

**Company Number: 07066687**  
**Charity Number: 1144894**

**Instructus**  
**(A company limited by guarantee)**

**Consolidated Financial Statements**  
**For the period ended 31 July 2023**

# **INSTRUCTUS**

## **COMPANY LIMITED BY GUARANTEE**

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## INSTRUCTUS

**COMPANY LIMITED BY GUARANTEE**

## OFFICERS AND PROFESSIONAL ADVISORS

Registered charity name	Instructus
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Charity Registration No. 1144894

Company Registration No.: 07066687

Trustees:

Mr N P Hopkins (Chair)  
Ms A S Cooper  
Ms J A Norrington  
Ms E J Rush  
Mr R Traish  
Ms R Allen

Company Secretary: Mr A Hammond

Registered Office: Unit 3  
Cherry Hill Road  
North Kettering Business Park  
Kettering  
NN14 1UE

Auditor: Mazars LLP  
Meridian Business Park  
6 Dominus Way  
Leicester  
LE19 1RP

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

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

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023**

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 period ended 31 July 2023.

### **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 period 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 (resigned 8 September 2023)	

### **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. Trustees act as Chair of the Risk & Audit Committee.

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### COMPANY LIMITED BY GUARANTEE

#### TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023

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 have concentrated on the strategic refocussing following withdrawal from End Point Assessment (EPA) and assuring the growth of Springboard and CQM. The 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**. The **Springboard Consultancy** is a brand within Instructus.

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.

Instructus continue to certify apprenticeships in the devolved nations, alongside legacy frameworks in England. We consistently achieve quality metrics agreed with the Federation for Industry Sector Skills & Standards (FISSS).

In April 2022 Instructus strategically decided not to pursue Ofqual recognition as an End Point Assessment Organisation (EPAO). The Board agreed that the infrastructure requirements to achieve Ofqual recognition were not viable based on pipeline forecasts, and therefore decided to withdraw from the OFQUAL recognition process. This decision led to a significant gap in predicted revenues and a decision to restructure resources and remove operational costs.

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.

Springboard programmes make a significant difference to people's lives and are delivered by employees and a network of licenced freelance trainers. As of July 2023, we had 129 licenced trainers delivering programmes, and delivered programmes to 2148 individuals over the year.

## **INSTRUCTUS**

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CQM Training and Consultancy Ltd delivers training principally across the UK with some international provision. 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.

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.

### **Financial Year End**

Many of the metrics and reporting for apprenticeships through the ESFA run in the year August- July. A decision was made by the board to re calibrate the financial year to this time frame. As a result, the reporting period is from April 2022 – July 2023. Future reporting years will be from August to July annually.

### **Performance**

The in-year performance was not in line with expectations, primarily due to the following reasons:

- Decision to withdraw from EPA, significantly impacting revenues.
- Resourcing and skills needed refocusing as a result of EPA withdrawal.
- Static apprenticeship funding, despite double digit inflation.
- Impact of COVID delaying apprenticeship completions.

There are many positives to note:

- SBC revenues are in line with original budget.
- Open Cohorts continue to be successful, with the approach being replicated in Springboard.
- Commercial programmes in CQM are a growing percentage of total revenue.
- Significant cost savings have been made which will positively impact in 2023/24.
- We have been reappointed to SDS as a strategic partner for the next 2+2 years.
- We have returned to surplus at a group level in the last 2 quarters.
- Stronger forward sales and pipelines as we enter 2023/24.

### **Financial**

Group cash position at year end was £253K. This was above the reserve level agreed by the board.

CQM returned a loss in the 16-month period of £83K.

Instructus returned a loss in the 16-month period of £186K.

One off restructuring costs of 82K are included in these figures.

The monthly turnover required to break even in April 2022 for Instructus was £100K. The turnover required to break even in July 2023 is £64K.

## INSTRUCTUS

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#### TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023

The monthly turnover required to break even in April 2022 for CQM was £142K. The turnover required to break even in July 2023 is £124K.

Average Monthly Revenue	2021/22	2022/23	2023/24 (Budget)
Springboard	£35K	£38K	£39.5K
CQM Apprenticeships	£110K	£103K	£114K
CQM Commercial	£20K	£21.5K	£20K
Certification	£37K	£24.5K	£24K
Skills Development	£9.5K	£5K	£7K

Our cost savings have started to impact our performance with the organisation achieving overall surplus from January 2023, albeit not enough to offset previous losses.

Our budgets for 2023/24 have been agreed by the board based on out turn revenues rather than relying on growth, with a surplus position forecast for the year. Naturally we are aiming to achieve growth but are not reliant on it for a break-even position.

On this basis, the board are satisfied that the organisation remains a going concern.

### Customer

Over the 16-month period to 31<sup>st</sup> July 2023 CQM achieved £325K of commercial work, with £79K of this from new clients and £246K from existing clients.

Our intention is to focus resource on driving commercial sales of a higher value via existing business. To release our limited resource from time consuming low value, yet profitable sales we are endeavouring to enable the lower value sales to follow a more automated sales process, but without impacting customer service – trialling via website, AI and chat bots.

