



The Chartered Institute for IT  
Making IT good for society

**The British Computer Society**

**Annual Report and Consolidated Financial Statements**

**Year ended 31 August 2020**

Registered charity number 292786

BCS, The Chartered Institute for IT is the business name of The British Computer Society

# BCS, The Chartered Institute for IT

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# BCS, The Chartered Institute for IT

## OFFICERS, DISTINGUISHED FELLOWS AND EXECUTIVES

**PATRON:** HRH The Duke of Kent KG

### TRUSTEE BOARD (and Members of Council)

**President** – R George OBE FBCS CITP

**Deputy President** – J Higgins CBE FBCS

**Immediate Past President** – M Grant FBCS

#### Vice-Presidents

G Arnold FBCS

B Booth FBCS CITP

A Revell CEng MBCS CITP

I Nath CEng FBCS CITP

K Farndon FBCS (from 11 March 2020)

Y Gallagher FBCS (from 11 March 2020)

A Irons CITP FBCS (from 11 March 2020)

T Crick MBE CEng FBCS (to 11 March 2020)

J Davenport FBCS CITP (to 11 March 2020)

S Pattison FBCS (to 11 March 2020)

#### Chair of Council:

I Thompson CEng HonFBCS CITP

#### Elected by Council:

P Clarendon MBCS

S De Silva FBCS CITP

K Streater FBCS CITP

C Smythe CEng FBCS CITP (from 2 July 2020)

R Isherwood FBCS (to 11 March 2020)

