

Company Number: 07066687
Charity Number: 1144894

Instructus
(A company limited by guarantee)

Consolidated Financial Statements
For the year ended 31 March 2022

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

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TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report) FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1 of the financial statements.

The Trustees

The trustees who served the charity during the year were as follows:

Mr N P Hopkins	Chair
Ms J A Norrington	
Ms E J Rush	
Mr R Traish	
Ms R Allen	
Ms A Cooper	
Ms J Seymour	

Structure, governance, and management

Constitution

Instructus is a registered charity (Charity No: 1144894) and a company limited by guarantee (Company No: 07066687), which is incorporated in England and Wales.

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.

Trustee appointment and management

Trustees are appointed by the board of trustees.

The charity 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 CEO holds regular finance meetings and holds regular audit meetings with the executive team, where at least one trustee is present, and 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 the charity over the ensuing three-year period. The Risk & Audit Committee meets formally four times per year, plus additional meetings to review budgets as required. The Quality Committee has two Trustee members and meets four times per year. Trustees act as Chairs of both Risk & Audit and Quality Committees.

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The trustees delegate operational powers to the Chief Executive Officer, who is responsible for implementing the strategies and operating the charity.

Arrangements for setting the remuneration of the charity's key management personnel lie with the Chief Executive (for his direct reports) and with the Chairman of the board for the Chief Executive. The performance and development review documents are used to assess the performance of the key personnel and the financial performance of the charity, and its subsidiaries are used as benchmarks to agree any pay amendments.

Our trustees understand the key challenges facing Instructus and as well as their detailed induction training, receive regular updates on the performance of the charity.

Introduction

Instructus is a charity whose objects are *"to advance education for the public benefit by promoting qualifications, training and skills"*.

Instructus is the sole owner of **CQM Training & Consultancy Ltd.**

Instructus is the UK's pan-sector standard setting body for business skills at work across the UK. It is responsible for setting standards, developing vocational business qualifications and apprenticeship frameworks, registering, and issuing pan-sector apprenticeship frameworks.

As part of our commitment to maintaining the UK Skills system, we are a strategic partner with Skills Development Scotland who operate the nations Standards and Framework agreement.

In 2021/22 Instructus was a registered End Point Assessment Organisation (EPAO) in England for conducting End Point Assessments (EPA) on apprentices. Instructus currently covers 4 standards in the UK: Retailer (Level 2), Business Administrator (Level 3), Retail Team Leader (Level 3) and Team Leader (Level 3). See risks section below.

In 2021/2022 Instructus certified just over 24% of all the apprenticeships certified by non-governmental organisations in the UK.

	2020/2021	2021/22
England	34.0%	25.6%
Wales	21.2%	30.2%
Scotland	28.7%	18.5%
All	31.3%	24.5%

The Springboard Consultancy is an international training and development consultancy that contributes to achieving greater equality in the world by helping attendees be the best they can be and realising their full potential. Springboard sits as a brand within Instructus.

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Springboard programmes make a significant difference to people's lives and are delivered by employees and a network of licenced freelance trainers. As of March 2022, we had 149 licenced trainers delivering programmes, and delivered programmes to 2480 individuals over the year.

CQM Training and Consultancy Ltd delivers training across the UK. CQM offer development programmes in the areas of leadership and management, continuous improvement, and vocational skills. As a lead provider on the Register of Apprenticeship Training Providers (ROATP), CQM deliver a range of apprenticeships in many different market sectors, with a notable coverage in the food and drink sector. We were recently re-appointed to the ROATP following an extensive formal renewal process.

All activity conducted by Instructus, The Springboard Consultancy and CQM Training & Consultancy Ltd has a direct and positive public benefit. Our work in qualifications, training and skills always focuses on individual learners at the heart of our offering. The more people we can develop, the more lives will be transformed.

Coronavirus

There is no doubt that the Coronavirus continued to have a significant impact in 2021/22 with the full lifting of UK restrictions only happening on 24th February 2022.

We have continued to deliver our programmes using a mixed blend of virtual and face to face learning where possible. The balance is something we aim to continue as we look to the future.

Apprenticeship starts continue to be lower than pre covid levels, and completions have also been impacted by multiple factors such as redundancies, breaks in learning, recruitment, and changing employers. We have balanced this with a focus on open cohorts to ensure our provision remains accessible to as wide an employer base as possible. We are expecting some stabilisation now that a return to restrictions is unlikely

We have seen an increased interest in personal development training, as organisations prioritise investment in people. This has seen strong growth in Springboard programmes and our suite of Management development activity.

