

# instructus...

# Instructus

## Annual Report and Financial Statements

31 March 2014

Company No: 03235481

Charity No: 1095809



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**Status:** The organisation is a charitable company limited by guarantee, incorporated on 8 August 1996.

**Governing Document:** The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. The charitable company became a registered charity on 4 February 2003. The memorandum of association was last update on 18 July 2013.

**Company Number:** 03235481

**Charity Number:** 1095809

**Registered Office:** 6 Graphite Square  
Vauxhall Walk  
London  
SE11 5EE

**Trustees:** J Beine  
C Wilson  
N Hopkins

**Chief Executive Officer:** D Holland

**Company Secretary:** M Cooke

**Bankers:** Unity Trust Bank Plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

**Solicitors:** Freeth Cartwright LLP  
Cumberland Court  
80 Mount Street  
Nottingham  
NG1 6HH

**Auditors:** Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

## Trustees' Report for 2013/14

The Trustees present their statutory report together with the consolidated financial statements of Instructus (previously the Council for Administration) and its subsidiaries for the year ended 31 March 2014.

The report has been prepared in accordance with the Charities Act 2011 and equates to a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

### Introduction

Instructus is a registered charity in England and Wales. It is the parent company of two other educational charities: Skills CfA and the Institute for Administrative Management (IAM).

### Historical development

Skills CfA was launched in 1996 as the lead body for business and administration. By 2003 it was under threat from the introduction of national training organisations. Efforts for survival were concentrated on winning work from a wider client group, and by broadening its activities, so threats were managed and risks minimised. As part of this strategy Skills CfA became the sole member of the Institute of Administrative Management (IAM) in 2007 and the Institute of Qualified Professional Secretaries (IQPS), renamed the Institute of Professional Administrators (IPA), in 2008. The next two years saw large investment in reorganising the IAM and IPA. For the IAM this included recruiting new staff, building new systems, improving the qualification offer and designing more competitive products for the Qualification and Credit Framework (QCF). For the IPA focus was placed on building a completely revised offer for its members, appointing a regional co-ordinator team of volunteers, running quarterly events, improving the communications model and promoting career development opportunities for a wider range of professional administrators.

During 2009 Skills CfA reviewed its governance and a group structure was implemented in 2010 to strengthen governance for the regulated charities within the group. This resulted in Skills CfA being renamed and rebranded as Skills CfA with a new charity incorporated for this purpose. Instructus remained the sole member of Skills CfA, IAM and IPA.

In 2010 Instructus passed ownership of the IPA to IAM and in 2011 the IAM launched a new sector institute for professional administrators, administrative managers and their leaders, incorporating both the old IAM and IPA.

### IAM – Discontinued Operations from December 2013

The Institute of Administrative Management (IAM) is the oldest management Institute in the UK having inspired professional business managers and administrators since 1915.

The IAM had a strong focus on international students with a good reputation abroad for attracting overseas students into the UK to study. IAM specialised in a niche area relating to level 4 and 5 business and administration qualifications, and was a small to medium sized player in a crowded market with some notable larger awarding organisations dominating the landscape.

UKBA rules and caps on student numbers allowed into the UK and ability to work in the UK whilst studying relating to the government's anti-immigration stance severely reduced the amount of students that could

study at many IAM centres. Many IAM centres went out of business, which ultimately had a substantial knock-on effect on the IAM's ability to continue. The IAM has entered into liquidation and ceased trading from December 2013. The effect on the group in the financial statements for the year ended 31 March 2014 is £994,817. The total effect on the group is laid out in note 25.

## **Vision**

The vision of the group is to promote excellence in business education.

## **Charitable objective**

Our charitable objective is to advance education by the promotion of training and skills in business and relevant disciplines, in particular by the development of qualifications and training based on national standards. The Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

## **Purpose**

Instructus has two main purposes: to broaden and enhance the business education footprint of the group by judicial investment and influence; and provide group services to Skills CfA ( Continuing Operations) and IAM (Discontinued Operations). These include bespoke operational services for each charity, as well as finance, business development, marketing and communication services.

## **Strengths and core competencies**

The Instructus group is one of the most inspirational groups of business educational charities in the UK. Its core competencies are:

- Research and development
- Project management
- Standards, qualifications and apprenticeship framework design
- Customer service and stakeholder engagement, systems and processes.

## **Business management and continuous improvement**

### **Instructus business management (Continuing Operations)**

The Instructus charity model is based on its primary activities of (1) providing operations, finance, business development, marketing and communications services to Skills CfA ( Continuing Operations) and IAM (Discontinued Operations), (2) developing a stronger and more influential footprint in the business education sector for the public benefit.

### **Skills CfA business management (Continuing Operations)**

Skills CfA's charity model is based on its primary activities of (1) research and development, (2) certification services and (3) learning services. These functions are supported by a combination of internal teams and specialist support partners in operations, business development, finance, marketing and communications; and external partnerships with TUC, major professional bodies and trade associations.

## **IAM business management (Discontinued Operations)**

IAM's charity model is based on its primary activities of (1) registering centres, (2) awarding qualifications and (3) providing professional body services to its members. These functions are supported by Instructus teams in operations, business development, finance, marketing and communications.