### EXECUTIVES

**Group Chief Executive** - P Fletcher FBCS

**Group Finance Director** – R Deri FCA MBCS

**Director – Education** – J Adamson MBCS CITP

**Director – Marketing** - C Harris MBCS CITP

**Director – IT and Operations** – W McNeil MBCS

**Director – Policy** - W Mitchell OBE FBCS CITP

**Director - Membership** – H Porter

**Director – External Affairs** - A Thilthorpe FBCS

**Director of Finance** - Wendy Franklin ACMA CGMA

**Director of Products and Services** - Cheryl Cumberworth

**Managing Director, BCS Learning & Development Limited** – L Ireland MBCS

### MEMBERS OF COUNCIL

I Thompson CEng Hon FBCS CITP

D Alvares MBCS CITP

R Boyle CEng FBCS CITP

P Clarendon MBCS

T Crick MBE CEng FBCS

J Davenport FBCS CITP

S De Silva FBCS CITP

D Donaghy CEng MBCS CITP

I Dryden MBCS

P Fletcher FBCS - Chief Executive

S Ghallab MBCS

J Hogan MBCS CITP

L Keighley CEng FBCS CITP

K Kuganathan MBCS

G Lefman CEng FBCS

A Palmer FBCS

L Parry MBCS

D Rippon CEng FBCS CITP

L Senanayake CEng FBCS CITP

C Smythe CEng FBCS CITP

R Steenson FBCS

K Streater FBCS CITP

D Toms MBCS

Y Vershinin MBCS

A G Williamson CEng FBCS CITP

### PAST PRESIDENTS

2019/20 M S K Grant

2018/19 C Rees

2017/18 P Martynenko

2016/17 R J Long CB

2015/16 J Creese

2014/15 E A Bacon

2013/14 R Marshall

2012/13 R J Harvey

2011/12 M J Norton FREng

2009/11 E A Sparrow

2008/09 A W Pollard

2007/08 R H A Burnett

2006/07 Sir Nigel Shadbolt FRS FREng

2005/06 C E Hughes

2004/05 D Morriss

2003/04 Dame Wendy Hall DBE FRS FREng

2002/03 J L Ivinson†

2001/02 N G McMullen †

2000/01 A J P Macdonald CB

1999/00 D F Hartley

1998/99 I C Ritchie CBE FRSE FREng

1997/98 Sir Brian Jenkins GBE

1996/97 R J McQuaker†

1995/96 G W Robinson CBE FREng

1994/95 D W Mann

1993/94 J P Leighfield CBE

1992/93 R G Johnson

1991/92 S C T Matheson CB

1990/91 A R Rousell

1989/90 Dame Stephanie Shirley CH DBE FREng

1988/89 B W Oakley CBE†

1987/88 E P Morris TD

1986/87 Sir John Fairclough†

1985/86 R A McLaughlin

1984/85 E S Page

1983/84 D Firmberg

1982/83 HRH The Duke of Kent KG

1981/82 P D Hall OBE †

1980/81 F J Hooper †

1979/80 J L Bogod †

1978/79 F H Sumner †

1977/78 P A Samet †

1976/77 G A Fisher

1975/76 C P H Marks †

1974/75 E L Willey †

1973/74 R L Barrington

1972/73 G J Morris

1971/72 A S Douglas CBE†

1970/71 A d'Agapeyeff OBE†

1969/70 The Earl of Halsbury†

1968/69 B Z de Ferranti†

1967/68 S Gill†

1966/67 The Earl Mountbatten of Burma KG PC

OM†

1965/66 Sir Maurice Banks †

1963/65 Sir Edward Playfair KCB†

1962/63 R L Michaelson†

1961/62 D W Hooper †

1960/61 F Yates CBE†

1957/60 Sir Maurice Wilkes FRS FREng†

†deceased

### DISTINGUISHED FELLOWS

E Upton CBE FREng

S Peyton Jones FRS

M Lane Fox, Baroness Lane-Fox of Soho CBE

Dame Wendy Hall DBE FRS FREng

S Furber CBE FRS FREng

H Hauser CBE FRS FREng

W East CBE FRS FREng

V Cerf

S McNealy

P T Kirstein CBE FREng

D Deutsch FRS

Sir Tim Berners-Lee OM KBE FRS FREng

W H Gates III KBE

F P Brookes FREng

R Wilmot OBE

Wladyslaw M Turcki †

A J Robin E Milner †

I M Barron CBE

D E Knuth

G M Amdahl

Sir C Antony Hoare FRS FREng

C W Bachman †

Lord Bowden †

D W Davies †

I L Auerbach †

J H Wilkinson †

T Kilburn †

A P Ershov †

Sir Maurice Wilkes †

G M Hopper †

C Strachey †

E W Dijkstra †

†deceased

# BCS, The Chartered Institute for IT

## PRESIDENT'S MESSAGE

When I became BCS president on 11 March 2020, continuing two decades of work with the professional body for IT, the aspect of the job I most looked forward to was meeting our members across the UK and the world. I anticipated being in rooms with talented IT practitioners discussing the global ethical and professional challenges facing our industry. A fortnight later, the Prime Minister gave the instruction that we must remain at home – thus triggering the lockdown aimed at stemming the spread of COVID-19.

As governments of the world shut down transport, workplaces, leisure, education and public services where did we turn to ensure our personal and professional lives could continue to function and then flourish? We looked to IT and digital technology, which at its best, can reduce the barriers of geography, negate the health risk of physical proximity and bring us closer. About half of the UK workforce started working from home in March, compared to around 5% before, and as rapidly as we all learnt about sensitive positioning of our laptop cameras, we also realised that IT is part of our critical infrastructure, no longer hidden but essential to our socio-economic wellbeing. That is why BCS' vITal Worker campaign was so important to me, and why it was supported by the Department for Culture, Media and Sport (DCMS). It celebrated the impact of IT professionals during the pandemic, keeping cornerstones of our society, from the NHS to education, to choirs connected and thriving.

My presidential year has been rewarding in ways I couldn't have imagined. I've had the privilege of addressing members at Convention, in our regions and Specialist Groups, all through technology. I know of so many success stories about virtual events organised by BCS members - to take just one example, the South Wales branch jointly hosting a webinar with IET on the Welsh Supercomputing Programme. BCS Specialist Groups also attracted large numbers to important webinars on digital health, long-term issues like diversity and inclusion, and highly technical issues like data legislation where the Law SG has made a particular impact. I have been proud to host and appear on a range of webinars, including the Government's Job Plan. I chaired Trustee Board and attended Council, all through my screen. I have been grateful for opportunities to be interviewed on the importance of professionalism in data science by ZDNet and written about Neurodiversity for the BCS Tester magazine and I would like to thank everyone who has made my year as President so enjoyable.

Tech is now at the forefront of the most high-stakes decisions being made about people. It's about how we are tested and traced for Covid-19, it's about exam results, where new houses will be built, if and how we exchange data with EU countries after Brexit, how we are diagnosed and take part in medical consultations, how we retain control of our most important IT assets while having a global outlook. Thankfully, BCS was able to pivot its focus quickly to make important contributions on all these issues, ranging from the commercial to the wider policy impact; the organisation has stepped up magnificently. Learning and Development has managed to grow, despite the pandemic, with the transformational appeal of qualifications like Digital Apprenticeships to individuals and businesses shining through.

The Institute's presence in the media is also stronger. That increase in profile has come through papers on urgent topics like Contact Tracing and professionalising coding in scientific research. It has also been achieved through relevant surveys on the role of Huawei in 5G and the use of algorithms in estimating exams, which were covered in the national press and discussed on social media. I am especially pleased to see our focus on Diversity and Inclusion taking on real meaning and practical commitment with new partnerships with groups like Coding Black Females and the creation of a new specialist group focussed on the experience of professionals from BAME backgrounds.

And so the evidence of this year has only intensified my passionate belief in professionalism for the people who design, build and maintain the IT systems that make our world work. I see membership as an extension of professionalism, but unlike many other professions, there is no requirement for people to prove they are appropriately qualified. That is why I am delighted that in its most recent response to the government's Call for Evidence on Recognition of Professional Qualifications BCS clearly argues that IT professionals developing software with public policy impact (such as modelling climate change) should be Chartered. With a review of academic accreditation of IT courses and new initiatives to make membership appealing to new entrants from the broadest possible range of backgrounds, I know BCS has never been more focussed on its mission to Make IT Good for Society.

**Rebecca George OBE FBCS CITP**  
**President 2020-21**  
**25 November 2020**

# BCS, The Chartered Institute for IT

## GROUP CHIEF EXECUTIVE'S REPORT

In writing my report of the year to 31<sup>st</sup> August 2020 I am conscious that the coronavirus pandemic is dominating our personal lives, our ways of working, our business interactions and the economic and political agendas; together with the unfolding of arrangements for Brexit, the year has coincided with probably the most significant challenges in our history. I am proud that BCS was able to show its relevance to our sector and to society during a period when COVID-19 put all businesses and communities under unprecedented pressures.

### **Finance**

2020 also marked the second year of our three-year operational plan to transform BCS into an organisation fit for the future. It is pleasing to report that, despite the challenges the Group returned to profitability and achieved an overall financial surplus before tax of £93k with total income increasing by 5.2% to £22.0m. Our trading subsidiary, BCS Learning & Development Limited delivered a net profit before tax of £300k (2019: £518k) with revenues of £12,743k (2019: £12,448k), which is an admirable achievement given the challenging trading conditions since March 2020.