Charity and Social Impact

The Charity has had regard to the Charity Commission guidance on public benefit. The Charitable object of Instructus is *"to advance education for the public benefit by promoting qualifications, training and skills"*. Given the financial impact of the pandemic we have had to focus on our core offering in each component area. Principally this is as follows:

Qualifications

- Certification of English Apprenticeships
- Certification on Apprenticeships in the devolved nations
- Certification of Yellow, Green, Black and Master Black Belt practitioners
- End Point Assessment

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Training

- Springboard Programmes
- Springboard licencing programmes
- Licensed trainer support
- CQM Apprenticeship programmes
- CQM bespoke training
- Authentic Leader programmes

Skills

- National Occupational Standards Review Projects
- Qualification structure reviews
- Apprenticeship framework review, across the devolved nations
- Labour market analysis and apprenticeship take up rates in Scotland

These activities have driven significant public benefit in a wide variety of areas, including.

- New apprentices
- Individual growth/Societal growth
- Improved business ROI
- Improved productivity
- Improved equality
- Simplification of the skills systems across the devolved nations
-

In addition to our core activity, the board of Trustees have supported the development of a self-funded pilot programme to build Mentoring Skills in those working with less advantaged individuals or groups. This programme has been developed to pilot stage for delivery in 2022 and will form a core part of our offering moving forwards.

Quality Assurance

Instructus has continued its role as both an Issuing Authority and Certification Body for apprenticeships in the UK, meeting all statutory and regulatory obligations. We were successful in passing all Federation audits and have maintained our grade 1 quality mark which is the highest possible. Instructus prides itself of continuous improvement of internal and external processes. Our certification team continue to significantly overachieve the targets set in our Service Level Agreements with the Federation.

We have passed all audit requirements of the new External Quality Assurance process which ensures that our End Point Assessment service is fit for purpose.

We have various accreditations, including:

- Cyber Essentials
- Cyber Essentials Plus
- IASME Governance
- Matrix Accreditation
- Living Wage Employer

In addition, we have seen improvement in our apprenticeship achievement rating, exiting the year in line with the target of 55% (higher than the national completion rate). Quality remains a key focus of the CQM board, with all Directors undertaking additional training around Ofqual assessments.

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Achievements and Performance

The year continued to be defined by Coronavirus restrictions (until February 2022). Our investment in virtual delivery ensured that we have seen year on year growth in both CQM and Springboard Programmes. We have also grown our share of skills-based projects. Certification performed in line with expectations, with the reduction in volume being due to the planned removal of apprenticeship frameworks in England. We remain committed to ensuring the 'tail' of frameworks will all be certified to the same standards we have held throughout. EPA has not performed in line with expectations, largely due to a change in regulator and a difficult sales market with a reluctance to change provider during pandemic. This has led the board to consider the strategic viability of continuing EPA activity (See Risks).

The apprenticeship market continues to be challenged. After 2010, the number of apprenticeship starts rose to approx. 400,000 per annum, but have dropped off to approx. 250,000 per year since the introduction of the apprenticeship levy in 2017. Workforce pressures have also impacted completion rates and access to learners, with increased levels in 'breaks in learning' at employer request and increased movement of employees to new employers. That said, our completion rates remain slightly ahead of the national average.

Our introduction of 'open cohort' apprenticeships has been successful, encouraging multiple employers to come together to fill an apprenticeship cohort. We are starting to see the first EPA results from these groups with a high level of merits and distinctions.

Financial

Group cash position at year end was £448,908. This was above the reserve level agreed by the board.

CQM returned to surplus in the year, generating a net profit of £28,963 which represents a year on year growth of £84,862.

Instructus returned a loss of £111,344. This was largely in line with forecast, and shows a year on year growth of £164,864. Springboard improved from income of £197,956 in 2020/21 to £418,621 in 21/22, which represents a growth rate of 111%.

We are anticipating that the growth in core areas continues in 2022/23, which combined with a rationalisation of resource will see the organisation return to group surplus.

Customer

We track several customer related scores across our activity, which are summarised below:

- EPA Learner satisfaction score was 96%
- Instructus recommendation score was 95% (based on 1062 responses)
- Certification Quality year end scores were 0.3% and 0.5% against a target of <5%
- Springboard satisfaction with the online experience was 85%
- CQM Learner recommendation rate was 95%
- CQM customer recommendation rate was 100%

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People

We saw an increase in staff sickness rates from 0.2% to 1% in the year, which was largely due to Coronavirus. This rate is below the UK average sickness rate for 2021 of 2.2%

We regularly measure staff satisfaction through a quarterly 'pulse' survey, which identifies key areas for us to work on. We have achieved an 80% staff engagement rate as measured by the anonymous survey.

We continue to focus on employee training and development, accessing training courses, ongoing CPD, apprenticeships and coaching, regularly reviewed through line manager development 'touchpoints'.

We have a suite of mandatory training courses covering all statutory requirements, including safeguarding, health and safety, GDPR and anti-bribery. Compliance with this training is monitored and reviewed on a regular basis.