In Springboard much work has been done on recovering royalty payments, bringing licencing agreements in line, creating an Open Cohort schedule, improving the trainer licencing process, and increasing sales value of programmes whilst moving towards smaller cohorts – hence encouraging repeat business/more cohorts. Account Management has become more consistent with better relationships being created across the piece.

Major wins include CMA and Johnson Matthey for CQM and the introduction of open cohorts, Leonardo's, National Grid and Alpine F1 for Springboard.

We met all our certification quality scores throughout the year.

CQM Learner recommendation rate was 94.4%

CQM customer recommendation rate was 96.4%

We are introducing a quarterly recommendation rating across the group in the new financial year which will give us an ongoing view of our customer performance.

## **INSTRUCTUS**

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#### **TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023**

### **People**

We saw a significant increase in staff sickness rates from 1% to 1.9% in the year. ONS figures state the UK average for 2022 was 2.6%.

We regularly measure staff satisfaction through a 'pulse' survey every six months, which identifies key areas for us to work on. We measure employee engagement through our net promoter score which is currently 4. The range of scores is -100 to 100, with anything between 0-30 being considered Good and anything over 30 being Excellent.

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.

The CEO leads quarterly Health and Safety meetings which are reported to the Risk & Audit Committee and board as appropriate.

### **Impact**

2148 people have been developed through Springboard Programmes (in-house & freelance) over the 16 months.

We have licensed 18 new people to deliver Springboard Programmes, bringing our total number of active trainers to 129 (Freelance 58, In-house 71).

We have successfully certified 13,842 people across the UK.

We have continued to increase 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 have successfully led 151 CQM learners through EPA, and a further 160 through framework/certificated programmes.

We currently have 366 learners on apprenticeship programmes with CQM, with an additional 34 currently on breaks in learning. Approximately 461 have completed 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.



## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023**

### **Skills Projects**

We delivered the following projects through our Standards and Framework contract on time and on budget:

- Scoping reports for Apprenticeship Development for Management in Scotland
- Three Apprenticeship development projects for Property Services in Wales
- Welsh NOS translations for Marketing
- Welsh NOS translations for Cleaning
- Welsh NOS translations for Business Enterprise
- Welsh NOS translations for IT User
- Review of SVQ in learning & Development at SCQF level 8
- Review of SVQ in Learning and Development at SCQF level 9
- Review of SVQ in Digital Marketing at SCQF level 6
- Review of Housing Apprenticeship Framework in Northern Ireland
- UK wide NOS Cleansing review for Learning & Development NOS
- UK wide NOS Cleansing review for Sales NOS
- UK wide NOS Cleansing review for Business & Administration NOS
- UK wide NOS Cleansing review for Marketing & Leadership NOS

We have been successfully reappointed to provide services in all four lots of the Standards & Frameworks Contract. Contract period is two years with a further two-year option.

### **Charity and Social Impact**

The Charitable object of Instructus is *“to advance education for the public benefit by promoting qualifications, training and skills”*.

As an organisation all our activity is focused on delivering this charitable object. We have a simple theory that developing people transforms lives. We believe that that our activities cultivate a positive economic and social impact for those we serve. This can be as simple as official certification of the hard work that has gone into an Apprenticeship, through to the delivery of an Apprenticeship, building the skills to forge careers and deliver commercial returns for the UK economy. This can be the delivery of Personal Development programmes that help promote inclusion and close gender pay gaps, through to life changing decisions from our participants that benefit businesses, communities, and individuals alike.

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Our work can be broken down into 3 key areas

Qualifications	Training	Skills
Certification of English Apprenticeship Frameworks	Apprenticeships across a wide range of Standards	National Occupational Standards Review Projects
Certification of Apprenticeships in Scotland , Wales & Northern Ireland	Lean Six Sigma Programmes	Qualification structure reviews
Certification of Yellow, Green, Black and Master Black Belt practitioners	Management Programmes	Apprenticeship framework review, across the devolved nations
	Springboard Personal Development Programmes	
	Licensing Programmes to grow Springboard trainer base	

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

- New apprentices delivering the skills required by UK PLC
- Individual growth which in turn impacts societal growth.
- Improved business ROI as new skills are deployed to bring commercial benefit.
- Improved productivity
- Improved equality
- Simplification and development of the skills systems across the devolved nations

In addition to our core activity, in 23/24 we are planning on exploring how we can support less advantaged individuals increase access to our core products and services. This will include exploring funding options for Springboard Programmes to offering subsidised places on Springboard Open cohorts.

The following case studies give a flavour of the impact we are making.



## CHERYL BUCK

PRINCIPAL LECTURER IN LAW  
ASSOCIATE HEAD ACADEMIC  
SPRINGBOARD PROGRAMME



PROGRAMME  
SPRINGBOARD  
ORANISATION  
UNIVERSITY OF  
PORTSMOUTH

### What was your expectation of the programme?

I knew it was for women, it was nice to know that I was going into this with like-minded people. I was aware that it was to build confidence and that it was going to be a reflective process of self-discovery.

I was apprehensive at first. I wondered if I would like it, if I would fit in and if I would find it difficult to open up. I was nervous, but the first session was remote, and this allowed me to meet people and break the ice before meeting in person.