### **COVID-19**

Responding to the pandemic dominated the second half of our financial year. Our top priority was to do the right thing for our staff, our volunteers and our members in the knowledge that they would look after the best interests of the organisation. By the end of March 2020 all of our staff were working successfully from home, thanks to a huge effort, recent technology investments and clear support and guidance on new ways of working. As revenue streams declined in some areas of the business such as Professional Certifications and Digital Skills, we utilised the government funded job retention scheme to avoid making redundancies and implemented stringent cost control measures at a very early stage. The diversity in our revenue streams also helped mitigate the impact with our Apprenticeship and Organisational membership businesses holding up well. We also saw revenues recover more quickly than anticipated through our investment in the remote proctoring of examinations. We relocated our Head Office during the year, opening the new HQ in Swindon in July. I pay tribute to all of our staff who showed resilience and true commitment to agile working to complete this project during the most difficult of times.

### **Learning and Development**

Our commercial activity continues to develop. Over 20,000 people have now registered for BCS Digital Apprenticeships broadening the pipeline of tech talent ready for the workforce, and more than 69,000 exams (Prof Certs, Vocational, Knowledge Modules) have been delivered in the last year. A range of new certifications including AI, DevOps, Agile and Business Analysis have now been launched, along with RoleModelplus - our new skills audit platform.

### **External Influence**

We were focussed on providing original data and analysis on a range of key matters including research on the COVID-19 contact tracing app, on the banning of Huawei from the 5G network, on diversity gaps in IT, on the use of AI to estimate exam grades, and on the need to professionalise coding in scientific research. All of these studies were covered across the national and trade press as well as being shared with key policy makers. During the pandemic, we were part of a group involved in regular briefings with government departments and we continue to respond to a range of consultations, often with partners across the Chartered bodies. BCS Health and Care Executive (HCE) webinars on Covid- accelerated digital transformation across the NHS were strongly attended and featured senior figures from major NHS organisations. The launch of the government's outline National Data Strategy is open for final consultation responses as I write; I am pleased that the published draft already reflects several long-term BCS recommendations including: integration of data skills across university courses; recognising work led by the Royal Statistical Society (where BCS is a partner) to professionalise data science; and ethical data use by public services.

### **Membership**

Membership continues to be a key focus and we prepared the ground for a re-energising of our membership proposition during 2020-21. A comprehensive review of strategy was carried out by our new Membership Director, a new offer was developed to attract students to join BCS, and we launched a teacher membership proposition. The vITal Workers campaign, championing the role of IT professionals, resulted in 244 nominations. After March many community events and conferences were migrated on-line with very positive feedback and in many cases improved attendances, as detailed in the President's report - for example, the virtual insights and the webinar series. We have also invested further in new technology to allow improved virtual conference functionality during the coming year.

# **BCS, The Chartered Institute for IT**

## **GROUP CHIEF EXECUTIVE'S REPORT** (continued)

### **Education**

Our education activities continue to make a significant impact. Despite the challenges we met all of the performance criteria for year 2 of the National Centre for Computing Education (NCCE) contract. We have seen a significant increase in the Computing At Schools (CAS) engagement – helping teachers do CPD during lockdown with 15,385 attendees across 608 meetings. We continue to work in partnership with BT on the Barefoot Computing supporting primary schools. Actor and author David Walliams was the face of a summer campaign aiming to help parents find online resources for home education during the Coronavirus crisis, developed as part of this association. We were also awarded a project from the Nuffield Foundation to make placements in data science.

### **Outlook**

The shape of the year ahead is clearly uncertain and will be heavily influenced by the economic and social impact of the ongoing pandemic. The implications for our members and the wider IT community are likely to be significant; and the demand for digital skills in a transformed employment market and greater public expectation of professional standards means that BCS is as relevant as ever. We will continue to support our members through the crisis and work with partners and Government on major policy initiatives. By promoting professionalism, I know we will remain a relevant and trusted voice. I wish you well during this challenging time and thank you for your continued support for our institute.

**Paul Fletcher FBCS**  
**Group Chief Executive**  
**25 November 2020**

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT

The Trustees' Report covers the activity of the Institute for the year ended 31 August 2020.

### 1. THE INSTITUTE'S OBJECTIVES

The Institute is incorporated by Royal Charter and is a Registered Charity (number 292786). Its objectives are prescribed by the Royal Charter and the main objective is 'to promote the study and practice of computing and to advance the knowledge and education therein for the benefit of the public'. It serves three main constituencies: IT professionals, employers of IT professionals and society at large. Its governing documents are the Royal Charter, Bye-laws and Regulations.

#### Delivering Public Benefit

The Institute delivers the objectives of its Royal Charter to provide public benefit through substantial programmes of activities under the direction of its Trustees, Boards and volunteer communities, facilitated by the Institute and its members. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to guidance published by the Charities Commission. The scope of our activities is described in Section 3 below and all are primarily aimed at benefiting the public at large.

