

Charity number: 288877
Company number: 00832132

**Institute of Management Services
(A company limited by guarantee)**

**Trustees' report and financial statements
for the year ended 31 December 2021**

Institute of Management Services
(A company limited by guarantee)

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Institute of Management Services
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Legal and administrative information

Charity number 288877

Company registration number 00832132

Registered office Lichfield Business Village Staffordshire University Centre
Friary Way
Lichfield
Staffordshire
WS13 6QG

Trustees A.P. Muir Hon FMS (Chairman) (Treasurer from 5 November 2021)
D. Blanchflower JP, Hon FMS (Treasurer, resigned 5 November 2021)
(Deputy Chair from 5 November 2021)
M. Lewis FMS
R. Taylor Hon FMS
S. Tate MMS (Deputy Chairman) (resigned 12 July 2021)
I. Bromley FMS
K. Gamble FMS (appointed 10 June 2022)
C. Elkington FMS (appointed 10 June 2022)

Secretary M. Lewis FMS

Auditors Leftley Rowe and Company
Second Floor
87 Kenton Road
Harrow
Middlesex
HA3 0AH

Institute of Management Services
(A company limited by guarantee)

Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2021

The trustees present their report and the financial statements for the year ended 31 December 2021. The trustees, who are also directors for the purposes of company law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Charitable objects

The Institute has as its main objective the promotion of the science, technology, practice and profession of Management Services, which results in the advancement of the efficiency, productivity and satisfaction of human work.

Organisation and structure

The Institute Board has eight Trustees, who meet three times a year in addition to the Annual General Meeting. Trustees are elected by the Membership for a period of office of four years. Elections take place every two years, the last being held in 2021 and the next in 2023, and four Trustees are elected at each. Elections are held prior to the Annual General Meeting, where the results of the ballot are counted and reported. At the end of the financial year 2021 there were seven Trustees in post. This current reduced number of Trustees is due to recent deaths and resignations as indicated in the list of Trustees on Page 1. The Board of Trustees are actively seeking nominations from within the Institute's Corporate Membership to fill the consequent vacancies.

Risk review, governance and internal control

Directors are responsible for providing assurance that the systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include regular financial reports to Council and an external audit.

How our activities deliver public benefit

It is a requirement of section 17 of the Charities Act 2011 that a charity has due regard to the guidance issued by the Commission on how the charity provides a "Public Benefit".

The Directors of the Institute have fully satisfied themselves that as a registered charity they do provide a Public Benefit. The Institute has as its main objective the promotion of the science, technology, practice and profession of Management Services, which results in the advancement of the efficiency, productivity and satisfaction of human work.

The achievements and performance

The Articles of Association and Memorandum clearly require the Institute to expand the concept and knowledge of the benefits of Productivity in improving the wealth and living standards of all. These objectives are achieved by publishing a regular journal containing articles on productivity and maintaining a website that contains information on productivity techniques and current thinking on productivity. We also publish regular newsletters available on the Institute website. Since 2018 the Institute has operated a Continuing Professional Development (CPD) scheme for its members and non-members wishing to use the scheme, details are on the Institute website.

All the charitable activities of the Institute focus on making widely known the benefits of improving productivity as a means of raising the living standards of all people in the world. To this end it is associated with all the world's leading productivity organisations.

Recruitment and Appointment of Council of Management

The Directors of the company are also Charity Trustees for the purposes of charity law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association the members of the Council of Management are elected to serve for a period of four years after which they must be re-elected at the next Annual General Meeting. All members of the Council of Management give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the financial statements.

**Institute of Management Services
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**Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2021**

Trustee Induction and Training

Most trustees are already familiar with the practical work of the charity. Additionally, new trustees are allocated a mentor and are encouraged to seek guidance from the mentor and in so doing familiarise themselves with the charity and the context within which it operates. The induction process is designed to support new trustees and ensure they understand the obligations of becoming a member of the IMS Council of Management.

Future plans and objectives.

The Institute has an ongoing campaign to increase membership and membership income, by encouraging existing members to upgrade to higher membership grades.

Relationship between Charities and related parties

The Institute co-operates with the R M Currie Memorial Fund which is a charity dedicated to advancing the concept of productivity. The Institute appoints the trustees to the R M Currie Memorial Fund and during the year under review two trustees of the Institute of Management Services also serve as trustees to the R M Currie Memorial Fund, they are David Blanchflower, and Richard Taylor. There were no financial transactions between the two charities during the 2021 financial year.