Impact

We have onboarded 15 new Springboard clients in the year (30 in total). We have had 2480 people through Springboard Programmes (in house & freelance) over the year.

Virgin Atlantic have also now licensed 7 trainers looking to deliver Springboard to over 220 women in the organisation. In addition, we are just completing a licensing programme with 6 participants for Leonardo.

We onboarded 2 new EPA clients, building on the 57 assessments conducted in the year.

We have successfully certified 21,045 people across the UK.

We have significantly increased the number of learners on Improvement Standards programmes which helps build the skills levels across organisations, with some significant business improvements being achieved.

Indeed, we have seen apprentices on our improvement standards apprenticeship programmes deliver over £3m in savings for their organisations even during a tough time for many, plus of course gaining a skillset to be able to continue to deliver that year on year.

We are proud to have worked closely with two visually impaired learners from Bedfordshire County Council, helping them achieve their qualifications.

We have successfully led 107 CQM learners through EPA, and a further 60 through framework completion.

We currently have 465 learners on apprenticeship programmes with CQM, and approximately 115 on commercial training programmes.

We continue to push local engagement, delivering apprenticeship presentations at local schools.

We have continued to support a wide variety of employers, training providers, awarding organisations and professional bodies with the development of learners and skills for the future.

We look forward to launching our mentoring scheme to help those working with less advantaged people.

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Skills Projects

We increased the number of skills projects significantly in 2021/2022. Through our Standards and Framework contracts we delivered the following projects on time and on budget:

- Review of all Business Administration National Occupational Standards (NOS) and all Management & Leadership NOS. This project reviewed the utilisation of pan-sector NOS across all other sectors and where there were opportunities to rationalise the number of NOS in use and how cross-sector NOS could be better developed. Further work will be conducted in the new financial year as we consult with the devolved nations, regulators and Skills Development Scotland.
- Review and update of Business Administration Modern Apprenticeships at SCQF level 5 and 6.
- Review and update of Business Administration qualification structures at SCQF level 5 and 6.
- Review and update of the Business Enterprise NOS and rationalisation into a single suite of Business and Enterprise Support, Business Link Broker, Business Link Gateway, Business Information & Enterprising Skills.
- Review and update of Cleaning and Support Services NOS
- Translation of recently updated NOS into Welsh for: Learning and Development, Digital Marketing, Business Administration, Contact Centre, Management & Leadership, Housing and Customer Service

Risks

There are 4 key risks:

Pandemic

Whilst all restrictions have been lifted, and all indicators are that we will not return to nationwide 'lockdowns', the impact of a significant wave would be material. We have worked hard to mitigate with blended delivery options, but we would be unlikely to be able to mitigate against a sustained lockdown period as experienced in 2020 without government support.

Economy

The economic position is fragile, with the UK in negative growth. A combination of Brexit, COVID and the war in Ukraine has created an uncertain market position. Traditionally economic uncertainty has led organisations to consider investments in training and development. However, the high employment rates are seeing organisations investing in this area to prompt retention of talent and minimise recruitment needs. If the employment rates drop significantly, we could see this position destabilise.

The increase in cost of living is having an impact on all our employees. We have awarded a 2.5% pay increase but must recognise the additional risk of key staff leaving for better paid positions.

Despite the rise in inflation, government funding bands for apprenticeships remain unchanged, meaning that additional costs will result in lower margins. We are working hard to mitigate with cost reduction where appropriate.

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Apprenticeship Completion Rates

The pandemic has had a significant impact on apprenticeship completion rates due to a combination of furlough and learner availability. In addition, there has been a significant decline in completion rates across the apprenticeship market with the introduction of apprenticeship standards. We continue to focus on completions as a high priority and remain on target to deliver our targets agreed with the board.

End Point Assessment (EPA)

Regulation for EPA is being moved from the existing EQA organisations to be centrally run by Ofqual. This change in regulation requires significant additional investment in specific roles to meet the requirements more suited to large or solus providers of EPA. The board have reviewed in detail and in April 2022 took the decision not to continue with EPA in the short to medium term, as the investment required was considered too speculative against the revenue return. All our customers have been informed and we will conclude our last EPA's in June 2022. Whilst the decision has been tough, removing the principle financial risk from our forward view allows us to concentrate on more established activity, with a proven growth rate shown over the last 12 months.

The budgets for 2022/23 were produced before the decision to withdraw from EPA was made. These budgets were scrutinised by the Risk and Audit Committee under delegated authority from the board. This review also included a review of worst-case position allowing for over 20% reduction in planned activity to ensure we remained a going concern beyond 12 months. The budgets were approved by the board.