### What did you want to get out of Springboard?

I wanted to learn about myself and how I was viewed by other people, so I went in with a blank canvas and wanted to see how people perceived me. I also wanted to gain confidence in myself and my approaches.

I also wanted to reflect on myself and see how I could improve and allow myself to absorb other people's reactions to what I was saying.

### What were your key takeaways?

The positivity - it was nice to know that what I was doing was well received. I learned to challenge my own practices, for example, I used to apologise a lot, but now I say thank you instead. I've become a lot clearer in my communication and learned that I had my own 'Cheryl issues' that I needed to work on, so the techniques I learned to use to deal with this have been a game changer!

A big thing was for me to stop taking things personally and that people would be mad at the situation, not me, so I have learned to stop and reflect on this which is liberating!

Everyone went in with a view of improving themselves and it really helped to change my mindset, and having the group there with me made me feel supported and empowered. I came away learning things about myself that I wasn't aware of before. It was good for many, many reasons!

### What were your thoughts on the trainer?

Chris was great! She challenged me in a way that wasn't intrusive and got me to really look deep inside when I was reflecting on myself.

**“I benefitted from it being a woman-only group. It was lovely to be able to be open and upfront and feel supported in it.**

**I was open to being challenged, but knowing that we all have the same understanding of life challenges and work-life balance was great because we could all relate to each other. It did make me aware of things that I'd never noticed before!”**



**nationalgrid**

**KELLY LARKIN & KATY CAMPBELL**

SPRINGBOARD AND SPRING FORWARD  
DEVELOPMENT PROGRAMMES



**PROGRAMME**  
**SPRINGBOARD &  
SPRING FORWARD**

**ORANISATION**  
**NATIONAL GRID**

National Grid is working to empower their women in a male-dominated industry. By partnering with Springboard Consultancy, they plan to grow and develop their female employees to reach new heights in the organisation.

We caught up with Kelly Larkin (ESO), and Katy Campbell, who co-lead the training and development initiative within the Employee Resource Group - WiNG (Women in National Grid to find out why running the Springboard and Spring Forward development programmes has been so successful in achieving their goals.

### **Why did you choose Springboard Consultancy to support National Grid?**

We wanted to make sure that the development would be interesting for our women, and ensure they would find value in it, as well as it being enjoyable for them.

Springboard Consultancy programmes are different to other courses we've seen because of the networking and safe spaces, but also there's a lot covered that resonates with women across National Grid. We know they want to gain the confidence to grow their careers and/or themselves, so Springboard and Spring Forward seemed a great fit for us as an organisation, as it focuses on the individual as well as upskilling them, explained Kelly.

### **What issues did you want to approach regarding women in National Grid?**

We set out to support issues, scenarios, environments and situations that specifically happen to women. I think the Springboard and Spring Forward courses are perfect because they're specifically designed for women, and in having a safe space to deal with them, our women have really progressed across the business, says Katy.

We wanted to support women by covering things that all women will experience; particularly in male-dominated environments, and National Grid statistically has a lot more males than it has females, so we wanted to ensure that they feel equally important and valued by National Grid, commented Kelly.

As we're in a male-dominated environment, our WiNG employee resource group have an ambition to promote equal opportunities for female professional development, and personal success within National Grid. We want to ensure we are providing support for women by opening doors to a wide variety of courses and professional qualifications, explains Katy.

For the full case study – view [here](#).



## Working with: Oxfordshire County Council - Caroline French



**We caught up with Caroline French, Business Improvement Team Leader for Oxfordshire County Council at its latest Improvement Practitioner Graduation Event in February 2023.**

### **Caroline, please introduce yourself and your aims**

I was recruited by Oxfordshire County Council in 2020 to come on board and create a strategy as to how can we as an organisation embed continuous improvement and incorporate lean methodology within the whole organisation and workforce.

### **Why has OCC invested in CI/lean apprenticeships?**

I am passionate about and qualified in lean methodology, so I wanted to have the opportunity to spread that throughout the organisation. The benefits of lean and having the apprenticeship model that we have here allows us to embed both the lean methodology and also the process improvements, efficiencies and naturally savings that come through.

It's a win-win for an organisation like us as not only do we promote personal development for our workforce, allowing us to attract, retain and develop talent, but we get the support in terms of the apprenticeship funding that enables us to access effective training for our employees.



**OXFORDSHIRE  
COUNTY COUNCIL**

In addition, the new ways of working are really important because that's where then going back to the vision and the aims, we see change, how those changes were made and the difference they make, to then living those changes. So why lean in a nutshell?

Lean is the apprenticeship that actually allows us to spread the right messages, spread that learning and embed that culture for the future of our organisation.

### **How has CQM supported you to implement CI/lean?**

We're so lucky as an organisation to be able to have found a partner in CQM Training & Consultancy and especially with our Development Coach, Alan.

Our mindsets really match between our organisations, and I think that's one of the important reasons for the successes that we've had is because we're in sync.

We both know what we're looking to deliver for our organisation and what we're trying to accomplish, to support our learners develop, our organisation to adopt that continuous improvement culture, realising the benefits of lean and ultimately adding value for our end users.

We're grateful to have been able to have this opportunity and look forward to many more years to keep this going.