Achievements and performance

During 2021 the Council managed the administration of IMS until October 2021 when Cygnul Ltd, a complete outsourcing company, was appointed by the trustees.

The Institute's quarterly digital publication of the Journal 'Management Services' continues to be a highly respected publication and is provided free on-line to all members on the Institute website, worldwide. A printed copy of the Journal remains available to members who request it, on a subscription basis.

The Life Membership Scheme introduced in 2005 continues to underpin the financial viability of the Institute into the distant future. In 2021 the Institute again saw a modest increase in membership, despite the continuing constraints, including more Members joining from overseas, and increasing numbers of students becoming Life Members upon successful completion of their Institute examinations. Life Membership of the Institute continues to offer exceptional value for money to Members whilst contributing to the financial viability of the Institute.

The Institute website is its principal outward face and has attracted visits from all around the world. In the present technological age, the Trustees are committed to developing and enhancing an informative website and continuing its role as a major source of information on productivity improvement.

In 2021 the regular email newsletter continued to be emailed to all Institute members on a regular frequency. The newsletter contains information from around the world on current productivity thinking and focuses on the Institutes core subject area of productivity improvement, the newsletter is also freely available on the website. It also informs members of Institute activities and events.

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Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2021

The 2021 AGM was held as a virtual meeting on-line and attracted several members. In the restricted circumstances it was not possible to stage a programme of speakers other than the Presidential address. The President, Professor Colin Coulson-Thomas, remains an effective and prominent advocate of the Institute and its objectives internationally and his contribution is warmly appreciated by the Trustees and Membership.

Currently the Institute has one main UK education provider accredited to provide courses leading to the award of the Institutes Certificate, this provider also provides Institute training courses in several countries worldwide. The education provider continues to provide a valuable service and bring new members into the Institute. The Institute continues to award Student of the Year prizes and it is gratifying in the current uncertain conditions to see the number of large national UK companies, government departments and overseas companies who are sending employees on Institute approved education courses.

Financial review

Risk Management

Financially the Institute remains sound and the retention of Members as Life Members ensures that the Institute has an enduring membership base. On current predictions the present reserves will sustain the Institute for more than ten years. All investments are made using an investment strategy that safeguards the investments. Currently the main sources of income to the Institute are new members and the increasing income from education courses. In 2021 the Institute membership continued to grow with the addition of more Institute training courses.

Coronavirus

Since early 2020 the UK has been impacted by the global Coronavirus Covid-19 pandemic. The Institute's revenues have been adversely affected throughout the period of the pandemic as the general economy has taken a downturn. However, the Institute has been supported during 2021 by Discretionary Grants from Lichfield District Council totalling £7,500 under the HM Government business support scheme. The Trustees have reviewed the reserves and liquidity position of the institute and believe it remains suitably robust to continue to operate.

Plans for future periods

The Institute has a policy to maintain its reserves at a level that ensures the future financial viability of the Institute taking into consideration that the vast majority of members have life membership and only pay one initial membership subscription on joining. The current high level of reserves is considered appropriate to ensure the long-term viability of the Institute. The funds of the charity are all unrestricted. Note 16 of the financial statements indicates the level of the Institute's reserves.

Institute of Management Services
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Report of the trustees (incorporating the directors' report)
for the year ended 31 December 2021

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which 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.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the company's auditor is unaware, and
- the trustees, having made enquiries of fellow trustees and the company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Leftley Rowe and Company are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board

M. Lewis FMS
Company Secretary

19 August 2022

Institute of Management Services
(A company limited by guarantee)

Independent auditor's report to the members of Institute of Management Services
for the year ended 31 December 2021

Opinion

We have audited the financial statements of Institute of Management Services for the year ended 31 December 2021 which comprise the statement of financial activities, the Balance Sheet and the related notes 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The 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 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.

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Independent auditor's report to the members of Institute of Management Services (continued)
for the year ended 31 December 2021

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 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 trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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Independent auditor's report to the members of Institute of Management Services (continued)
for the year ended 31 December 2021

Based on our understanding of the company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements of the Charities Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated 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 inappropriate journal entries and management bias in certain accounting estimates and judgements. Audit procedures performed included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- Reviewing the financial statements for compliance with the Companies Act 2006.
- Evaluating and challenging the reasonableness of accounting estimates.