Since the decision to withdraw from EPA was made, we have undertaken detailed re-planning. We have removed associated costs and have a clear plan to fully mitigate the financial impact within a 12 month period, largely by concentrating our efforts on growth in Springboard and CQM products offset with cost reductions. Plans will be regularly reviewed by the board and further mitigations have been drawn up should the revised plans not be achieved.

The group financial position is forecast to return to surplus in 2022/23, and the board are satisfied that we remain a going concern for a period beyond 12 months.

Whilst Instructus has reduced its reliance on apprenticeships, there is still approx. 50% of group revenues linked to apprenticeships. The Government response to the pandemic has largely been to put apprenticeships and skills development as a core focus for recovery, which should be seen as a positive, although reducing our strategic reliance on apprenticeships has also been a key consideration.

Instructus and CQM have detailed risk registers which are monitored at board level and are reviewed quarterly by the audit and risk committee and individual subsidiary boards.

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Invasion of Ukraine and Russian sanctions

The Group does not operate in either Ukraine or Russia and no key suppliers are located in either country.

The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

Reserves Review

Pre Covid minimum cash reserve levels for the group had been set at £300K, which was based on analysis of the potential shut down liabilities should the organisation cease trading.

With board consent, a proportion of these reserves were utilised to counter the financial implications associated with the COVID Pandemic, with a revised minimum figure of £200K being agreed. This £200K free cash reserve across group has been agreed for the financial year 2022-23. The board have agreed to undertake a total review of required reserves as we recover from the impact of the COVID pandemic, which will propose the required reserve levels post 2023.

Group year-end cash position was £449K. After allowing for £32K CBiLs loan repayment due in 2022/23, working capital requirements of £200K to cover phasing of revenue weighted toward H2, and any unforeseen debtor risks, the year-end cash reserve stood at £217K.

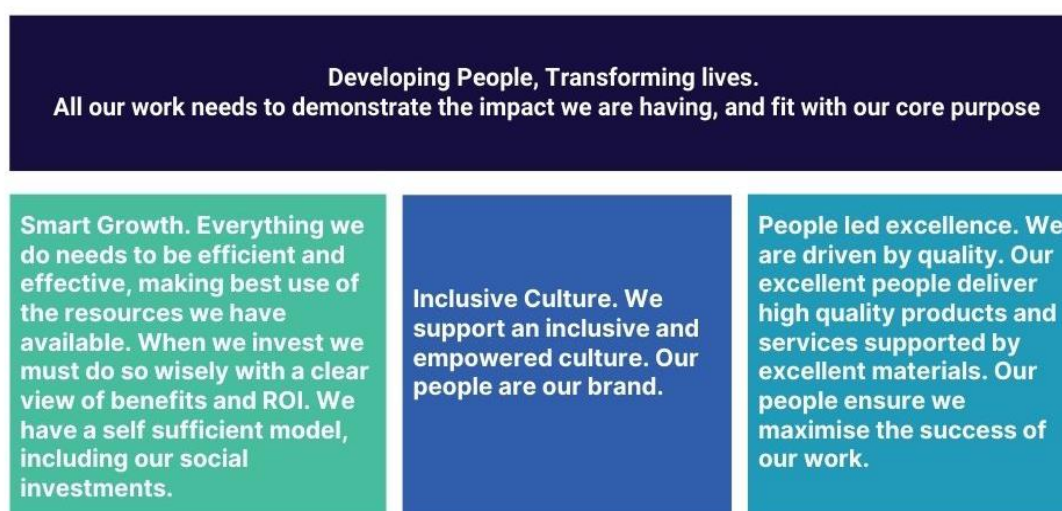
**TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
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Future Strategic Plans

The board have reviewed our strategy over the year. Our core purpose has been agreed as 'Developing People; Transforming lives'. In addition to delivering this remit in all our activity, we are aiming to deliver a surplus from our commercial activities to invest in related programmes to support less advantaged. The more successful we can be, the more significant we can be. The board have agreed 3 strategic pillars to underpin our strategy and will be measuring performance against these areas.

Strategic pillars

- everything we do should be in line with these key elements



Key strategic priorities for the year ahead:

- Introducing key initiatives to promote an inclusive culture.
- Focusing on cash
- Focusing on quality.
- Continuing delivery of high-quality certification of apprenticeships.
- Delivering key skills development projects, working closely with the devolved nations.
- Growing Springboard programme reach, both directly and through supported network of trainers.
- Delivering high quality apprenticeships and training, and improving completion rates
- Developing our staff and supporting with increased options for virtual and digital delivery/learner management.
- Expanding our product portfolio through targeted NPD.
- Building on our specialism in continuous improvement.
- Returning to surplus in 2023 and maintaining sustainable surplus position thereafter.
- Delivering our Pilot Mentoring scheme and adapting for wider roll out.
- Delivering targeted restructuring to ensure cost optimisation.