## **Group continuous improvement**

The focus on continuous improvement is facilitated by the integration of financial management, business development, customer service, risk management and performance management into trustee reporting and evaluation cycles. These also inform our annual self-assessment processes for regulator approved awarding organisations, issuing apprenticeship frameworks, submitting units and rules of combination for qualifications, IIP, ISO 9001 and being an ACCA recognised employer.

In November 2012 Instructus acquired the Institute of Paralegals (IOP). This was a strategic acquisition of a professional body with large growth potential. This strategic decision was taken having considered the loss of the IAM professional body.

## **2013/14 group achievements**

During the year in question Instructus concentrated on two major activities: providing business services to Skills CfA and IAM, and searching for acquisition and merger opportunities.

Instructus provided both Skills CfA and IAM with bespoke operations, finance, marketing and communication services.

## **Skills CfA achievements (Continuing Operations)**

### **1) Research and development**

Skills CfA reviewed two suites of National Occupational Standards in Sales and Business Continuity Management. In addition, three new suites of National Occupational Standards were developed in Public Relations, Bidding and Tendering and Risk Management.

Five new Apprenticeship frameworks were Issued by Skills CfA for England and Wales, covering the following job roles: Public Relations (Wales); Hospitality Management (Wales); Business Innovation and Growth (England and Wales); Human Resource Management (Wales).

18 Apprenticeship frameworks were re-issued in England and Wales, covering the following job roles: Sales & Telesales (England); Management (England & Wales); Contact Centre Operations (England & Wales); Business & Administration (England & Wales); Customer Service (England & Wales); Human Resource Management (England & Wales); Public Relations (England); Social Media and Digital Marketing (England and Wales); Hospitality Management (Wales); Recruitment (Wales); Court, Tribunal and Prosecution Services (England); Fundraising (England); Business Innovation and Growth (England and Wales); Project Management (England); Recruitment (England).

In Scotland, the new merged Customer Service and Contact Centre Operations Modern Apprenticeship framework was approved.

A number of qualification developments were supported or led by Skills CfA, including the development of new national qualifications at varying levels in Management and Leadership (England, Wales and Northern Ireland at Levels 2,3,4,5 and 7), Business Administration (England, Wales and Northern Ireland at Levels 1, 2, 3 and 4)

and Customer Service (England, Wales and Northern Ireland at Levels 1, 2, 3 and 4); Customer Service and Contact Centres (Scotland).

The Apprenticeship frameworks and qualifications developed by Skills CfA can potentially be used by every organisation in the UK to develop their employees' skills. The National Occupational Standards developed and revised by Skills CfA can also be used by every organisation in the UK as tools to review skills, develop training programmes, create job descriptions and assess individual competencies. Over 2013/14 more than 75,000 learners started one of Skills CfA's Apprenticeship programmes (it should be noted though that this figure is only for the period from August 2013 to March 2014 so in reality it is likely that this number would be substantially higher).

In its role as the business-related standard setting organisation Skills CfA supported the accreditation of 487 qualifications, ranging from Level 1 to Level 7.

In Europe, Skills CfA has been operating as a lead partner in the European Graduate Placement Scheme (EGPS). EGPS is an EU funded programme that facilitates partnership development between Higher Education Institutions and business to improve the mobility and employability of European translation students.

The consortium consists of 5 partner institutions:

- Skills CfA – Project Co-ordinator
- University of Salford
- Johannes Gutenberg-Universität Mainz
- Universitat Autònoma de Barcelona UAB
- Pedagogical University of Cracow

The EGPS project will create a Graduate Placement Framework that can be embedded into any postgraduate translator training course to increase the mobility of students and enhance their employment prospects.

Skills CfA is also a partner in the EU Korea Smiles project. This is a joint mobility project and is funded by the European Union and Korean Ministry of Education, focussing on the Engineering and Business Studies Sector. The project provides 36 EU students from Finland, Slovakia and UK with an 8 week study and work placement in South Korea and 36 Korean students with similar mobilities in the EU. The project is running from 2014-2016. Activities in the project include a combination of curriculum mapping, skills development and assessments, plus the development and delivery of an intercultural working skills module.

## 2) Certification services

Skills CfA has a significant responsibility for operating apprenticeship certification services for Business related apprenticeships in England, Scotland and Wales, on behalf of the Federation for Industry Sector Skills and Standards (Previously known as 'The Alliance of Sector Skills Councils') . Skills CfA is the largest apprenticeship certification body in the UK, responsible for supporting apprentices and their training providers, quality assuring every application and all associated evidence. 76,300 pan-sector completion certificates were issued to apprentices in England and Wales during 2013/14. 4,200 apprentices were registered in Scotland and 3,411 completion certificates were issued to apprentices in Scotland during the same period. Alongside the internal Quality Assurance system developed by Skills CfA to monitor quality on an on-going basis, an audit is carried out annually by the Federation for Industry Sector Skills and Standards to review the quality of Skills CfA Certification activities.

### 3) Knowledge Transfer

Skills CfA held its national conference in Birmingham in November 2013, attended by over 100 delegates from a range of training providers, colleges and awarding organisations, with the aim of developing the skills of training providers and colleges in delivering Apprenticeships using best practice techniques.