The Institute's membership at 31 August 2020 and 2019 is shown below:

	Number of Members	
	2020	2019
Fellows	3,123	3,157
Members	33,127	35,226
Associate members	10,003	10,930
Companions	6	6
Students	10,312	9,874
Affiliates	2,263	1,709
	<hr/>	<hr/>
	58,834	60,902
	<hr/>	<hr/>

### 2. THE FUTURE OF THE INSTITUTE - *Making IT Good for Society*

The Institute was created in 1957 to bring together those that work in the field of computing and to educate and inform others for the public benefit. We have made great strides since then and the Institute has evolved continually to meet the ever-changing world we serve. Our work can be summarised into five areas:

- Supporting careers – we provide professional development pathways and opportunities
- Sharing expertise – we inspire innovation through knowledge sharing and collaboration
- Improving education – we empower people of all ages with the right computing skills and understanding
- Influencing practice - we work with industry and education to shape policy and practice
- Driving standards - we raise the levels of professionalism and performance across IT

We live in an increasingly IT - dependent society and technology lies behind almost everything we do. Well over a million people work directly in information technology in the UK alone and computer science lies behind almost everything that happens in society today. To support not only these knowledge workers but a growing IT-enabled society, our activities and capabilities must become even more pertinent to our members and volunteers, as well as the academic community, industry, government and the wider public. Our overriding purpose is defined as "making IT good for society" which unites the many and varied activities carried out by the organisation.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### 3. ACTIVITY REPORTS

An overview of the key activities of the Institute is included in the President's Message and Group Chief Executive's Report on pages 2 to 4.

A summary of the activities and achievements of each individual Board during this period is described by the respective Vice-Presidents and Chairs below.

#### **BCS Academy of Computing**

**Vice-President & Chair: Alastair Irons**

The BCS Academy of Computing ('Academy') is a collaborative partnership between BCS, CPHC (the Council for Professors and Heads of Computing) and UKCRC (the UK Computing Research Committee) and its purpose is to advance the creation, study and application of knowledge in computing. Computing at School (CAS) and the BCS School Curriculum and Assessment Committee are major parts of the Academy.

**BCS Membership:** This year we have focused on developing the membership experience for educationalists in all phases, including specific programmes which targeting the HE student community, the HE academic community and school/college computer science teachers.

**Steering Committee for post-Shadbolt Academic Accreditation Review:** We have commenced a review of BCS Academic Accreditation, with the aim to provide recommendations for reforms to ensure accreditation properly validates university graduates have the academic expertise, skills and competencies necessary to embark on a professional career in IT, and does so in a way that is valued by employers and students.

**BCS School Curriculum and Assessment Committee:** The new committee, formed in October 2018 in response to the Royal Society Report "After the Reboot" has a significant role in shaping public debate and shaping the future of computing in schools. The Committee's aim is to articulate the aspiring vision, goals and principles of Computing Education which we plan to do with the following goals:

- To explain more about what our subject is
- To help teachers to understand what and how they should teach computing
- To inform inspectorates and DfE, to support them to ask the right questions, and to know what good practice looks like
- To identify what the ideal set of qualifications is that would offer appropriate pathways for all children, especially at Key Stage 4

Over the past 12 months the committee has responded to 2 Ofqual consultations, extensively explored Key Stage 4 qualifications pathways, begun to explore culturally responsive curriculum and commenced a landscape review of computing across the UK. The committee will be developing guidance on developing a culturally responsive computing curriculum for schools.

**Computing at School:** We have continued to grow engagement through the Computing at School network in England with the NCCE and beyond across the UK.

- 315 Active Communities, an increase of 61.5% on previous year
- 397 Active Community Leaders, an increase of 46% on previous year
- 512 active Master Teachers, 19% of them also active Community Leaders
- 3568 new registrations in the last 12 months, an increase of 59% compared to previous year
- 587 Community Meetings, 16,720 attendees, this is a 773% increase in attendance compared to previous year
- 65% of the total attendance at CAS Community Meetings was by teachers at state-maintained schools in England.

Inevitably, the pandemic impacted on the CAS Communities of Practice. Firstly, as face to face meetings were no longer possible, remote delivery was essential. Secondly, the pandemic created new priorities for the content of meetings, with teachers looking for guidance and support to introduce remote teaching. Many computing teachers also found themselves with additional responsibilities within their schools to support colleagues as they took on remote teaching.



# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

The effectiveness of CAS's response to the challenges of Covid-19 is reflected in the increased participation by teachers in the network. 41% of the teachers who have engaged with the network did so for the first time in the months after March 2020. This is likely to be as a result of a complex interplay between a number of factors, including:

- providing high quality, timely and relevant support at a challenging time for teachers
- reducing the time needed for teachers to participate by removing the need to travel
- providing teachers with an 'emotional connection' to other practitioners.
- supporting participation during the school day.
- the importance of computing becoming more visible across society and the economy.

National Centre for Computing Education: We have completed the first full year of delivery for the National Centre for Computing Education and have a wide range of CPD, resources and support in place for teachers across the country. Key achievements include:

- 29,500 teachers have engaged, reaching over 8,500 primary schools and nearly 3,000 secondary schools,
- Over 6,000 teachers have signed up to one of the certificates (primary or secondary subject knowledge)
- Over 1310 "Computer Science Accelerator" graduates are certified to have the subject knowledge to teach GCSE Computer Science to a high standard.
- 34+ Computing Hubs providing accessible school led expertise across the country
- 275 Computing at School (CAS) Communities of Practice providing peer support, including face to face events attended by over
- 2,000 teachers and 18,000 students using Isaac Computer Science to support A level Computer Science.
- Teach Computing curriculum has launched with over 500 hours of free quality learning materials covering every key stage.
  - Secured additional industry funding, taking the total to £600,000, supporting 2,800 teachers to access essential CPD.

Despite positive progress in all areas of the programme, significant challenges exist. Every school and college need to transform their offer to include computer science GCSE from 20/21 onwards, at a time when schools are struggling to expand their provision and cope with the additional demand a pandemic places on them. Our aim remains to ensure every student in a state-maintained school or college in England can study computer science at key stage 4, our ambition is to triple the number of students leaving school with a computing qualification.