The board would like to thank the team for ensuring we maintained our activity through the challenge of the pandemic and established a platform for growth which we look build on over the coming years.

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TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report) FOR THE YEAR ENDED 31 MARCH 2022

Trustees' responsibilities statement

The trustees, who are also directors 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 requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgements and accounting 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the person who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved signed on behalf of the board of trustees by:


NIGEL HOPKINS (Jul 29, 2022 11:30 GMT+1)

Mr N P Hopkins

Trustee

Date: Jul 29, 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Instructus ('the parent charity') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charity's affairs as at 31 March 2022 and of the group's 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.

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 charity 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the trustees' assessment of the Group and parent charity's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and parent charity's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the trustees' going concern assessment;
- Evaluating the trustees' method to assess the Group and parent company's ability to continue as a going concern; and
- Reviewing the appropriateness of the trustees' disclosures in the financial statements.

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 group's or the parent charity'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 trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the audit:

- the information given in the Report of the Trustees which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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 and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent charity 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, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2022

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the Audit 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.


David Hoose (Aug 1, 2022 15:16 GMT+1)

David Hoose

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Meridian Business Park
6 Dominus Way
Leicester
LE19 1RP

Date: Aug 1, 2022

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted Funds 2022 £	Total Funds 2022 £	Restated Total Funds 2021 £
	Note			
Income and endowments:				
Charitable activities	3	1,057,474	1,057,474	996,982
Other trading activities	4	1,527,002	1,527,002	1,205,848
Investments	5	76	76	69
Total incoming		2,584,552	2,584,552	2,202,899
Expenditure on:				
Raising Funds	6	1,550,731	1,550,731	1,350,562
Charitable Activities	7,8	1,183,791	1,183,791	1,280,191
Total expenditure		2,734,521	2,734,521	2,630,753
Net movement in funds		(149,969)	(149,969)	(427,854)
Reconciliation of funds				
Total funds brought forward		783,278	783,278	1,211,132
Total funds carried forward		633,309	633,309	783,278

The statement of financial activities includes all gains and losses recognised in the year.

All funds relate to unrestricted funds in both years.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	Restated 2021 £
Fixed assets			
Intangible fixed assets	13	157,574	215,152
Tangible fixed assets	14	29,456	34,075
		<u>187,030</u>	<u>249,227</u>
Current assets			
Stocks	16	3,785	6,311
Debtors	17	479,320	350,806
Cash at bank and in hand		448,908	678,345
		<u>932,013</u>	<u>1,035,462</u>
Creditors: amounts falling due within one year	18	(374,259)	(360,611)
		<u>557,745</u>	<u>674,851</u>
Net current assets			
		<u>744,775</u>	<u>924,078</u>
Total assets less current liabilities			
		<u>744,775</u>	<u>924,078</u>
Creditors: amounts falling due after one year	18	(109,333)	(138,667)
Provisions			
Other provisions	19	(2,133)	(2,133)
		<u>633,309</u>	<u>783,278</u>
Net assets			
		<u>633,309</u>	<u>783,278</u>
Funds of the charity			
Unrestricted funds		633,309	783,278
Total charity funds	25	<u>633,309</u>	<u>783,278</u>

Approved by the Board of Trustees and signed on its behalf by:


NIGEL HOPKINS (Jul 29, 2022 11:30 GMT+1)

.....
Mr N P Hopkins
Trustee

Date: Jul 29, 2022

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

COMPANY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	13	-	-
Tangible fixed assets	14	6,776	15,093
Investments	15	650,000	650,000
		<u>656,776</u>	<u>665,093</u>
Current assets			
Stocks	16	3,785	6,311
Debtors	17	299,931	218,804
Cash at bank and in hand		216,105	408,105
		<u>519,821</u>	<u>633,220</u>
Creditors: amounts falling due within one year	18	(191,342)	(201,715)
Net current assets		<u>328,478</u>	<u>431,505</u>
Net assets		<u>985,255</u>	<u>1,096,598</u>
Funds			
Unrestricted funds		<u>985,255</u>	<u>1,096,598</u>
Total funds		<u>985,255</u>	<u>1,096,598</u>

The deficit for the financial year of the parent company was £111,344 (2021: £276,208 deficit)

These financial statements were approved by the board of trustees and authorised for issue on behalf of the board by:


NIGEL HOPKINS (Jul 29, 2022 11:30 GMT+1)