Skills CfA presented at several events in 2013/14, including several AELP sector forums. In addition to this, following the success of seminars at the National Conference, we staged a series of webinars. These activities are focussed on increasing awareness of Apprenticeships and the importance of skills development, as well as promoting vocational education.

Skills CfA have continued to distribute text books for business and administration qualifications. The textbooks were developed to support learners and trainers in delivering the Business and Administration National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs). 598 books were distributed in 2013/14.

We also responded to numerous queries from a range of individuals throughout the year related to apprenticeships, qualifications, National Occupational Standards and other skills related issues. In this way Skills CfA supports training providers to better understand the requirements of qualifications and apprenticeships, and supports employers and learners who want to find out more information about apprenticeships and vocational qualifications.

### IOP achievements (Continuing Operations)

During the year, the IOP acquired the Society of Specialist Paralegals (SSP) from Central Law Training (CLT), this added a further 650 members to the Institute. IOP and CLT will also partner to broaden the paralegal offering. The IOP is also in partnership with the National Association of Licensed Paralegals (NALP) to develop and promote the Professional Paralegal Register (PPR). This register is aimed at boosting consumer protection in the unregulated paralegal sector and was launched in December 2014.

### IAM achievements (Discontinued Operations)

- Undertook an Internal restructuring in December 2012 against the background of a very challenging and volatile business environment which led to roles and responsibilities being realigned and new governance arrangements put in place to support new business requirements.
- Across the organisation work continued on improving our internal IT infrastructure including significant investment made to connect our customer relationship management and finance systems.
- Undergone a complete revision of our website which was re-launched in the financial year.
- Reviewed, and as appropriate revised, all of awarding policies and procedures to ensure compliance with the regulators' revised Conditions of Recognition.
- An on-site investigation was carried out by Ofqual in December 2012 - new arrangements for quality assurance and systems audit visits have been implemented.
- Governance arrangements have also been revised with a new QAAC committee and Education Committee now implemented.
- Continued to develop new working arrangements with a number of suppliers including CIPFA, ARMA and ELC.
- Introduced a new endorsement scheme and have approved programmes now publicised for Your Excellency and DarsNameh.com
- Introduced alternative assessments for the Mandatory elements of the Level 4 and 5 Diplomas in Business and Administrative Management.
- Successful graduation ceremonies were held in London and Nottingham for IAM graduates.
- Strengthened the quality of membership benefits and offers available to our members.



- Re-launched our Institute magazine with a new publisher. This included the provision of a new magazine website and digital app.
- New jobsite aimed at all office professionals.
- New mobile enabled e-Digest replaced our monthly newsletters with a weekly update on our news, content and events (from January 2013).
- Held a series of regional events across the breadth of the UK
- Improved considerably our social media activities.

Unfortunately these activities were not robust enough to warrant further investment from charitable funds and IAM's activities were discontinued as from December 2013.

## Financial review

### Results for the year

Total incoming resources for the year were £2,470,169 (£4,911,936 in 2013). Total resources expended were £3,275,230 (£4,999,016 in 2013). The resulting deficit of £805,061 has been taken to reserves.

The balance sheet shows total unrestricted funds of £1,788,441. The charity's subsidiaries, Skills CfA, IAM and IOP made deficits of (£313,954), (£309,025) and (£9,801) respectively in the year.

### Reserves policy

The charity's Trustees review the reserves policy from time to time. At the last review in 2014 the Trustees examined the requirements for free reserves, i.e. those unrestricted funds not designated for specific purposes or otherwise committed, and approved the level of free reserves should be up to three times the full operating costs and financial commitments for any one year. At 31 March 2014 unrestricted general funds totalled £1,788,441 (2013- £2,593,502).

### Risk management

The charity has considered the major risks to which it is exposed, as identified by the Trustees. These have been reviewed and systems and procedures have been established to mitigate those risks. The trustees will continue to review and identify risks on an on-going basis.

### Future plans

The year has presented serious challenges to the Instructus group. The liquidation of IAM meant a total loss of £994k was made in an attempt to support and turn-around the awarding body. Also fundamental changes to the Apprenticeship system being made by Government meant that future funding for creating and maintaining standards for Skills CfA has reduced dramatically.

Strategically, plans for the Instructus group to deal with these challenges include;

- Diversification of income streams– moving away from dependency on government funded projects via acquisition and organic internal development and moving into the consultancy/training sphere in our related areas of expertise.
- Rationalisation of costs – to reduce team sizes and overheads to become more efficient and match the projected income streams.
- Consolidation – to reduce the volume of group companies and related costs.

Many of these plans have already been implemented at the time of signing these accounts.

Instructus plans to continue developing the Institute of Paralegals. Currently paralegals represent the unrecognised, fragmented 4<sup>th</sup> arm of the legal sector, however there are an estimated 220,000 paralegals in the UK and 6,500 paralegal companies, compared to 10,000 legal firms. The aim is to grow membership from the current base of 650 members to 10,000 members over the next 5 years by adding standards, mapping qualifications, professionalising and setting out codes of conduct and ethics for paralegals. One of the first steps will be to seek further acquisition or partnership for joint ventures with other paralegal bodies.

## Governance

The structure of the group has been designed to ensure total independence of each charity and provide robust governance within and across the group of charities. Instructus is the sole member of both Skills CfA and IAM. Each charity has its own independent board of trustees.