Barefoot Computing: We continue to work in partnership with BT and Barefoot has now reached the teachers of over 2.5million primary aged pupils and engaged 1000's of industry volunteers across the UK. The programme responded rapidly to the pandemic, releasing new content to support families and teachers with Home Learning, including interactive online activities alongside bite-sized at home activities that could be done with little or no equipment. Barefoot content was hosted and signposted from BBC Bitesize as part of their response to the crisis. And our new get started with programming workshop was released and is being delivered remotely.

Increasing capacity in computing science teaching in Scotland: This pilot CPD programme and associated accreditation aims to upskill primary teachers and teachers involved in Broad General Education (BGE) in secondary schools to teach S1 – S3 level Computing Science. This increased capacity will help to place that expertise where it is most needed and backfill the gaps where existing specialist teachers are needed to focus on S4 teaching the national qualifications. The programme has been funded by Microsoft with policy support from Education Scotland. BCS, The Chartered Institute for IT is managing the programme and The University of the Highlands and Islands (UHI) leads on the development and delivery of the CPD courses. BCS is providing a certification framework and standard. The standard aligns with existing BCS certification of teachers. The pilot programme launched in Feb 2020 with 18 teachers participating.

BCS Initial Teacher Training Scholarships: The DfE awarded BCS a 3-year grant to run teaching scholarships for trainee computing teachers for the period 2018/21, where each scholarship is worth up to £28,000 and is tax free. The scheme is now in its sixth year, this year saw another increase in the scholarships awarded to 122. Scholars receive ongoing support and development including a range of CPD, resources and mentoring.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### Community Board

**Vice-President & Chair: Alastair Revell**

The Community Board has responsibility for the strategic oversight of the Institute's Member Group Community as well as all aspects of its membership, including applications, recruitment, retention, member benefits and communications.

The Board's aims are broadly:

- to establish and maintain a clear strategy for the Member Group Community that clearly aligns with the Institute's purpose and strategic objectives;
- to manage all the groups that report to it, ensuring that all the Member Group Community activities meet the objects of the Royal Charter;
- to develop and maintain policies, procedures and services to grow and sustain the BCS membership and its community, both within the United Kingdom and internationally;
- to develop BCS volunteers working within the Member Group Community to improve its overall effectiveness;
- to build a powerful community that goes beyond IT that can help the Institute achieve its purpose, while assisting IT practitioners meet meaningful standards that deliver results and inspiring debate around IT as well as fostering learning for the good of society;
- to act as a champion for BCS membership and the whole Member Group Community; and
- to provide effective, responsive and focused support, encouragement and guidance for the entire Member Group Community.

The global Covid-19 pandemic could have had a catastrophic impact on the work of the BCS Community in delivering its events programme, which supports the professional development of our membership through its network of branches, specialist groups and international sections.

We had already established the need to develop our online event delivery capabilities in 2019 but could not have anticipated the unprecedented situation that unfolded in March 2020, demanding an almost immediate transition to an online delivery model for all aspects of our work.

Our volunteers and the staff who support them have shown considerable passion and commitment in pivoting to an online operating model that took just a matter of weeks to achieve. Their hard work and dedication has been justly rewarded with increased attendance and participation in almost every aspect of our activities.

Just how well our Member Groups are thriving online is evidenced by 340 events taking place in the last financial year, attracting 25,995 attendees with 15,573 attending events online during the pandemic period of March to September.

The Community is now well-placed to deliver a blended programme of events once the situation allows.

We held our first entirely online Member Group Conventions in June with considerably increased attendance by many who otherwise might not have been able to participate. These conventions explored the how the world was changing and how member groups must respond to the subsequent challenges. The dominant themes were the importance of our geographic groups in connecting IT professionals locally and the need to promote our specialist groups to global audiences.

During the year, Community Board has been encouraging the greater use of the expertise found within the BCS Community and has seen several groups contribute to important public statements made by the Institute. Important steps have also been taken to establish the Community Board's long term plans to invest in volunteer development.

The Community Board has supported the development of the Institute's membership strategy. The Board's working party on membership, in completing its remit earlier in the year, has brought a deeper understanding of the changing needs of our members, which has informed thinking in developing the strategy.

An important outcome during the year has been the establishment of the Early Career Executive and the appointments of John Dyer CITP as Chair and Eleanor Mosely as Vice-Chair. This body will work with member groups to build a network of early career advocates throughout the BCS Community that will cement the relevancy of the Institute to those starting their careers in IT and ensuring that we articulate an attractive value proposition to a new generation of IT professional.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### Organisation and Employers Board

**Vice-President & Chair: Yvonne Gallagher**

The purpose of the Organisation and Employers Board is to:

- champion the involvement of organisations, especially those that employ IT professionals, in the Institute's purpose of making IT good for society
- promote the IT profession and relevant standards to organisations with the ambition that this profession is valued and respected for excellence, rigour, creativity and innovation for the benefit of all in society
- ensure the risk of all activities undertaken to promote the IT profession is recognised and with appropriate mitigation

Part of the strategic imperative is for BCS to become substantially more outward-facing beyond the sector whilst being fully engaged with it. This is driven by the changing context for IT; the increasing pivot towards social impact and people, and the resulting need for broader, multi-disciplinary engagement.

The Board ensures that our activities support employers seeking to unlock the potential of their organisations through people who understand technological and digital advances that are effective, impactful and strategic.