Contact us today for more information

T: 0114 281 3747

E: [enquiries@cqmltd.co.uk](mailto:enquiries@cqmltd.co.uk)

W: [cqmltd.co.uk](http://cqmltd.co.uk)

Follow us on:







## AB Agri - Adam Grimwood



**Following the completion of the latest Improvement Apprenticeship cohort at AB Agri, we caught up with Adam Grimwood, Head of Performance Improvement, Manufacturing and Supply Chain. Adam kindly gave us an insight into the changes he noticed in the apprentices, the support they received from CQM and what they can expect going forward at AB Agri.**

**Adam, what has been the biggest behavioural change you have seen in the group from doing these apprenticeships?**

I would say taking more time to understand the problem/opportunity at the beginning and not working from a basic requirement statement. This has helped ensure that they implement sustainable solutions not just the obvious ones that quite often only meet the short to medium term improvements.

**How has Ian and the wider CQM team supported the group in achieving their distinctions?**

The supportive coaching element of the apprenticeship is key to the success of the cohort. The tailored approach that the CQM applied for each individual was key to empowering the individuals to get the highest grade possible.

**What can the group of learners expect now they've completed their apprenticeships, in terms of using the tools and techniques learned going forward?**

We see this group of individuals as role models in demonstrating the value of these tools and techniques in driving improvement across AB Agri. Taking their experience and learnings onto other teams and individuals as part of our journey to create an improvement culture.

Post the apprenticeship each cohort member has access to coaches, mentors & necessary tools, with full engagement from their line managers in continuing the application of the tools and techniques. They will be encouraged to not only apply these tools within their department, but also to support broader improvement activity across AB Agri with the benefit of broadening their networks and demonstrating the value of continuous improvement.



Contact us today for more information

T: 0114 281 3747

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W: [cqmltd.co.uk](http://cqmltd.co.uk)

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For the full case study – view [here](#).

## **INSTRUCTUS**

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### **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 various accreditations, including:

- Cyber Essentials (Cyber Essentials Plus due in 2023/24)
- IASME Governance
- Matrix Accreditation
- Living Wage Employer

Quality remains a key focus for CQM, with a review of the Quality Improvement Plan being a standing agenda item on all board meetings. Significant focus has been applied to learners beyond planned end date, which has seen a reduction from a high of 35% to 22.2% at the end of the year. We are aiming to get this down to 15% at the end of 23/24. Significant focus has also been applied to completion rates which ended the year at 57.7%. Whilst this is above last year's national average for standards of 51.4%, we continue to work hard to achieve our target of 65% at the end of 23/24.

ESFA have reviewed our Quality Improvement Plan and support the actions being taken.

We regularly review our provision in line with OFSTED requirements to ensure continuous improvement and readiness in the event of inspection.

We are currently reviewing all Springboard evaluations, introducing an updated evaluation process to allow us to measure quality of delivery across the freelance network. Any deficiencies will be addressed through retraining or licence removal. We are also planning to update materials and content to ensure relevancy remains.

### **Restructuring**

The removal of EPA provision and challenging financial climate led to a several restructuring phases throughout the period, including the creation of a cross organisation Sales and Marketing team under Jenny Humphreys.

We made three redundancies, with cost to CQM being £64K and cost to Instructus being £18K.

2 Staff did not meet their probation requirements.

12 staff left due to career progression, retirement, or lack of fit with the new organisational structure.

We recruited 6 people.

Net staff movements for the 16-month period were a reduction of 11 FTE's.

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The CQM Executive team have reviewed staffing levels against the revenue budget for 2023/24 and believe them to be appropriate.

Springboard have invested in admin and development resource to tighten controls on current arrangements and develop new course content. Given activity is delivered by freelance trainers, there are no requirements for additional resource to deliver the revenues agreed in the budgets for 2023/24.

### **Risks**

There are 3 key risks:

#### **Economy**

The economic position remains fragile, with inflation running at 8%. Despite the rate of inflation, the Government has not increased apprenticeship funding bands since 2017 – AELP are lobbying for a 10% increase which would have significant bottom line impact.

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 3% pay increase but must recognise the additional risk of key staff leaving for better paid positions.

#### **Completions & apprenticeship changes**

An unnecessary side effect of the new Apprenticeship Standards combined with impact of COVID has been a significant drop off in people completing apprenticeships. We are working hard to mitigate and increase completions to over 60%.

A new Government may look at current completion rates and decide that significant changes are required to the skills and apprenticeship environment which could impact our organisation. As over 50% of our revenues come from work linked to apprenticeships, and large changes could have an impact, however there is some reassurance in the fact that those on current programmes would be allowed to complete, meaning any changes would have a long tail. Our small size affords us the ability to be nimble rather than facing some of the issues experienced by large providers who are totally reliant on funded activity.

#### **Achieving growth whilst managing cash flow**

Whilst cash remains positive, and the organisation is a going concern, there is no doubt that investment funds to fuel growth are limited. In addition, the restructuring has meant that staff are focusing on delivering against the core plan rather than making time to explore inorganic growth. We must stabilise our position and grow in areas that can be flexibly resourced with associates – notably Springboard and CQM Commercial.