## Constitution

Instructus is a registered charity (Charity No: 1095809) and a company limited by guarantee (Company No: 03235481). Instructus is incorporated in England and Wales.

## Trustees

The trustees of the charitable company constitute directors of the charity for the purposes of the Companies Act and other company legislation. The following trustees were in office at 31 March 2014, and served throughout the year:

David Holland, Chair	(resigned 17 May 2013)
Kathy Woodward	(resigned 1 December 2013)
Jane Beine	
Charles Wilson	
Nigel Hopkins	(appointed 1 December 2013)

Instructus has robust recruitment, induction, appraisal and training processes in place for all trustees. Trustees receive frequent reports on operations, human resources, risks and finance. Financial governance is a top priority for trustees: the Instructus chair holds monthly finance meetings with the executive team where performance is reviewed, targets are agreed, and financial governance is scrutinised to minimise risks and maximise income potential. Trustees meet every three months for board meetings and once a year to agree the strategic direction of Instructus over the ensuing three year period. All group trustees are appointed by the Instructus board. All Instructus, Skills CfA and IAM trustees are members of Instructus.

## Statement of Trustees' Responsibilities

The trustees (who are also directors of Instructus for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given, and should be interpreted in accordance with the provisions of the Companies Act.

### Delegation of powers

The Instructus trustees delegate operational powers to the chief executive who is responsible for implementing the strategies and operating the charity. Instructus has an executive management team who report monthly to the chief executive.

Approved by the trustees and signed on their behalf by:

N Hopkins  
Trustee  
Date:



19/12/14

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF INSTRUCTUS LIMITED

We have audited the financial statements of Instructus Limited for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 Trustees' Annual Report and from preparing a Strategic Report.

*Kingston Smith LLP*

Shivani Kothari (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

*19th December 2014*

**Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.**

Consolidated Statement of Financial Activities  
(Incorporating the Income and Expenditure account)  
For the year ended 31<sup>st</sup> March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
<i>Incoming resources from charitable activities</i>					
Continuing Operations:					
Promotion of training and skills	1	1,926,549	19,926	1,946,475	3,597,100
Professional body activities	2	70,335	-	70,335	144,277
Discontinued Operations:					
Professional body activities	3	132,688	-	132,688	381,303
Awarding body activities	4	307,347	-	307,347	775,208
<i>Incoming Resources from Generated Funds</i>					
Investment Income – Bank Interest		13,324	-	13,324	14,048
<b>Total Incoming Resources</b>		<b>2,450,243</b>	<b>19,926</b>	<b>2,470,169</b>	<b>4,911,936</b>
<b>Resources Expended</b>					
<i>Charitable activities</i>					
Continuing Operations:					
Promotion of training and skills	5	2,377,166	20,000	2,397,166	2,995,674
Professional body activities	6	100,771	-	100,771	59,284
Discontinued Operations:					
Awarding body and professional body activities	7	738,120	-	738,120	1,884,997
<i>Cost of charitable activities</i>					
Governance Costs	8	39,173	-	39,173	59,061
<b>Total Resources Expended</b>		<b>3,255,230</b>	<b>20,000</b>	<b>3,275,230</b>	<b>4,999,016</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(804,987)</b>	<b>(74)</b>	<b>(805,061)</b>	<b>(87,080)</b>
Transfers between funds	20	(74)	74	-	-
<b>Net Movement in Funds – Continuing operations</b>		<b>(506,976)</b>	<b>-</b>	<b>(506,976)</b>	<b>641,406</b>
<b>Net Movement in Funds – Discontinued operations</b>	25	<b>(298,085)</b>	<b>-</b>	<b>(298,085)</b>	<b>(728,486)</b>
<b>Reconciliation of funds:</b>					
Net (Expenditure)/Income		(805,061)	-	(805,061)	(87,080)
Total funds brought forward		2,593,502	-	2,593,502	2,680,582
Total funds carried forward	20	<u>1,788,441</u>	<u>-</u>	<u>1,788,441</u>	<u>2,593,502</u>

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net movement in funds stated above, and the historical cost equivalent.

## Consolidated and Charity Balance Sheets as at 31 March 2014

	Notes	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
<b>Fixed Assets</b>					
Tangible	15a	136,451	388,514	136,451	388,514
Intangible	16a	174,360	196,152	-	-
Investment In Subsidiary Company	17	55,000	2	110,000	110,000
		<u>365,811</u>	<u>584,669</u>	<u>246,451</u>	<u>498,514</u>
<b>Current Assets</b>					
Tangible	15b	-	917	-	-
Intangible	16b	-	60,000	-	-
Stock		4,128	3,333	-	-
Debtors	18	242,128	769,140	97,341	132,537
Cash at bank and in hand		1,464,072	1,872,870	10,109	32,745
		<u>1,710,328</u>	<u>2,706,260</u>	<u>107,450</u>	<u>165,282</u>
<b>Creditors: Amounts falling due within one year</b>	19	<u>(254,698)</u>	<u>(697,427)</u>	<u>(259,917)</u>	<u>(237,027)</u>
<b>Net Current Assets/(liabilities)</b>		1,455,630	2,008,833	152,467	(71,745)
<b>Creditors: Amounts falling due after one year</b>	19	<u>(33,000)</u>	-	-	-
<b>Net Assets</b>	21	<u><u>1,788,441</u></u>	<u><u>2,593,502</u></u>	<u><u>93,984</u></u>	<u><u>426,769</u></u>
<b>Represented by:</b>					
Restricted funds	20	-	-	-	-
Unrestricted Funds					
General funds	20	<u>1,788,441</u>	<u>2,593,502</u>	<u>93,984</u>	<u>426,769</u>
	21	<u><u>1,788,441</u></u>	<u><u>2,593,502</u></u>	<u><u>93,984</u></u>	<u><u>426,769</u></u>