The Board continues to support the following workstreams, in line with BCS purpose and objectives:

- Our focus on increasing the number of Organisational Members and engaging with them in their sector context has continued to grow, with particular strategic success within Health. The Board continues to support the Federation of Informatics Professionals in its engagement with NHSX and development of registration for IT and Digital professionals working in Health and Social Care.
- The Ambassadors programme has helped to refine and develop the offering to FBCS members as well as renew our focus on aspects of Technical IT leadership
- Digital Dipping for Board level executives and supporting materials are being trialled within Government, Health and wider SME environments with a view to supporting Organisational Membership engagement.
- The Board has provided strategic oversight for the further development of SFIA (Skills Framework for the Information Age) alongside the DDaT (Digital, Data and Technology) profession framework with Government. Further collaboration with Government Digital Service on the recognition for this profession is on going.

### Society Board

**Vice-President & Chair: Kathy Farndon**

The Society Board was established in August 2017. The Society Board remit is:

- To ensure that our policies, strategies and media relations are topical, effective, impactful and coordinated with our wider business strategy.
- To help BCS establish and maintain a voice in public debate on a range of issues of relevance to making IT good for Society.
- To oversee policies and procedures developed to facilitate effective external relations, particularly with media, Government and other opinion formers, and to include in this process where possible a representative spectrum of members.
- Where necessary to propose and help establish good working relationships with external bodies likely to be helpful in realising our aims.
- To ensure that the Boards activities support BCS's strategic objectives in line with the objectives of our Royal Charter

Through the efforts of the Society Board BCS:

- was invited to attend weekly DCMS ministerial conference calls to discuss the tech sectors response to Covid-19
- published a high profile policy position on the contact tracing app developed by NHSX, which was covered across the national and trade press
- raised national awareness of the importance of algorithm design standards through a major policy paper reported in the national press

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

- gained the support of DCMS<sup>1</sup> to help raise recognition for the outstanding work of IT experts during the Covid-19 crisis through the #vITal worker campaign
- in collaboration with other organisations gained the inclusion for the need for all university graduates to be offered data science training in the National Data Strategy<sup>2</sup>
- had their work to establish professional communities of practice extensively covered in a Parliamentary Internet, Communications and Technology Forum (PICTFOR) report on the tech sectors response to Covid-19
- launched the Society Medal, which is a new annual award to recognise someone who has made an outstanding contribution to making IT good for society

### **Registration and Standards Committee**

**Chair: Paul Martynenko**

The purpose and key responsibilities of the Registration and Standards Committee are to oversee the regulation of the BCS Chartered IT Professional and Registered IT Technician standards and admission of members to BCS and award of CITP, CEng/IEng, RITTech and FedIP registration.

During the past year the Committee has discharged its governance responsibilities supported by member panels and evaluated specialist areas of practice to identify the need to promote membership and professional registration in support of BCS strategic objectives. Opportunities to gain profession registration continue to be fostered through agreements recognising qualifications and certifications assuring competence against the BCS Chartered IT Professional and Registered IT Technician standards and licencing other membership bodies with IT professional members.

A project was initiated to shape and develop the data science profession and, following a series of workshops, the following announcement was made regarding establishing industry-wide professional standards: <https://www.bcs.org/more/about-us/press-office/press-releases/professional-standards-to-be-set-for-data-science/>. The project is referenced in Section 5 of the UK Gov DCMS National Data Strategy Sept 9 2020: as contributing to 'Skills: Data skills for a data-driven economy and data-rich lives': <https://www.gov.uk/government/publications/uk-national-data-strategy/national-data-strategy#data-5-3> and a blog showing support from the Royal Society Blog can be found at: <https://royalsociety.org/blog/2020/07/what-makes-a-data-scientist-why-professional-skills-and-behaviours-are-more-important-than-ever/>.

### **Risk Audit and Finance Committee**

**Vice-President Finance & Chair: Ben Booth**

The principal objectives of the Risk Audit and Finance Committee (RAFC) are to:

- Provide additional assurance on the quality and reliability of the financial information used by Trustee Board and the Boards of BCS subsidiaries, and the financial statements issued by the Institute and its subsidiaries;
- Review the policies and procedures operated for both financial and non-financial risk management and internal control; and
- Oversee all BCS Group internal and external audit activities, including the engagement of the external auditor to supply audit and non-audit services to the institute and its subsidiaries.

In order to fulfil its obligations and responsibilities to Trustee Board, RAFC held four scheduled meetings during the year, plus a further meeting to approve the recommendation regarding external auditors and a further two meetings to review business risks resulting from the Covid-19 epidemic.

RAFC provided assurance on the financial information provided and reviewed the audit report for 2019 provided by KPMG. The business plans for the BCS and BCS Learning and Development Limited were scrutinised and recommended as appropriate.

This being five years since the last review, the role of external auditor was put out to tender. Following a rigorous process haysmacintyre were recommended as external auditors to replace KPMG, with effect from the current financial year.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

RAFC conducted a review of the risk register and at each meeting received a status update on major risks, recommending that TB also regularly review major risks.

In view of the circumstances caused by the Covid-19 epidemic, RAFC held exceptional meetings with the executive teams of the BCS and BCS Learning and Development Limited to assure the measures being taken to mitigate business risks caused by the epidemic.

### **BCS Council**

**Chair: Iain Thompson**

Council is a representative body of the membership which exists to provide advice from the perspective of the membership on strategy and budget to the Trustee Board and the other Boards of the Society, and to elect the honorary officers of the Institute. Council represents a collective body of wisdom that can be consulted for the benefit of the Institute. It consists of members elected from various constituencies from the membership, and the senior officers of the Institute.