Mr N P Hopkins

Trustee

Date: Jul 29, 2022

Company registration number: 07066687

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
(Deficit) for the financial year	(149,969)	(427,854)
<i>Adjustments for:</i>		
Tax charge	(7,983)	8,062
Depreciation of tangible assets	22,126	27,662
Amortisation of intangible assets	67,589	96,873
Other interest receivable and similar income	(76)	(69)
Tax received/(paid)	7,983	(8,062)
Decrease in stock	2,526	537
Interest paid	3,739	-
(increase)/Decrease in debtors	(128,514)	9,503
Increase in creditors	2,978	17,977
Net cash used in operating activities	<u>(179,601)</u>	<u>(275,371)</u>
Cash flows from investing activities		
Interest received	76	69
Purchase of tangible assets	(17,595)	(5,603)
Purchase of intangible assets	(10,000)	-
Proceeds on the sale of fixed assets	89	667
Net cash (used in)/from investing activities	<u>(27,430)</u>	<u>(4,866)</u>
Cash flows from financing activities		
(Repayment of)/Cash receipt from bank loans including interest paid	<u>(22,406)</u>	<u>160,000</u>
Net (decrease) in cash and cash equivalents	(229,437)	(120,237)
Cash and cash equivalents at beginning of year	678,345	798,583
Cash and cash equivalents at end of year	<u>448,908</u>	<u>678,345</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

1 General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 3, Cherry Hall Road, North Kettering Business Park, Kettering, NN14 1UE. The financial statements are prepared in Sterling, which is the functional currency of the company.

Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Going concern

The Instructus board have constantly monitored the impact of the Coronavirus pandemic on commercial activity. Significant adjustments to working practices have allowed us to move activities online resulting in improved performance from Q4 20/21. The impact of restrictions due to COVID has now stabilised, and we have a strong pipeline growing on a weekly basis. Throughout 2021/22 performance tracked closely to forecast, giving the board confidence in the Executives forward view of performance.

The board received detailed forecasts as part of the budget setting exercise for 2022/23. These have been reviewed in July 2022, alongside an updated forecast with no material changes. The board is also assured that performance in P1 & P2 is tracking in line with the forecast position. Budgets have also been stress tested looking at worst case scenarios. Based on the analysis, the board concluded that Instructus remains a going concern well beyond the next 12 months.

Consolidation

The financial statements consolidate the financial statements of Instructus and all its subsidiary undertakings.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of management, there are no key areas of judgement or key sources of estimation uncertainty that have a significant effect on the financial statements;

The following principal accounting policies have been applied:

Taxation

The charity is exempt from tax on income and gains, falling within part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects. No tax charges have arisen.

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 are funds earmarked by the trustees for specific purposes.

Restricted funds, which have been given for a specific purpose and can only be used for that purpose without the consent of the donor.

There were no Designated or Restricted funds during the year ended 31 March 2022 or during the year ended 31 March 2021.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income from grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

Resources expended

All expenditure is recognised on an accruals basis inclusive of VAT which cannot be fully recovered, and is classified under the headings of the statement of financial activities to which it relates:

Expenditure on charitable activities include:

- a. Expenditure on the charity's primary charitable purposes as described in the trustees' report.
- b. Governance 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.

Expenditure on other activities are directly attributable to specific activities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at a cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows;

Goodwill	10 years
Course development costs	3 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fittings, office and computer equipment	20% or 25% straight line
---	--------------------------

Investments

Investments, including investments in subsidiaries, are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

Accounting policies (continued)

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.

Stocks

Stocks of study guides and training course materials are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured as the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required in income or expenditure unless the provision was originally recognised as part of the cost of an asset.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Limited by guarantee

The charity is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

3. Charitable activities income

	2022	2022	2021	2021
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Grants and contracts	48,470	48,470	111,492	111,492
Registration, certification and	1,007,410	1,007,410	718,142	718,142
Training income				
Other income	1,595	1,595	167,348	167,348
	1,057,474	1,057,474	996,982	996,982

4. Other trading activities income

	2022	2022	Restated	Restated
	Unrestricted	Total	2021	2021
	Funds	Funds	Unrestricted	Total
	£	£	Funds	Funds
Training and consultancy	1,527,002	1,527,002	1,205,848	1,205,848

5. Investment income

	2022	2022	2021	2021
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
Bank interest receivable	76	76	69	69
	76	76	69	69

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

6. Costs of other trading activities

	2022	2022	Restated	Restated
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Total costs	1,550,731	1,550,731	1,350,562	1,350,562
	<u>1,550,731</u>	<u>1,550,731</u>	<u>1,350,562</u>	<u>1,350,562</u>

	2022	2021
	£	£
Training and consultancy materials	236,915	197,184
Staff costs	1,047,095	917,736
Staff training and recruitment	21,485	26,789
Travel and sustenance	25,037	4,219
Premises costs	31,844	36,906
Legal and professional fees	43,502	46,928
Other expenditure	73,262	48,764
Amortisation of goodwill	60,220	60,220
Depreciation	11,373	11,816
	<u>1,550,731</u>	<u>1,350,562</u>