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 our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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.



Christopher Andrews ACA (senior statutory auditor)
For and on behalf of Leftley Rowe and Company
Chartered Accountants and
Statutory Auditors
19 August 2022

Second Floor
87 Kenton Road
Harrow
Middlesex
HA3 0AH

Institute of Management Services
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Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 December 2021

| | Notes | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|--|-------|----------------------------|--------------------|--------------------|
| Income | | | | |
| Income from Investments | 4 | 8,996 | 8,996 | 9,088 |
| Income from charitable activities | 5 | 44,875 | 44,875 | 31,323 |
| Other income | 6 | 7,500 | 7,500 | 9,096 |
| Total income | | <u>61,371</u> | <u>61,371</u> | <u>49,507</u> |
| Expenditure | | | | |
| Expenditure on charitable activities | 7 | 42,892 | 42,892 | 46,345 |
| Total expenditure | | <u>42,892</u> | <u>42,892</u> | <u>46,345</u> |
| Net surplus for the year before gains/(losses) on investments | | 18,479 | 18,479 | 3,162 |
| Net gains/(losses) on investments | | | | |
| Gains/(Losses) on revaluation of investment assets | | 19,886 | 19,886 | (31,203) |
| Net movement in funds | | 38,365 | 38,365 | (28,041) |
| Reconciliation of funds | | | | |
| Total funds brought forward | | 410,215 | 410,215 | 438,256 |
| Total funds carried forward | | <u>448,580</u> | <u>448,580</u> | <u>410,215</u> |

The statement of financial activities includes all gains and losses recognised in the year and therefore a separate statement of total recognised gains and losses has not been prepared.

All income and expenditure derive from continuing activities

The notes on pages 11 to 18 form an integral part of these financial statements.

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Balance sheet
as at 31 December 2021

| | Notes | £ | 2021 | £ | £ | 2020 | £ |
|---|-------|----------------|------|----------------|----------------|------|----------------|
| Fixed assets | | | | | | | |
| Tangible fixed assets | 10 | | | 661 | | | 1,634 |
| Current assets | | | | | | | |
| Debtors | 11 | 1,871 | | | 1,827 | | |
| Current asset investment | 12 | 168,539 | | | 148,652 | | |
| Bank and cash | | 279,903 | | | 260,789 | | |
| | | <u>450,313</u> | | | <u>411,268</u> | | |
| Creditors: amounts falling due within one year | 13 | (2,394) | | | (2,687) | | |
| Net current assets | | | | <u>447,919</u> | | | <u>408,581</u> |
| Net assets | | | | <u>448,580</u> | | | <u>410,215</u> |
| Funds | 15 | | | | | | |
| Unrestricted income funds | | | | <u>448,580</u> | | | <u>410,215</u> |
| Total funds | | | | <u>448,580</u> | | | <u>410,215</u> |

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the board on 19 August 2022 and signed on its behalf by

Dr A.P. Muir Hon FMS (Chairman)
Director

The notes on pages 11 to 18 form an integral part of these financial statements.

Institute of Management Services
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Notes to the financial statements
for the year ended 31 December 2021

1. General information

The charity is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Lichfield Business Village Staffordshire University Centre, Friary Way, Lichfield, Staffordshire, WS13 6QG.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

3.1. Basis of preparation

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.

Institute of Management Services meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

3.2. Reserves

The Institute has a policy to maintain its reserves at a level that ensures the future financial viability of the Institute taking into consideration that the vast majority of members have life membership and only pay one initial membership subscription on joining. The current high level of reserves is considered appropriate to ensure the long-term viability of the Institute.

3.3. Cashflow

The charity has taken advantage of the exemption in FRS102 from the requirement to produce a cashflow statement because it is a small charity.

3.4. Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. The charity does not have any restricted or designated funds.

3.5. Income

All income and endowments are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Income from charitable activities and investments are included in the year in which it is receivable. Annual membership subscriptions and Life membership subscriptions are included in full in the Statement of Financial Activities when receivable.

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Notes to the financial statements
for the year ended 31 December 2021

3.6. Expenditure on Charitable activities

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Expenditure on charitable activities are recognised in the year in which they are incurred.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

3.7. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 33% straight line p.a.

3.8. Investments

Current asset investments are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities..

3.9. Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

3.10. Defined contribution pension schemes

The pension costs charged in the financial statements represent the contributions payable by the charity during the year.