In November 2019 the Institute commissioned a review of the effectiveness of Council, and how it could be improved. In the second part of this year Council has been significantly influenced by the recommendations of that review, and the Covid-19 pandemic. At the November and January meetings of Council there were presentations and discussions about the National Centre for Computing Education, Diversity in BCS, increasing the membership and potential new product streams for BCS L&D. The regular May meeting could not take place, and instead Council had an online update which concentrated on the Institute's response to the pandemic. In July Council had, for the first time, a wholly online meeting, which received the recommendations of the effectiveness review, as well as receiving and commenting on the Institute Business Plan for 2020-2021.

## **4. FINANCIAL REVIEW (including policy statements)**

BCS carries out a number of diverse activities in order to fulfil its charitable objectives. Revenues come from a combination of fee-charging, grant funding and a contribution from the trading subsidiaries and joint venture. This allows BCS to carry out a range of activities including funding member groups, events and activities, the provision of resources and content often without charge as well our work in education and policy.

These financial statements have been prepared in accordance with the statutory requirements of the Charity's governing documents and with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

During the period, the Group operating activities had net income before tax of £93k (2019: net expenditure £345k). Total group revenues increase 5.2% to £22.0m (2019: £20.9m) mainly due to the improved performance of BCS Learning & Development Limited.

A summary of the key highlights are noted in the Group Chief Executive's Report on page 3.

BCS Learning & Development Limited (BCS L&D) finished the year with a surplus of £300k before tax (2019: £518k). Income has increased by 2% in the year to £12,743k (2019: £12,448k) due mainly to the growth in the Digital Apprenticeship market. Apprenticeship revenue has increased to £6,981k (2019: £4,953k) as the company has continued to build on its expertise in this market to become a leading name in the delivery of Digital Apprenticeship standards and end point assessments.

In addition to operating activity, there was an increase during the year in restricted funds of £291k (2019: £635k) reflecting an increase in grant income received, which is outlined in note 17 to the financial statements.

As at 31 August 2020 BCS's reserves and net assets were £7,975k (2019: £7,933k), the increase reflecting the net income mentioned above.

### **Remuneration of Key Management Personnel**

The key management consist of the Trustees, the Group Chief Executive, BCS Learning & Development Managing Director and members of both Institute and L&D executive teams who regularly attend Board meetings.

# BCS, The Chartered Institute for IT

## **TRUSTEES' REPORT** (continued)

In addition to the main boards and committees listed on page 16, BCS also has a Nominations Committee (members of which are responsible for nominating people for key roles, public honour and distinguished fellowship) and a Remuneration Committee.

The Remuneration Committee is made up from current Trustees plus members appointed by Trustee Board. The committee has responsibility for agreeing the pay and remuneration of Executives and has access to external professional advice including benchmarking and market trends.

BCS's policy is that no member of Trustee Board is remunerated for their services as a Trustee; see page 34.

### **Reserves Policy**

The consolidated total reserves of the Institute are represented by general and restricted funds. The basis of the restricted fund is described in note 16 of the financial statements.

The current level of consolidated reserves which consists of the general funds represents approximately four months' operating costs which is within the three to nine month target range monitored on an annual basis. The consolidated reserves in 2020 is £7,975k (2019: £7,933k).

The Institute operates the policy of maintaining the self-financing nature of its core activities and the retention of adequate accumulated general funds to ensure efficient operations and provide financial stability for future development.

The movement and description of the restricted fund is included in note 17 of the financial statements.

### **Risk Management Policy**

The Trustee Board is responsible for the management of risks faced by the Institute. Detailed reviews of the effectiveness of the control environment for both financial and non-financial risks are delegated to all Boards and in particular the Group Risk Audit and Finance Committee (RAFC), who are assisted by the Senior Staff Management team. The risk management strategy includes the maintenance and regular review of the risk register which identifies strategic and operational risks. Additionally, a formal review of the risk management processes of the Institute is undertaken on an annual basis.

The key controls of the Institute include:

- Formal structure and agendas for Trustee Board, Council, Boards and Committees governed in line with detailed terms of reference
- Specific support to the Trustees from the Risk Audit and Finance Committee
- Comprehensive business planning, budgeting and management accounting
- Established organisational structure and lines of reporting, including rigorous performance management
- Formal written policies including delegated approval and authorisation procedures.

Through the risk management process of the Institute, the Trustees are satisfied that action is being taken to mitigate the major risks identified where necessary. It is recognised that systems can only provide reasonable assurance that major risks have been adequately managed.

COVID-19 was declared a global pandemic on 11 March 2020 by the World Health Organization, with unprecedented restrictive measures being put in place worldwide to help prevent its' spread, ensure safety and wellbeing, protect health services and try and stabilise the economy. This was recognised by the Board as a key risk and that the ongoing impact may compromise finances. The Institute has in place a business continuity system and this was implemented in March 2020 in response to the COVID-19 lockdown. The Board has considered best, worst and most likely impacts on operational and financial viability and adapted financial plans accordingly to ensure that the business remains sustainable. The government furlough scheme was used to ensure employees could be retained whilst revenues were impacted during the lockdown, and to balance costs with reduced income. The potential impact on 2020/21 has been estimated by modelling various scenarios and a prudent view has been taken as part of the planning process.

The Trustees have considered the implications of Brexit and do not consider there to be a significant impact on the business.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

The most significant risks faced by the Institute are shown in the following table.