Approved by the trustees and signed on their behalf by:

N Hopkins  
Trustee

Date:

Company number: 3235481

The accompanying notes form an integral part of these financial statements.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2014

### Principle Accounting Policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements.

#### Basis of Consolidation

The statement of financial activities and balance sheet consolidate the accounts of the charity and its subsidiary undertakings, Institute of Administrative Management, Skills CfA and Institute of Paralegals, made up to the balance sheet date. The Institute of Paralegals are exempt from audit and the transactions are immaterial to the group and therefore have not been audited. Intragroup transactions are eliminated in full.

No separate statement of financial activities has been presented for Instructus alone, as permitted by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005. The deficit for Instructus for the year is £332,785.

#### Incoming resources

Contract income is recognised for the period in which it is earned.

Income from registration fees, events and the sale of publications and certificates consists of the invoiced value for the period.

Members', students' subscriptions and application and examination fees are credited to incoming resources in the year it is received.

Income from accreditation, validation and other income is recognised when the charity has earned the income.

Income from investments is included in the year in which it is receivable.

#### Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Resources expended comprise the following:

- a) The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.
- b) Governance costs are costs associated with the governance of the charity and its assets. Included within this category are costs associated with the strategic, as opposed to day-to-day, management of the charity's activities.
- c) Support costs are allocated to the activities they are supporting on the basis of the time spent on each activity.

#### Tangible Fixed Assets and Depreciation

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Fixtures, fittings and equipment - 20% on cost
- Computer equipment - 25% on cost

#### Intangible fixed assets and amortisation

Intellectual property represents amounts expended on the development of examinations including study guides and course materials, expected to generate future incoming resources. Amortisation is provided at 20% on cost in order to write off the asset over its estimated useful life.



Goodwill is written off in equal annual instalments over its estimated useful life of 10 years.

**Stock**

Stock is valued at the lower of cost and net realisable value.

**Pensions**

The charity operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

**Funds:**

**Unrestricted funds**

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Designated funds represent funds earmarked by the Trustees for a particular purpose.

**Restricted Funds**

Restricted funds are funds which are restricted in use by the donor for specific purposes.

**Leased Assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

**Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange during the year. Exchange differences are taken into account in arriving at the net movement in funds.

**Cash Flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

**1 Promotion of Training and Skills – Continuing Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus and Skills CFA</i>				
Income from activities for generating grants and contract income	378,189	19,926	398,115	1,658,399
Registration and certification fees	1,516,871	-	1,516,871	1,891,288
Publications, events, related products and services	31,145	-	31,145	47,413
Miscellaneous income	344	-	344	-
	<u>1,926,549</u>	<u>-</u>	<u>1,946,475</u>	<u>3,597,100</u>

**2 Professional Body Activities – Continuing Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>The Institute of Paralegals</i>				
Subscriptions	69,547	-	69,547	34,277
Other	788	-	788	110,000
	<u>70,355</u>	<u>-</u>	<u>70,335</u>	<u>144,277</u>

**3 Professional Body Activities – Discontinued Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Institute of Administrative Management</i>				
Subscriptions	132,688	-	132,688	381,303

**4 Awarding Body Activities – Discontinued Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Institute of Administrative Management</i>				
Examination fees	204,178	-	204,178	547,365
Accreditation and validation	89,850	-	89,850	198,633
Other income	13,319	-	13,319	29,210
	<u>307,347</u>	<u>-</u>	<u>307,347</u>	<u>775,208</u>

**5 Promotion of Training and Skills - Continuing Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus and Skills CfA</i>				
Staff costs	1,059,462	-	1,059,462	1,043,097
Contract costs	129,699	-	129,699	580,305
Registration and certificate fees	445,432	-	445,432	747,820
Publication, events, related products and services	23,476	-	23,476	32,880
Bad debt expense	(13,076)	-	(13,076)	39,193
Loss on disposal	140,729	-	140,729	-
Legal and professional fees	14,651	-	14,651	33,062
Staff training	17,600	-	17,600	18,529
Recruitment costs	16,993	-	16,993	55,623
Premises costs	107,820	-	107,820	88,828
Promotion and publicity	88,457	-	88,457	87,385
Depreciation	118,672	-	118,672	66,994
Irrecoverable Vat	74,236	-	74,236	99,345
Other expenditure	173,015	-	173,015	102,613
	<u>2,397,166</u>	<u>-</u>	<u>2,397,166</u>	<u>2,995,674</u>