3.11. Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category.

3.12. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

3.13. Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

3.14. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.15. Financial instruments

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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Notes to the financial statements
for the year ended 31 December 2021

3.16. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include outsourcing administration costs, finance, printing, postage and stationery, professional and governance costs which support the Institute programmes and activities. These costs have been allocated between cost of activities in furtherance of the objects of the charity (note 7).

4. Income from Investments

| | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|--------------------------|-------------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | 982 | 982 | 1,832 |
| Listed investment income | 8,014 | 8,014 | 7,256 |
| | <u>8,996</u> | <u>8,996</u> | <u>9,088</u> |

5. Income from charitable activities

| | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|---|-------------------------------------|-----------------------------|-----------------------------|
| Membership Subscriptions | 25,160 | 25,160 | 11,839 |
| Advertising revenue and journal subscriptions | 2,742 | 2,742 | 5,181 |
| Examination entry fees | 5,000 | 5,000 | 3,610 |
| General | 11,973 | 11,973 | 10,693 |
| | <u>44,875</u> | <u>44,875</u> | <u>31,323</u> |

6. Other income

| | Unrestricted funds £ | 2021 Total £ | 2020 Total £ |
|---|-------------------------------------|-----------------------------|-----------------------------|
| HM Government business support scheme grant | 7,500 | 7,500 | 9,096 |
| | <u>7,500</u> | <u>7,500</u> | <u>9,096</u> |

As part of the UK government's response to the Covid-19 pandemic, the Institute has been supported during 2021 by Discretionary Grants from Lichfield District Council totalling £7,500 under the HM Government business support scheme.

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Notes to the financial statements
for the year ended 31 December 2021

7 Expenditure on charitable activities

| | Membership subscription | Advertising and journal subscription | Examinations | Governance | 2021 | 2020 |
|---|----------------------------|--|--------------|--------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Costs directly allocated to activities | | | | | | |
| Basis of allocation - Direct | | | | | | |
| Examination charges | - | - | 288 | - | 288 | 757 |
| Repairs and maintenance | 831 | - | - | - | 831 | 245 |
| Journals printing, postage and related costs | - | 16,649 | - | - | 16,649 | 16,425 |
| Telephone | 455 | - | - | - | 455 | 265 |
| Sponsorships and awards | 100 | - | - | - | 100 | 100 |
| Support costs allocated to activities | | | | | | |
| Basis of allocation - to main activity | | | | | | |
| Staff salaries | - | - | - | - | - | 6,009 |
| Pension contributions | - | - | - | - | - | 595 |
| Committee meeting expenses | - | - | - | 382 | 382 | 690 |
| Insurance | - | - | - | 1,166 | 1,166 | 1,150 |
| Outsourcing administration costs | 6,282 | - | - | - | 6,282 | - |
| Printing, postage and stationery | 308 | - | - | 255 | 563 | 848 |
| Computer costs | 179 | - | - | - | 179 | 2,069 |
| Staff training costs | - | - | - | - | - | 363 |
| Bank charges | 125 | - | - | - | 125 | 20 |
| Irrecoverable VAT | 3,216 | - | - | - | 3,216 | 2,043 |
| Accountancy fees | - | - | - | 790 | 790 | 972 |
| Audit fees | - | - | - | 2,925 | 2,925 | 2,925 |
| General expenses | 780 | - | - | - | 780 | 2,083 |
| Depreciation | 973 | - | - | - | 973 | 973 |
| Rent Payable | 7,188 | - | - | - | 7,188 | 7,813 |
| | <u>20,437</u> | <u>16,649</u> | <u>288</u> | <u>5,518</u> | <u>42,892</u> | <u>46,345</u> |

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Notes to the financial statements
for the year ended 31 December 2021

8. Employees

| Employment costs | 2021 | 2020 |
|-------------------------|-------------|--------------|
| | £ | £ |
| Wages and salaries | - | 6,009 |
| Pension costs | - | 595 |
| Other costs | - | 363 |
| | <u>-</u> | <u>6,967</u> |

During the year the charity outsourced its administration and accounting function to Cygnul Limited, a complete outsourcing and office solutions company.

No salaries or wages have been paid to trustees during the year.

No members of the management committee received any remuneration during the year. Committee meeting and travelling expenses amounting to £382 (2020 - £690) were reimbursed to 6 (2020 – 8) members of the management committee.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2020 – Nil).