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### **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 cash balance across group has been agreed for the financial year 2023-24. The board have agreed to undertake a total review of required reserves as several scenarios have changed, including CQM returning to rolling quarterly surplus with strong EBITDA and a 40% reduction in workforce.

Group year-end cash position was £253K and is forecast to be in excess of £300K at the end of 2023/24. All CBiLs loan commitments have been met to date, and repayments are factored into forward budgets.

### **Future Strategic Plans**

The board have reviewed our strategy over the year. Our core purpose continues as being 'Developing People; Transforming lives'. In addition to delivering this remit in all our activity, we are aiming to show that sustainable growth can be achieved. We also aim to access funding to increase access to our programmes for the less advantaged. The board have agreed 3 strategic pillars to underpin our strategy and performance is measured against these areas. These pillars are Inclusive Culture, Outstanding Quality, and Smart Growth.

Key strategic priorities for the year ahead:

- Promoting our core values of Authenticity; Inclusivity; Integrity.
- Focusing on cash including downscaling offices because of restructuring and hybrid working.
- 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, particularly Springboard and EDI
- Building on our specialism in continuous improvement.
- Returning to surplus in 2024 and maintaining sustainable surplus position thereafter.
- Investigating Funding sources to support delivery of core programmes to less advantaged.

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

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023**

##### **Trustees' Responsibilities**

The Trustees, who are also Directors of Instructus for the purposes of company law, are responsible for preparing the Report of the Trustees and the incorporated Strategic 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 Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments 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; and
- 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Instructus website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report and Strategic Report) FOR THE PERIOD ENDED 31 JULY 2023

##### 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 was approved and signed on behalf of the board of trustees by:

NIGEL HOPKINS  
NIGEL HOPKINS (Dec 21, 2023 11:20 GMT)

.....  
Mr N P Hopkins

**Trustee**

Date: Dec 21, 2023

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

##### **Opinion**

We have audited the financial statements of Instructus ('the parent charity') and its subsidiaries ('the group') for the period ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Statements of Financial Position, 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 July 2023 and of the group's income and expenditure for the period 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.

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 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.

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

##### **Other information**

The other information comprises the information included in the Trustees Report, 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 Trustees' Report 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 Trustees' Report has been prepared in accordance with applicable legal requirements.

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

##### **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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 16, 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.

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

##### **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 and money laundering.

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 subject to your revenue recognition significant fraud risk) and significant one-off or unusual transactions.

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

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](http://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 charity'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 (Dec 21, 2023 14:42 GMT)

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: Dec 21, 2023



# INSTRUCTUS

## COMPANY LIMITED BY GUARANTEE

### CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 JULY 2023

		16 Month ended Unrestricted Funds 2023 £	16 Month ended Total Funds 2023 £	Year ended Total Funds 2022 £
	<b>Note</b>			
<b>Income and endowments:</b>				
Charitable activities	3	1,086,142	1,086,142	1,057,474
Other trading activities	4	1,993,277	1,993,277	1,527,002
Investments	5	160	160	76
<b>Total incoming</b>		<b>3,079,579</b>	<b>3,079,579</b>	<b>2,584,552</b>
<b>Expenditure on:</b>				
Raising Funds	6	2,119,434	2,119,434	1,550,731
Charitable Activities	7,8	1,296,621	1,296,621	1,183,790
<b>Total expenditure</b>		<b>3,416,055</b>	<b>3,416,055</b>	<b>2,734,521</b>
<b>Net movement in funds</b>		<b>(336,476)</b>	<b>(336,476)</b>	<b>(149,969)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		633,309	633,309	783,278
<b>Total funds carried forward</b>		<b>296,833</b>	<b>296,833</b>	<b>633,309</b>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All funds relate to unrestricted funds in both periods.

# INSTRUCTUS

## COMPANY LIMITED BY GUARANTEE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 JULY 2023

	Note	31 July 2023 £	31 March 2022 £
<b>Fixed assets</b>			
Intangible fixed assets	13	87,975	157,563
Tangible fixed assets	14	14,070	29,458
		<u>102,045</u>	<u>187,021</u>
<b>Current assets</b>			
Stocks	16	2,706	3,785
Debtors	17	323,984	479,320
Cash at bank and in hand		252,954	448,908
		<u>579,644</u>	<u>932,013</u>
<b>Creditors: amounts falling due within one year</b>	18	(316,056)	(374,259)
		<u>263,588</u>	<u>557,754</u>
<b>Net current assets</b>			
		<u>365,633</u>	<u>744,775</u>
<b>Total assets less current liabilities</b>			
		<u>365,633</u>	<u>744,775</u>
<b>Creditors: amounts falling due after one year</b>	18	(66,667)	(109,333)
<b>Provisions</b>			
Other provisions	19	(2,133)	(2,133)
		<u>296,833</u>	<u>633,309</u>
<b>Net assets</b>			
		<u>296,833</u>	<u>633,309</u>
<b>Funds of the charity</b>			
Unrestricted funds		296,833	633,309
<b>Total charity funds</b>	25	<u>296,833</u>	<u>633,309</u>

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

NIGEL HOPKINS  
NIGEL HOPKINS (Dec 21, 2023 11:20 GMT)