7. Expenditure on charitable activities by fund type

	2022	2022	2021	2021
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Instructus – training and skills	1,161,177	1,161,177	1,258,409	1,258,409
Support costs	22,614	22,614	21,782	21,782
	<u>1,183,791</u>	<u>1,183,791</u>	<u>1,280,191</u>	<u>1,280,191</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total 2022 £	Total 2021 £
Instructus Training and skills activities	1,161,177	-	1,161,177	1,258,409
Governance costs	-	22,614	22,614	21,782
	1,161,177	22,614	1,183,791	1,280,191

	Total 2022 £	Total 2021 £
Instructus, parent company – Training and skills activities costs.		
Contract, project, registration, training and certification costs	194,389	176,451
Staff costs	757,939	815,141
Staff expenses, training and recruitment	19,861	29,724
Promotion and publicity	-	24,141
Premises costs	40,687	34,436
Legal and professional fees	17,323	24,919
Other expenditure	112,861	101,097
Depreciation and amortisation	18,117	52,500
	1,161,177	1,258,409

Governance costs:	Total 2022 £	Total 2021 £
Auditor fees	21,685	21,700
Costs of trustees' meetings	929	82
	22,614	21,782

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

9. Net expenditure

Net expenditure is stated after charging:

	2022	2021
	£	£
Amortisation and impairment of intangible assets	67,589	96,873
Depreciation of tangible fixed assets	22,126	27,662
Operating lease cost	36,481	43,519

10. Auditor's remuneration

	2022	2021
	£	£
Auditor's remuneration	18,320	18,320
Auditor's remuneration – non audit services	3,365	3,380
	21,685	21,700

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	1,527,901	1,475,868
Social Security costs	165,962	147,337
Other post retirement benefit costs	113,444	109,672
	1,807,307	1,732,877

The average head count of employees during the year was 40 (2021: 41)

The number of employees whose remuneration for the year fell within the following bands, were:

	2022	2021
	£	£
£60,000 to £69,999	2	2
£70,000 to £79,999	1	1
£110,000 to £119,999	0	1
£120,000 to £129,999	1	-
	4	4

The key management personnel of the group comprise those of Instructus being the Chief Executive Officer and Managing Director and the key management personnel of its two wholly owned subsidiaries, CQM Training and Consultancy Limited and The Springboard Consultancy Limited. The total for the group key management personnel was £330,859 (2021: £383,452).

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

12. Trustee remuneration and expenses

No trustees received remuneration for their services as trustees during the year (2021: None).

Trustees' travel and subsistence expenses of £746 (2021: £70) were reimbursed by the charity to 2 (2021: 1) trustee during the year.

The charity has insurance to indemnify the trustees, other officers and the charity against the consequences of any neglect or default on the part of the trustees, employees and agents.

13. Intangible assets

Group and company

	Goodwill £	Course development costs £	Asset under construction Software £	Total £
Cost				
At 1 April 2021	954,758	4,058	-	958,816
Additions	-	-	10,000	10,000
At 31 March 2022	954,758	4,058	10,000	968,816
Amortisation/impairment				
At 1 April 2021	739,606	4,058	-	743,664
Charge for the year	67,589	-	-	67,589
At 31 March 2022	807,195	4,058	-	811,253
Carrying amount				
At 31 March 2022	147,574	-	10,000	157,574
At 31 March 2021	215,152	-	-	215,152

The course development costs are company intangible assets.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

14. Tangible assets

Group	Equipment £	Total £
Cost		
At 1 April 2021	207,484	207,484
Additions	17,595	17,595
Disposals	(282)	(282)
At 31 March 2022	224,795	224,795
Depreciation		
At 1 April 2021	173,409	173,409
Charge for the year	22,126	22,126
Eliminated on disposals	(195)	(195)
At 31 March 2022	195,341	195,341
Carrying amount		
At 31 March 2022	29,456	29,456
At 31 March 2021	34,075	34,075
Company		
Cost		
At 1 April 2021	104,714	104,714
Additions	2,433	2,433
At 31 March 2022	107,147	107,147
Depreciation		
At 1 April 2021	89,621	89,621
Charge for the year	10,748	10,748
At 31 March 2022	100,369	100,369
Carrying amount		
At 31 March 2022	6,776	6,776
At 31 March 2021	15,093	15,093

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

15. Investments

The group has no investments

Company	Shares in group undertakings £
Cost	
At 1 April 2021 and 31 March 2022	<u>1,285,336</u>
Impairment	
At 1 April 2021	635,336
Provision for impairment	-
At 1 April 2021 and 31 March 2022	<u>635,336</u>
Carrying amount	
At 1 April 2021 and 31 March 2022	<u><u>650,000</u></u>

Company investments comprise:

The company has two wholly owned subsidiaries, CQM Training and Consultancy Limited (Company No: 02782477) and The Springboard Consultancy Limited (Company No: 04729410). Both companies were registered in England and Wales, with registered offices as Instructus, 100% ordinary share capital owned and both are included within the consolidated accounts. The main activities of the subsidiary CQM Training and Consultancy Limited is training, coaching and consultancy. On 31 March 2021 the activity of The Springboard Consultancy Limited was hived up into Instructus and the company is now dormant.