Number of employees

The average monthly numbers of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | 2021 | 2020 |
|----------------|---------------|---------------|
| | Number | Number |
| Administration | <u>-</u> | <u>-</u> |

Out of pocket expenses were reimbursed to the trustees as follows:

| | 2021 | 2020 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Travel, accommodation, stationery | <u>382</u> | <u>690</u> |

9. Taxation

The charity's activities fall within the exemptions afforded by the provisions of Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Accordingly, there is no taxation charge in these accounts.

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| | | |
|---|---|--------------------|
| 10. Tangible fixed assets | Fixtures, fittings and equipment £ | Total £ |
| Cost | | |
| At 1 January 2021 and At 31 December 2021 | 2,947 | 2,947 |
| Depreciation | | |
| At 1 January 2021 | 1,313 | 1,313 |
| Charge for the year | 973 | 973 |
| At 31 December 2021 | 2,286 | 2,286 |
| Net book values | | |
| At 31 December 2021 | 661 | 661 |
| At 31 December 2020 | 1,634 | 1,634 |
| 11. Debtors | 2021 £ | 2020 £ |
| Trade debtors | 619 | 479 |
| Other debtors | 1,172 | 1,298 |
| Prepayments | 80 | 50 |
| | 1,871 | 1,827 |
| 12. Current asset investments | 2021 £ | 2020 £ |
| M & G Charifund (Income) at market value | | |
| Listed short term investment | 168,539 | 148,652 |
| 13. Creditors: amounts falling due within one year | 2021 £ | 2020 £ |
| Taxes and social security creditor | 19 | - |
| Accruals and deferred incoming resources | 2,375 | 2,687 |
| | 2,394 | 2,687 |

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14. Analysis of net assets between funds

| | Unrestricted funds £ | Total funds £ |
|--|----------------------------|---------------------|
| Fund balances at 31 December 2021 as represented by: | | |
| Tangible fixed assets | 661 | 661 |
| Current assets | 450,313 | 450,313 |
| Current liabilities | (2,394) | (2,394) |
| | <u>448,580</u> | <u>448,580</u> |

15. Unrestricted funds

| | At 1 January 2021 £ | Incoming resources £ | Outgoing resources £ | Gains and (losses) £ | At 31 December 2021 £ |
|--------------|------------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|
| General fund | <u>410,215</u> | <u>61,371</u> | <u>(42,892)</u> | <u>19,886</u> | <u>448,580</u> |

Purposes of unrestricted funds

The Institute has as its main objective the promotion of science, technology, practice and profession of Management Services which results in the advancement of the efficiency, productivity and satisfaction of human work.

The purpose of the unrestricted funds is the dissemination of knowledge and information on productivity improvement both to its members and the public in general, in order to improve the financial viability of both companies and countries across the world. The increasing realisation of the role that productivity improvement can play in ensuring the economic well-being of all is an indicator of the success of the Institute.

16. Related party transactions

The institute co-operates with the R M Currie Memorial Fund which is a charity dedicated to advancing the concept of productivity. The Institute appoints the trustees to the RM Currie Memorial Fund and during the year under review three trustees of the Institute of Management Services also served as trustees to the R M Currie Memorial Fund, they are David Blanchflower, Simon Tate (resigned 12 July 2021) and Richard Taylor.

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17. Covid-19

In March 2020 the World Health Organisation declared a pandemic in respect of the global Coronavirus Covid-19 outbreak. The UK economy was severely affected as full national lockdowns were in place from March 2020 to June 2020, during November 2020 and then from early January 2021 until March 2021. The UK successfully rolled out a vaccination programme during 2021; however the rapid spread of the Omicron variant of Covid-19 in late 2021 led to restrictions being re-implemented to protect the NHS during the winter months. In January 2022 the UK Government announced the end of Plan B of its Winter Covid-19 plan, which eased certain restrictions. From 24 February 2022 all remaining Coronavirus restrictions were lifted in England.

The Institute's revenues have been adversely affected throughout the period of the pandemic as the general economy has taken a downturn. However, the Institute has been supported during 2021 by Discretionary Grants from Lichfield District Council totalling £7,500 (2020: £9,096) under the HM Government business support scheme. The Trustees have reviewed the reserves and liquidity position of the institute and believe it remains suitably robust.

18. Company limited by guarantee

Institute of Management Services is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.