**6 Professional Body Activities - Continuing Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus and Institute of Paralegals</i>				
Subscriptions	62,496	-	62,496	32,387
Membership benefits	4,920	-	4,920	-
Finance costs	68	-	68	446
Telephone, postage and stationary	3,797	-	3,797	1,641
Premises costs	39	-	39	351
Promotion and publicity	4,840	-	4,840	2,072
IT & software costs	664	-	664	592
Amortisation	21,795	-	21,795	21,795
Sundry	2,152	-	2,152	-
	<u>100,771</u>	<u>-</u>	<u>100,771</u>	<u>59,284</u>

**7 Awarding Body and Professional Body Activities – Discontinued Operations**

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus and Institute of Administrative Management</i>				
Staff costs	293,805	-	293,805	807,709
Subscriptions	53,712	-	53,712	117,120
Bad debt expense	-	-	-	73,735
Examinations	109,786	-	109,786	178,874
Accreditation and validation	1,885	-	1,885	30,650
Finance costs	3,737	-	3,737	8,620
Telephone, postage and stationary	16,691	-	16,691	27,223
Consultancy	7,244	-	7,244	24,386
Cost of sale of study materials	-	-	-	880
Promotion and publicity	11,822	-	11,822	41,798
Depreciation	71,434	-	71,434	107,907
Impairment of the intellectual property	-	-	-	160,370
Irrecoverable Vat	59,655	-	59,655	94,092
Support costs	47,891	-	47,891	85,562
IT & Software costs	45,737	-	45,737	119,774
Other staff team expenses	14,720	-	14,720	6,299
	<u>738,119</u>	<u>-</u>	<u>738,119</u>	<u>1,884,999</u>

## 8 Governance Costs

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus (Charity)</i>				
Trustees remuneration	-	-	-	6,500
Audit and professional fees	10,859	-	10,859	20,298
Trustee meetings	13	-	13	16,500
Trustee recruitment costs	12,051	-	12,051	-
	<u>22,923</u>	<u>-</u>	<u>22,923</u>	<u>43,298</u>

All the Governance Costs above are recharged to the subsidiaries Skills CfA(Continuing Operations) and IAM (Discontinued Operations)

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
<i>Instructus (Group)</i>				
Trustees remuneration	-	-	-	6,500
Audit and professional fees	17,138	-	17,138	32,821
Trustee meetings	9,984	-	9,984	18,768
Trustee recruitment costs	12,051	-	12,051	-
Other trustee expenses	-	-	-	972
	<u>39,173</u>	<u>-</u>	<u>39,173</u>	<u>59,061</u>

## 9 Net Incoming Resources for the Year

This is stated after charging:

	Unrestricted 2014	Restricted 2014	Total Funds 2014	Total Unrestricted Funds 2013
	£	£	£	£
Staff costs (note 10)	1,064,054	-	1,064,054	1,516,411
<i>Auditors' remuneration</i>				
Statutory audit services	23,422	-	23,422	20,821
Other professional costs	80,547	-	80,547	3,677
Depreciation	153,979	-	153,979	148,201
Operating leases	21,580	-	21,580	21,191
Amortisation	21,793	-	21,793	21,795

## 10 Staff Costs

Staff costs during the year were as follows:

	<b>Total 2014</b>	<b>Total 2013</b>
<b>Charity</b>	<b>£</b>	<b>£</b>
Wages and salaries	376,394	690,091
Social security	44,005	63,585
Other pension costs	22,775	44,161
Severance costs	33,605	101,677
Other Staff Costs	15,276	-
	<u>492,055</u>	<u>899,514</u>

All the Staff Costs above are recharged to the subsidiaries Skills CfA ( Continuing Operations) and IAM (Discontinued Operations)

	<b>Total 2014</b>	<b>Total 2013</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,097,658	1,516,411
Social security	121,708	144,085
Other pension costs	56,549	86,144
Severance costs	88,920	104,166
Other Staff Costs	23,872	-
	<u>1,388,707</u>	<u>1,850,806</u>

## 11 Number of Employees

The average number of employees, calculated on a full time equivalent basis for the group was:

	<b>2014 Number</b>	<b>2013 Number</b>
Instructus	11	22
Skills CfA (Continuing Operations)	18	10
IAM ( Discontinued Operations)	7	10
	<u>36</u>	<u>42</u>

### Higher Paid Employees

The number of higher paid employees was:

	<b>Total 2014</b>	<b>Total 2013</b>
£60,001 - £70,000	-	3
£70,001 - £80,000	1	-
£90,001-£100,000	1	-
£100,001-£110,000	1	-
£130,001 - £140,000	-	1
	<u>3</u>	<u>4</u>

The above higher paid employees received employer pension contributions of £22,325 (2013: £25,700)

## 12 Trustee Emoluments

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Remuneration and other benefits	-	6,500	-	-

### Group

In addition, seven trustees were reimbursed £9,984 (2013 – £18,768) for expenses during the year. The only trustee authorised to receive any remuneration was the Chairman for whom the authority to remunerate was received from the Charity Commission in February 2004. Amount received was £- (2013 - £6,500)

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employers and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part.

## 13 Pension Costs

Instructus operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £22,775 (2013 - £44,161).

IAM (Discontinued Operations) operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contribution due from the charity and amounted to £11,028 (2013 - £23,773).

Skills CfA (Continuing Operations) operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contribution due from the charity and amounted to £22,746 (2013 - £18,210).