A summary of their results is shown below:

CQM Training and Consultancy Limited

	2022	Restated 2021
	£	£
Income	1,527,002	1,205,848
Expenditure	(1,498,040)	(1,261,747)
Net (loss)/profit	<u>28,962</u>	<u>(55,899)</u>
 Assets	 515,796	 465,273
Liabilities	(365,307)	(343,747)
Net Assets	<u>150,489</u>	<u>121,526</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

15. Investments (continued)

The Springboard Consultancy Limited

	2022	2021
	£	£
Income	-	-
Expenditure	-	-
Net loss	-	-
Assets	2	2
Liabilities	-	-
Net Assets	2	2

16. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Raw materials and consumables	3,785	6,311	3,785	6,311

Stock comprises study guides and training course materials

17. Debtors

	Group		Company	
	2022	Restated 2021	2022	2021
	£	£	£	£
Trade debtors	203,267	130,783	124,130	111,010
Amounts owed by group undertakings	-	-	72,279	44,048
Prepayments and accrued income	259,575	203,987	88,012	47,786
Other debtors	16,478	16,036	15,510	15,960
	479,320	350,806	299,931	218,804

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

18. Creditors: amounts falling due within one year

	Group		Company	
	2022	Restated 2021	2022	2021
	£	£	£	£
Trade creditors	75,019	66,531	22,423	7,321
Accruals and deferred income	193,410	184,919	141,567	137,505
Bank loans	32,000	21,333	-	-
Social security and other taxes	60,744	77,033	20,937	50,814
Other creditors	13,086	10,795	6,415	6,075
	<u>374,259</u>	<u>360,611</u>	<u>191,342</u>	<u>201,715</u>

Accruals and deferred income includes £148,751 (2021: £142,604) of deferred income in relation to income received in advance for training and consultancy services.

Creditors: amounts falling due over one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	109,333	138,667	-	-
	<u>109,333</u>	<u>138,667</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a debenture comprising fixed and floating charges over all the assets of CQM Training and Consultancy Limited. The loan attracts interests of £3.99% above the base rate. There is no balance due over 5 years

19. Provisions

Group	Deferred tax £
At 1 April 2021	2,133
Additions	-
At 31 March 2022	<u><u>2,133</u></u>

The company does not have any other provisions

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions	2,133	2,133	-	-
	<u>21,33</u>	<u>2,133</u>	<u>-</u>	<u>-</u>

The deferred tax relates to accelerated capital allowances.

21. Net debt analysis

Group

	At 1 April 2021	Net cash flows	At 31 March 2022
	£	£	£
Cash	678,345	(229,437)	448,908
Borrowings	(160,000)	18,667	(141,333)
	<u>518,345</u>	<u>(210,770)</u>	<u>307,575</u>

22. Employee benefits

Defined contribution plans

The amount recognised in the statement of financial activities as an expense in relation to defined contribution plans was £113,444 (2021: £109,072). Creditors include a balance of £11,672 (2021: £10,637) due in respect of pension commitments.

INSTRUCTUS

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

23. Operating leases

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not late than 1 year	34,338	36,481	34,338	36,481
Later than 1 year and not later than 5 years	120,000	124,287	120,000	124,287
Larger than 5 years	10,000	40,000	10,000	40,000
	164,338	200,768	164,338	200,768

24. Related party transactions

Charity

During the year the charity received recharge income of £28,951 (2021: £36,887) from CQM Training and Consultancy Limited. Year end debtors include a balance of £72,279 (2021: £44,084) due from CQM Training and Consultancy Limited.

25. Analysis of charitable funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	783,278	2,584,552	2,734,521	633,309
	783,278	2,584,552	2,734,521	633,309

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2022

26. Prior year adjustment

Group

The directors have chosen to amend the company's accounting policy in respect of the recognition of income and associated costs relating to one element of the provision of apprenticeship training, as they believe the amended policy better reflects the contractual position.

In respect of the previously reported financial information for the year ended 31st March 2021, this has lead to the following amendments:-

- A reduction in turnover and cost of sales of £43,000
- A reduction in net assets and reserves of £59,000
- A reduction in debtors of £265,000
- A reduction in creditors due within one year of £206,000

27. Post Balance Sheet Events

Folliwng the year end, Instructus as a company, has decided to withdraw from EPA as a service offering. Further details are provided within the Trustees Report.