertfordshire
AL1 1LJ

10 July 2024

Institute Of Customer Service

Profit and Loss Account

For the year ended 31 March 2024

	2024 £	2023 £
Income	5,390,053	5,115,051
Administrative expenses	(5,342,185)	(5,389,657)
Operating surplus/(deficit)	47,868	(274,606)
Interest receivable and similar income	167,245	32,748
Surplus/(deficit) before taxation	215,113	(241,858)
Tax on surplus/(deficit)	(40,570)	(6,222)
Surplus/(deficit) for the financial year	174,543	(248,080)
Retained earnings brought forward	899,963	1,148,043
Retained earnings carried forward	1,074,506	899,963

Institute Of Customer Service

Balance Sheet

As at 31 March 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		93,947		103,110
Tangible assets	5		106,214		122,520
Investments	6		1,000		1,000
			<u>201,161</u>		<u>226,630</u>
Current assets					
Debtors	8	1,428,974		1,253,819	
Cash at bank and in hand		6,007,699		5,677,471	
		<u>7,436,673</u>		<u>6,931,290</u>	
Creditors: amounts falling due within one year	10	<u>(3,299,611)</u>		<u>(3,342,036)</u>	
Net current assets			<u>4,137,062</u>		<u>3,589,254</u>
Total assets less current liabilities			<u>4,338,223</u>		<u>3,815,884</u>
Creditors: amounts falling due after more than one year	9		<u>(3,253,717)</u>		<u>(2,910,921)</u>
Provisions for liabilities	11		<u>(10,000)</u>		<u>(5,000)</u>
Net assets			<u><u>1,074,506</u></u>		<u><u>899,963</u></u>
Reserves					
Income and expenditure account			<u><u>1,074,506</u></u>		<u><u>899,963</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 10 July 2024 and are signed on its behalf by:

Giles Hawke

Director

Company Registration No. 03316394

Institute Of Customer Service

Balance Sheet (Continued)

As at 31 March 2024

Notes	2024		2023	
	£	£	£	£
Reserves - members funds	1,074,506		899,963	
Deferred income:				
Amounts falling due within one year	2,531,323		2,552,155	
Amounts falling due after more than one year	3,007,220		2,649,782	
Total adjusted reserves	6,613,049		6,101,900	

Deferred income relates to non-refundable membership subscriptions.

Institute Of Customer Service

Notes to the Financial Statements

For the year ended 31 March 2024

1 Accounting policies

Company information

The company is a private company limited by guarantee incorporated in England and Wales. The registered office is Ground Floor, 4 Gainsford Street, London, SE1 2NE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Income and expenditure

Turnover is the total amount receivable by the company for services provided, excluding value added tax and trade discounts.

Subscriptions of members are credited to the income and expenditure account over the period of the membership, after deducting 20% for selling costs. Subscriptions are not refundable.

1.3 Intangible fixed assets other than goodwill

Intangible assets are initially recorded at cost and are subsequently measured at cost less accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

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

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

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses.

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

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

Institute Of Customer Service

Notes to the Financial Statements (Continued)

For the year ended 31 March 2024

1 Accounting policies

(Continued)

1.5 Fixed asset investments

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

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

1.6 Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

1.7 Financial instruments

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

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

Basic financial assets

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

Basic financial liabilities

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

1.8 Taxation

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

1.9 Provisions

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

1.10 Retirement benefits

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

1.11 Leases

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

Institute Of Customer Service

Notes to the Financial Statements (Continued)

For the year ended 31 March 2024

1 Accounting policies

(Continued)

1.12 Foreign exchange

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

1.13 Subscriptions receivable

Subscriptions of members are credited to the income and expenditure account over the period of the membership, after deducting 20% for selling costs. Subscriptions are not refundable.

2 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,000	15,350

3 Employees

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

	2024	2023
	Number	Number
Total	39	38

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2023	293,028
Additions	23,621
At 31 March 2024	316,649
Amortisation and impairment	
At 1 April 2023	189,918
Amortisation charged for the year	32,784
At 31 March 2024	222,702
Carrying amount	
At 31 March 2024	93,947
At 31 March 2023	103,110

Institute Of Customer Service

Notes to the Financial Statements (Continued)

For the year ended 31 March 2024

5 Tangible fixed assets

	Leasehold improvement	Furniture and equipment	Total
	£	£	£
Cost			
At 1 April 2023	84,741	80,503	165,244
Additions	-	7,335	7,335
At 31 March 2024	84,741	87,838	172,579
Depreciation and impairment			
At 1 April 2023	7,318	35,406	42,724
Depreciation charged in the year	8,473	15,168	23,641
At 31 March 2024	15,791	50,574	66,365
Carrying amount			
At 31 March 2024	68,950	37,264	106,214
At 31 March 2023	77,423	45,097	122,520

6 Fixed asset investments

	2024	2023
	£	£
Shares in group undertakings and participating interests	1,000	1,000

7 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

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

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

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

Institute Of Customer Service

Notes to the Financial Statements (Continued)

For the year ended 31 March 2024

8 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	1,174,243	1,054,713
Other debtors	15,373	15,250
Prepayments and accrued income	239,358	183,856
	<u>1,428,974</u>	<u>1,253,819</u>

9 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Deferred income	3,253,717	2,910,921

10 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	175,969	191,522
Amounts owed to group undertakings	870	870
Corporation tax	40,570	6,222
Other taxation and social security	350,016	324,662
Deferred income	2,632,613	2,790,202
Other creditors	22,519	696
Accruals	77,054	27,862
	<u>3,299,611</u>	<u>3,342,036</u>

11 Provisions for liabilities

	2024	2023
	£	£
Dilapidations provision	10,000	5,000

The current lease for the Institute offices includes a requirement to restore the property to its original condition. A provision is made each year to cover the estimated cost of the dilapidations being £5,000 per year over the 10 year rental agreement.

Institute Of Customer Service

Notes to the Financial Statements (Continued)

For the year ended 31 March 2024

12 Members' liability

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

The liability of members is limited. Every member of the Institute undertakes to contribute such amounts as may be required (not exceeding £1) to the Institute's assets if it should be wound up while they are a member, or within one year after they cease to be a member, for payment of the Institute's debt and liabilities contracted before they cease to be member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories themselves.

13 Operating lease commitments

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

2024	2023
£	£
624,329	593,333
<u>624,329</u>	<u>593,333</u>