## 14 Taxation

Instructus is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

**15a Tangible Fixed Assets**

<b>Group &amp; Charity</b>	Fixtures, Fittings and Equipment £	Computer and Office Equipment £	<b>Total £</b>
<b>Cost</b>			
At the start of the year	305,073	570,776	875,849
Additions	837	-	837
Disposals	(87,096)	(461,153)	(548,249)
Transferred to current assets	-	-	-
At the end of the year	<u>218,814</u>	<u>109,623</u>	<u>328,437</u>
<b>Depreciation</b>			
At the start of the year	171,911	315,424	487,335
Charge for Year	43,866	107,650	151,516
Depreciation on disposals	(87,096)	(359,769)	(446,865)
Transferred to current assets	-	-	-
At the end of the year	<u>128,681</u>	<u>63,305</u>	<u>191,986</u>
<b>Net Book Values</b>			
At the end of the year	<u>90,133</u>	<u>46,318</u>	<u>136,451</u>
At the start of the year	<u>133,162</u>	<u>255,352</u>	<u>388,514</u>

**15b Current Tangible Fixed Assets**

<b>Group</b>	Computer and Office Equipment £	<b>Total £</b>
<b>Cost</b>		
At the start of the year	60,251	60,251
Written off	(60,251)	(60,251)
At the end of the year	<u>-</u>	<u>-</u>
<b>Depreciation</b>		
At the start of the year	59,334	59,334
Charge for Year	583	583
Written off depreciation	(59,917)	(59,917)
At the end of the year	<u>-</u>	<u>-</u>
<b>Net Book Values</b>		
At the end of the year	<u>-</u>	<u>-</u>
At the start of the year	<u>917</u>	<u>917</u>

Due to the winding up of the IAM during the year end tangible assets relating to the IAM have been reclassified as current tangible assets.

**16a Intangible Fixed Assets**

<b>Group</b>	<b>Goodwill</b>	<b>Intellectual Property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At the start of the year	217,948	-	217,948
Additions	-	-	-
Transferred to current assets	-	-	-
At the end of the year	<u>217,948</u>	<u>-</u>	<u>217,948</u>
<b>Depreciation</b>			
At the start of the year	21,975	-	21,795
Charge for Year	21,793	-	21,793
Impairment charge	-	-	-
Transferred to current assets	-	-	-
At the end of the year	<u>43,588</u>	<u>-</u>	<u>43,588</u>
<b>Net Book Values</b>			
At the end of the year	<u>174,360</u>	<u>-</u>	<u>174,360</u>
At the start of the year	<u>196,152</u>	<u>-</u>	<u>196,152</u>

See note 17b for details of the goodwill.

**16b Current Intangible Fixed Assets**

<b>Group</b>	<b>Intellectual Property</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At the start of the year	325,775	325,775
Written off	<u>(325,775)</u>	<u>(325,775)</u>
At the end of the year	<u>-</u>	<u>-</u>
<b>Depreciation</b>		
At the start of the year	265,775	265,775
Written Off	<u>(265,775)</u>	<u>(265,775)</u>
At the end of the year	<u>-</u>	<u>-</u>
<b>Net Book Values</b>		
At the end of the year	<u>-</u>	<u>-</u>
At the start of the year	<u>60,000</u>	<u>60,000</u>



**17 Fixed asset investments**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Charity – Investment in subsidiaries</b>		
At the start of the year	110,000	-
Additions – IOP	-	110,000
Impairment	-	-
At the end of the year	<u>110,000</u>	<u>110,000</u>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Group – Investment in subsidiaries</b>		
At the start of the year	2	25,002
Additions – SSP	55,000	-
Impairment – IAM Management Services Ltd	(2)	(25,000)
At the end of the year	<u>55,000</u>	<u>2</u>

The charity has three wholly owned subsidiaries, Skills CfA, the Institute of Paralegals (IOP) and the Institute of Administrative Management (IAM). The main activities of the subsidiaries are:

Skills CfA's charity model is based on its primary activities of (1) research and development, (2) certification services and (3) I services.

IAM's charity model is based on its primary activities of (1) registering centres, (2) awarding qualifications and (3) providing professional body services to its members.

IOP' not for profit model is based on its primary activity of providing professional body services to its members.

A summary of their results is shown below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Skills CfA</b>		
Incoming resources	1,959,454	3,611,148
Resources expended	(2,273,408)	(2,986,839)
<b>Net Incoming Resources</b>	<u>(313,954)</u>	<u>624,309</u>
<b>Assets</b>	1,789,495	2,395,707
<b>(Liabilities)</b>	(149,593)	(441,851)
<b>Net Funds</b>	<u>1,639,902</u>	<u>1,953,856</u>

As at 31<sup>st</sup> March 2014 Instructus owed Skills CfA £180,094 (2013 – Skills CfA owed Instructus £55,458).