.....  
Mr N P Hopkins  
Trustee

Date: Dec 21, 2023

# INSTRUCTUS

## COMPANY LIMITED BY GUARANTEE

### COMPANY STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 JULY 2023

		31 July 2023 £	31 March 2022 £
	Note		
<b>Fixed assets</b>			
Intangible fixed assets	13	-	-
Tangible fixed assets	14	2,413	6,778
Investments	15	650,000	650,000
		<u>652,413</u>	<u>656,778</u>
<b>Current assets</b>			
Stocks	16	2,706	3,785
Debtors	17	160,266	299,929
Cash at bank and in hand		132,149	216,105
		<u>295,121</u>	<u>519,819</u>
<b>Creditors: amounts falling due within one year</b>	18	(148,031)	(191,342)
<b>Net current assets</b>		<u>147,090</u>	<u>328,477</u>
<b>Net assets</b>		<u>799,503</u>	<u>985,255</u>
<b>Funds</b>			
Unrestricted funds		<u>799,503</u>	<u>985,255</u>
<b>Total funds</b>		<u>799,503</u>	<u>985,255</u>

The deficit for the financial period of the parent company was £185,752 (year ended 31 March 2022: £111,344 deficit).

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

NIGEL HOPKINS  
NIGEL HOPKINS (Dec 21, 2023 11:20 GMT)

Mr N P Hopkins

Trustee

Date: Dec 21, 2023

Company registration number: 07066687

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 JULY 2023

	16 Month ended 2023 £	Year ended 2022 £
<b>Cash flows from operating activities</b>		
Deficit for the financial period	(336,476)	(149,969)
<i>Adjustments for:</i>		
Tax charge	-	(7,983)
Depreciation of tangible assets	17,978	22,126
Amortisation of intangible assets	69,588	67,589
Profit on disposal of tangible fixed assets	(958)	-
Other interest receivable and similar income	(160)	(76)
Tax received	-	7,983
Decrease in stock	1,079	2,526
Interest paid	10,837	3,739
Decrease/(increase) in debtors	155,336	(128,514)
(Decrease)/increase in creditors	(58,203)	2,978
Net cash used in operating activities	<u>(140,979)</u>	<u>(179,601)</u>
<b>Cash flows from investing activities</b>		
Interest received	160	76
Purchase of tangible assets	(2,829)	(17,595)
Purchase of intangible assets	-	(10,000)
Proceeds on the sale of fixed assets	1,197	89
Net cash used in investing activities	<u>(1,472)</u>	<u>(27,430)</u>
<b>Cash flows from financing activities</b>		
Repayment of bank loans including interest paid	<u>(53,503)</u>	<u>(22,406)</u>
<b>Net decrease in cash and cash equivalents</b>	(195,954)	(229,437)
<b>Cash and cash equivalents at beginning of period/year</b>	448,908	678,345
<b>Cash and cash equivalents at end of period/year</b>	<u>252,954</u>	<u>448,908</u>

## **INSTRUCTUS**

### **COMPANY LIMITED BY GUARANTEE**

#### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023**

##### **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 board received detailed forecasts as part of the budget setting exercise for 2023/24. These have been reviewed in August 2023, 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 PERIOD ENDED 31 JULY 2023**

##### **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 period ended 31 July 2023 or during the year ended 31 March 2022.

##### **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 PERIOD ENDED 31 JULY 2023**

##### **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 PERIOD ENDED 31 JULY 2023**

##### **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% - 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 PERIOD ENDED 31 JULY 2023**

##### **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.

There are no key areas of judgement or key sources of estimation uncertainty that have a significant effect on the financial statements.

## **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 charity in the event of liquidation.

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 3. Charitable activities income

	Period ended 31 July 2023 Unrestricted Funds £	Period ended 31 July 2023 Total Funds £	Year ended 31 March 2022 Unrestricted Funds £	Year ended 31 March 2022 Total Funds £
Grants and contracts	-	-	48,469	48,469
Registration, certification and training income	477,507	477,507	1,007,410	1,007,410
Other income	608,635	608,635	1,595	1,595
	<u>1,086,142</u>	<u>1,086,142</u>	<u>1,057,474</u>	<u>1,057,474</u>

##### 4. Other trading activities income

	Period ended 31 July 2023 Unrestricted Funds £	Period ended 31 July 2023 Total Funds £	Year ended 31 March 2022 Unrestricted Funds £	Year ended 31 March 2022 Total Funds £
Training and consultancy	<u>1,993,277</u>	<u>1,993,277</u>	<u>1,527,002</u>	<u>1,527,002</u>

##### 5. Investment income

	Period ended 31 July 2023 Unrestricted Funds	Period ended 31 July 2023 Total Funds	Year ended 31 March 2022 Unrestricted Funds	Year ended 31 March 2022 Total Funds
Bank interest receivable	<u>160</u>	<u>160</u>	<u>76</u>	<u>76</u>
	<u>160</u>	<u>160</u>	<u>76</u>	<u>76</u>

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 6. Costs of other trading activities

	Period ended 31 July 2023 Unrestricted Funds £	Period ended 31 July 2023 Total Funds £	Year ended 31 March 2022 Unrestricted Funds £	Year ended 31 March 2022 Total Funds £
Total costs	2,119,434	2,119,434	1,550,731	1,550,731
	2,119,434	2,119,434	1,550,731	1,550,731

	Period ended 31 July 2023 £	Year ended 31 March 2022 £
Training and consultancy materials	235,414	236,915
Staff costs	1,481,455	1,047,095
Staff training and recruitment	3,124	21,485
Travel and sustenance	94,471	25,036
Premises costs	51,577	31,844
Legal and professional fees	1,920	43,502
Other expenditure	177,240	73,261
Amortisation of goodwill	60,220	60,220
Depreciation	14,013	11,373
	2,119,434	1,550,731

##### 7. Expenditure on charitable activities by fund type

	Period ended 31 July 2023 Unrestricted Funds £	Period ended 31 July 2023 Total Funds £	Year ended 31 March 2022 Unrestricted Funds £	Year ended 31 March 2022 Total Funds £
Instructus – training and skills	1,270,800	1,270,800	1,161,177	1,161,177
Support costs	25,821	25,821	22,614	22,614
	1,296,621	1,296,621	1,183,791	1,183,791

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 8. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total Period ended 31 July 2023	Total Year ended 31 March 2022
	£	£	£	£
Instructus Training and skills	1,270,800	-	1,270,800	1,161,177
Governance costs	-	25,821	25,821	22,614
	1,270,800	25,821	1,296,621	1,183,791

	Total Period ended 31 July 2023	Total Year ended 31 March 2022
	£	£
<b>Instructus, parent company – Training and skills activities costs.</b>		
Contract, project, registration, training and certification costs	205,131	194,389
Staff costs	852,464	757,939
Staff expenses, training and recruitment	25,160	19,861
Premises costs	67,997	40,687
Legal and professional fees	13	17,323
Other expenditure	107,687	112,861
Depreciation and amortisation	12,348	18,117
	1,270,800	1,161,177

##### Governance costs:

	Total Period ended 31 July 2023	Total Year ended 31 March 2022
	£	£
Auditor fees	23,585	21,685
Costs of trustees' meetings	2,236	929
	25,821	22,614

##### 9. Net expenditure

Net expenditure is stated after charging:

	Period ended 31 July 2023	Year ended 31 March 2022
	£	£
Amortisation and impairment of intangible assets	69,588	67,589
Depreciation of tangible fixed assets	17,978	22,126
Operating lease cost	47,171	36,481

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 10. Auditor's remuneration

	Period ended 31 July 2023	Year ended 31 March 2022
	£	£
Auditor's remuneration	18,735	18,320
Auditor's remuneration – non audit services	6,983	3,365
	<u>25,718</u>	<u>21,685</u>

##### 11. Staff costs

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

	Period ended 31 July 2023	Year ended 31 March 2022
	£	£
Wages and salaries	1,952,447	1,527,901
Social security costs	217,116	165,962
Other post retirement benefit costs	173,191	113,444
	<u>2,342,754</u>	<u>1,807,307</u>

The average head count of employees during the period ended 31 July 2023 was 36 (year ended 31 March 2022: 40).

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

	Period ended 31 July 2023	Year ended 31 March 2022
	£	£
£60,000 to £69,999	1	2
£70,000 to £79,999	0	1
£100,000 to £109,999	1	0
£120,000 to £129,999	1	1
	<u>3</u>	<u>4</u>

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 £442,469 (year ended 31 March 2022: £330,859).

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 12. Trustee remuneration and expenses

No trustees received remuneration for their services as trustees during the period ended 31 July 2023 (year ended 31 March 2022: None).

Trustees' travel and subsistence expenses of £1,541 (year ended 31 March 2022: £746) were reimbursed by the charity to 6 (year ended 31 March 2022: 2) trustees during the period ended 31 July 2023.

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

	<b>Goodwill</b>	<b>Course development costs</b>	<b>Asset under construction Software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2022	954,758	4,058	10,000	968,816
Additions	-	-	-	-
<b>At 31 July 2023</b>	<b>954,758</b>	<b>4,058</b>	<b>10,000</b>	<b>968,816</b>
<b>Amortisation/impairment</b>				
At 1 April 2022	807,195	4,058	-	811,253
Charge for the period	67,588	-	2,000	69,588
<b>At 31 July 2023</b>	<b>874,783</b>	<b>4,058</b>	<b>2,000</b>	<b>880,841</b>
<b>Carrying amount</b>				
<b>At 31 July 2023</b>	<b>79,975</b>	<b>-</b>	<b>8,000</b>	<b>87,975</b>
At 31 March 2022	147,563	-	10,000	157,563

The course development costs are company intangible assets.