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>IOP</b>		
Incoming resources	70,335	34,277
Resources expended	(78,977)	(37,489)
<b>Net Incoming Resources</b>	<u>(8,642)</u>	<u>(3,212)</u>
<b>Assets</b>	91,221	8,363
<b>(Liabilities)</b>	(101,023)	(119,522)
<b>Net Funds</b>	<u>(9,801)</u>	<u>(111,160)</u>

As at 31<sup>st</sup> March IOP owed Instructus £37,743 (2013 - £4,295)

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>IAM</b>		
Incoming resources	440,035	1,156,511
Resources expended	(749,060)	1,788,580
<b>Net (Outgoing)/Incoming Resources</b>	<u>(309,025)</u>	<u>(632,069)</u>
<b>Assets</b>	-	225,720
<b>(Liabilities)</b>	-	(878,452)
<b>Net Funds</b>	<u>-</u>	<u>(652,732)</u>

The IAM has two wholly owned trading subsidiaries which are incorporated in England and Wales, IAM Management Services Limited and The Institute for Professional Administrators. Both companies were dormant throughout the period and in the previous year and had no assets or liabilities at 31 March 2014.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Investment in IAM Management Services Limited at cost	<u>-</u>	<u>2</u>

During the year IAM was placed into voluntary liquidation and ceased trading in December 2013. As a consequence all the activities of the IAM have been shown as discontinued operations in these financial statements. The discontinued activities of the IAM have been reflected in the accounts as discontinued operations. An Intercompany loan with Instructus of £994,817 has been provided against over the course of this financial year and the previous financial year. The Group Trustees considered the use of charity funds within IAM and the potential implications however it was considered to be the best use of funds to wind up the IAM with the resulting impact on the group of £994,817.

During the year, the IOP made an investment in the Society of Specialist Paralegals Limited (SSP), an unlisted entity, for £55,000. As part of this investment, the trade and assets of SSP transferred to IOP and IOP committed to make annual training payments of £9,000 for the next five years.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Investment in SSP Limited at cost	<u>55,000</u>	<u>-</u>

**18 Debtors**

	<b>Group 2014</b>	<b>Group 2013</b>	<b>Charity 2014</b>	<b>Charity 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year:				
Trade debtors	18,217	666,094	-	-
Other debtors	22,718	36,164	19,996	30,133
Prepayments and accrued income	201,193	66,882	39,602	42,652
Amount due from subsidiary undertakings	-	-	37,743	59,752
	<u>242,128</u>	<u>769,140</u>	<u>97,341</u>	<u>132,537</u>
Amounts falling due after more than one year:				
Loan with subsidiary undertaking	-	-	-	-

**19 Creditors: Amounts Falling Due Within One Year**

	<b>Group 2014</b>	<b>Group 2013</b>	<b>Charity 2014</b>	<b>Charity 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	120,884	213,602	59,997	58,858
Other taxes and social security costs	43,441	31,528	8,958	18,023
Other creditors	54,233	2,263	258	-
Accruals and deferred income	25,140	450,034	10,610	160,146
Amount due to subsidiary undertakings	-	-	180,094	-
	<u>243,698</u>	<u>697,427</u>	<u>259,917</u>	<u>237,027</u>

Group accruals and deferred income includes £nil of income which was deferred during the year (2013 - £18,229). All previous deferred income has been released during the year.

20 Analysis of Net Assets Between Funds	General Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £
<b>Charity</b>			
<b>Funds at 31 March 2014 are represented by:</b>			
Fixed assets	246,451	-	246,451
Current assets	107,450	-	107,450
Current liabilities	(259,917)	-	(259,917)
<b>Total net assets</b>	<u>93,984</u>		<u>93,984</u>
<b>Group</b>			
<b>Funds at 31 March 2014 are represented by:</b>			
Fixed assets	365,811	-	365,811
Current assets	1,710,328	-	1,710,328
Current liabilities	(254,698)	-	(254,698)
Long Term Liabilities	(33,000)		(33,000)
<b>Total net assets</b>	<u>1,788,441</u>		<u>1,788,441</u>

During the year, an amount of £74 was transferred from General Funds to Restricted Funds as Restricted Funds were in deficit by this amount.

## 21 Financial Commitments

At 31 March 2014, the charity had annual commitments under non-cancellable operating leases which expire as follows:

	Land & Buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
In one year	-	-	2,787	2,787
Between two and five years	<u>77,811</u>	<u>75,311</u>	<u>10,432</u>	<u>11,560</u>

## 22 Related Party Transactions

During the year, the following payments were made in respect of professional services rendered in relation to education and examination matters:

Trustees	2014	2013
	£	£
J McLean	<u>1,300</u>	<u>3,768</u>

The financial statements do not include disclosure of all transactions between the parent and its subsidiaries. This is because the subsidiaries activities are more than 90% controlled by Instructus and hence exempt from the requirement under Financial Reporting Standard 8, 'Related Party Transactions' to disclose such transactions.

David Holland (as a Trustee) was acting CEO for 6 months from December 2012 to May 2013. This role was not remunerated. David formally resigned as a Trustee in May 2013 and was officially appointed CEO from June 2013.

## 23 Capital Commitments

Instructus has no significant capital commitments at 31 March 2014.

## 24 Post Balance Sheet Events

As at 30th April 2014 Skills CfA completed the acquisition of CQM Training and Consultancy Ltd (CQM T&C), company number 02782477 for £650,000.

CQM T&C specialise in:  
 Continuous Process Improvement  
 Management Development  
 Strategy Development

The acquisition of CQM T&C fulfils the strategic objectives set out of acquisition and diversification. CQM T&C engages directly with employers, apprentices and trainee's and moves the Skills CfA income model away from reliance on government funded projects.