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 14. Tangible assets

Group	Equipment £	Total £
<b>Cost</b>		
At 1 April 2022	224,796	224,796
Additions	2,829	2,829
Disposals	(5,190)	(5,190)
<b>At 31 July 2023</b>	<b>222,435</b>	<b>222,435</b>
<b>Depreciation</b>		
At 1 April 2022	195,338	195,338
Charge for the period	17,978	17,978
Eliminated on disposals	(4,951)	(4,951)
<b>At 31 July 2023</b>	<b>208,365</b>	<b>208,365</b>
<b>Carrying amount</b>		
<b>At 31 July 2023</b>	<b>14,070</b>	<b>14,070</b>
At 31 March 2022	29,458	29,458
<b>Company</b>		
<b>Cost</b>		
At 1 April 2022	107,147	107,147
Additions	733	733
Disposals	(585)	(585)
<b>At 31 July 2023</b>	<b>107,295</b>	<b>107,295</b>
<b>Depreciation</b>		
At 1 April 2022	100,369	100,369
Charge for the period	5,089	5,089
Eliminated on disposals	(576)	(576)
<b>At 31 July 2023</b>	<b>104,882</b>	<b>104,882</b>
<b>Carrying amount</b>		
<b>At 31 July 2023</b>	<b>2,413</b>	<b>2,413</b>
At 31 March 2022	6,778	6,778

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 15. Investments

The group has no investments

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 April 2022 and 31 July 2023	<u>1,285,336</u>
<b>Impairment</b>	
At 1 April 2022	635,336
Provision for impairment	-
At 1 April 2022 and 31 July 2023	<u>635,336</u>
<b>Carrying amount</b>	
At 1 April 2022 and 31 July 2023	<u>650,000</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

	<b>Period ended 31 July 2023 £</b>	<b>Year ended 31 March 2022 £</b>
Income	1,993,437	1,527,003
Expenditure	(2,076,576)	(1,498,041)
Net (loss)/profit	<u>(83,139)</u>	<u>28,962</u>
Assets	351,266	517,151
Liabilities	(283,917)	(366,663)
Net assets	<u>67,349</u>	<u>150,488</u>



## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 15. Investments (continued)

The Springboard Consultancy Limited

	Period ended 31 July 2023	Year ended 31 March 2022
	£	£
Income	-	-
Expenditure	-	-
Net loss	-	-
Assets	2	2
Liabilities	-	-
Net assets	2	2

##### 16. Stocks

	Group		Company	
	Period ended 31 July 2023	Year ended 31 March 2022	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Raw materials and consumables	2,706	3,785	2,706	3,785

Stock comprises study guides and training course materials.

##### 17. Debtors

	Group		Company	
	Period 31 July 2023	Year ended 31 March 2022	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Trade debtors	114,676	203,267	84,485	124,130
Amounts owed by group undertakings	-	-	36,407	72,279
Prepayments and accrued income	193,515	259,575	23,656	88,012
Other debtors	15,793	16,478	15,718	15,508
	323,984	479,320	160,266	299,929

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 18. Creditors: amounts falling due within one year

	Group		Company	
	Period ended 31 July 2023	Year ended 31 March 2022	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Trade creditors	71,885	75,019	17,658	22,423
Accruals and deferred income	135,041	193,410	90,216	141,567
Bank loans	32,000	32,000	-	-
Social security and other taxes	65,514	60,744	36,857	20,937
Other creditors	11,616	13,086	3,300	6,415
	<u>316,056</u>	<u>374,259</u>	<u>148,031</u>	<u>191,342</u>

Accruals and deferred income includes £93,028 (year ended 31 March 2022: £148,751) of deferred income in relation to income received in advance for training and consultancy services.

##### Creditors: amounts falling due over one year

	Group		Company	
	Period ended 31 July 2023	Year ended 31 March 2022	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Bank loans	66,667	109,333	-	-
	<u>66,667</u>	<u>109,333</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 2022	2,133
Additions	-
Disposals	-
<b>At 31 July 2023</b>	<u><b>2,133</b></u>

The company does not have any other provisions.

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 20. Deferred tax

The deferred tax included in the Statement of Financial Position is as follows:

	Group		Company	
	Period ended 31 July 2023	Year ended 31 March	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Included in provisions	2,133	2,133	-	-
	<u>2,133</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 2022 £	Net cash flows £	At 31 July 2023 £
Cash	448,908	(195,954)	252,954
Borrowings	<u>(141,333)</u>	<u>42,666</u>	<u>(98,667)</u>
	<u>307,575</u>	<u>(153,288)</u>	<u>154,287</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 £173,191 (year ended 31 March 2022: £113,444). Creditors include a balance of £10,305 (year ended 31 March 2022: £11,672) due in respect of pension commitments.

## INSTRUCTUS

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JULY 2023

##### 23. Operating leases

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

	Group		Company	
	Period ended 31 July 2023	Year ended 31 March 2022	Period ended 31 July 2023	Year ended 31 March 2022
	£	£	£	£
Not late than 1 year	40,188	34,338	31,638	34,338
Later than 1 year and not later than 5 years	110,552	120,000	92,667	120,000
Larger than 5 years	-	10,000	-	10,000
	<u>150,740</u>	<u>164,338</u>	<u>124,305</u>	<u>164,338</u>

##### 24. Related party transactions

###### Charity

During the period the charity received recharge income of £104,468 (year ended 31 March 2022: £28,951) from CQM Training and Consultancy Limited. Period end debtors include a balance of £36,407 (year ended 31 March 2022: £72,279) due from CQM Training and Consultancy Limited.

##### 25. Analysis of charitable funds

	At 1 April 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
General funds	633,309	3,079,579	3,416,055	296,833
	<u>633,309</u>	<u>3,079,579</u>	<u>3,416,055</u>	<u>296,833</u>