Description	Action Taken
The risk of the COVID-19 pandemic compromising the Institute's financial viability	<ul style="list-style-type: none"> <li>The Institute has in place a business continuity system and this was implemented in March 2020 in response to the COVID-19 lockdown. The Trustee Board, via the Risk, Audit and Finance committee has considered best, worst and most likely impacts on operational and financial viability, and adapted financial plans accordingly to ensure that the Institute remains sustainable and our reserves policy is maintained</li> </ul>
BCS Learning & Development Limited suffers a material decline in net profit resulting in a reduction in gift aid to the Institute	<ul style="list-style-type: none"> <li>Restructure and reduction in cost base carried out during 2017/18 and continued in 2018/19</li> <li>Business planning gives focus on new product development to diversify income streams</li> </ul>
Financial sustainability of the Institute's activities	<ul style="list-style-type: none"> <li>Longer term source of extra income is a priority and detailed in the business plan</li> <li>Annual budget planning</li> <li>Strategy and business planning with Trustee Board, Council and Executive teams with regular ongoing reviews are carried out</li> </ul>
High complexity across the organisation requires robust governance processes	<ul style="list-style-type: none"> <li>Terms of Reference defined for each committee</li> <li>Board effectiveness survey being completed annually</li> <li>New organisational structure reduces complexity and improves the decision-making and governance processes.</li> </ul>
Processes and systems are not fitting business needs nor offer sufficient protection for a business continuity occurrence	<ul style="list-style-type: none"> <li>Business continuity procedures have been well developed and BCS is certified against BCM standard ISO 22301</li> <li>Programme in place for all major systems to be cloud based</li> </ul>
Risk of reduced income through decline in paid membership	<ul style="list-style-type: none"> <li>Membership consultation carried out to inform strategy and investment.</li> <li>Project underway to align standards, products and services and create meaningful membership propositions</li> </ul>

### Investment Policy

The Institute holds a proportion of surplus cash as bank deposits and does not invest in higher risk equity investments. During the year the Institute has invested £2m in funds with CCLA who manage investments for charities, religious organisations and the public sector. The Trustees adopted this approach, given both the short and medium term requirements for the use of these funds, and the current economic volatility and uncertainties and to balance long term returns and security.

### People with Disabilities

It is the policy of the Institute to encourage the employment and development of suitable people with disabilities. No unnecessary limitations are placed on the type of work that they perform, and the policy ensures that in appropriate cases consideration is given to modifications to equipment or premises and to adjustments in working

practices. Full and fair consideration will be given to applicants with disabilities for employment and existing employees who become disabled will have the opportunity to retrain if necessary and continue in employment.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### Employee Involvement

The Institute is committed to informing and consulting with its employees. Periodic internal staff communication events raise awareness of the financial and economic factors which the charity faces. There is also an annual staff satisfaction survey.

The Institute's aim is to fit the qualifications, aptitude and ability of all members of staff and applicants for employment to the appropriate job and to provide equal opportunity regardless of gender, religion and ethnic origin.

### Modern Slavery Act 2015 Statement

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and sets out the steps that BCS, The Chartered Institute for IT (and its subsidiaries) has taken and continues to take to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. BCS has a zero-tolerance approach to any form of modern slavery and is committed to acting ethically and with integrity and transparency in all business dealings. BCS has, in the last 12 months, introduced more effective systems and controls to safeguard against any form of modern slavery taking place within our business or our supply chain.

BCS is a professional body and a charity with a Royal Charter. Our purpose is to Make IT Good for Society.

BCS operates a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

**Anti-slavery policy:** This policy sets out the organisation's stance on modern slavery and explains how employees can identify any instances of this and where they can go for help.

**Recruitment policy:** We operate a robust recruitment policy, including conducting eligibility to work in the UK checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

**Whistleblowing policy:** We operate a whistleblowing policy so that all employees know that they can raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals.

**Code of conduct:** This code explains the manner in which we behave as an organisation and how we expect our employees, members and suppliers to act.

**Supplier policy:** BCS has a supplier policy and maintains a preferred supplier list. We conduct due diligence on all suppliers before allowing them to become a preferred supplier. We have introduced new terms which apply to all of our suppliers and where suppliers have not agreed to them, we have removed them from our preferred suppliers list. These terms are detailed below.

In addition to the above, as part of our contract with suppliers, we require that they confirm to us that:

1. They have taken steps to eradicate modern slavery within their business
2. They hold their own suppliers to account over modern slavery
3. (For UK based suppliers) They pay their employees at least the national minimum wage / national living wage (as appropriate)
4. (For international suppliers) They pay their employees any prevailing minimum wage applicable within their country of operations
5. We may terminate the contract at any time should any instances of modern slavery come to light.

Our Anti-slavery policy forms part of our contract with all suppliers and they are required to confirm that no part of their business operation contradicts this policy.



# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

We have trained all of our employees so that they understand the signs of modern slavery and we have outlined to them the steps they should take if they suspect that it is taking place within our supply chain. All new staff receive this training during our induction process.

### 5. STRUCTURE, GOVERNANCE AND MANAGEMENT

A list of the members of the Trustee Board, all of whom are the Trustees of the Institute, is included on page 1.

The constitution of Trustee Board is:

- President
- Deputy President
- Immediate Past President
- Up to nine Vice-Presidents
- Chair of Council
- Four elected members of Council

Council provides support to the Trustee Board in an advisory capacity and elects Honorary Officers. Trustees are elected to office by Council itself in accordance with the Bye-laws. On election, Trustees are provided with both guidance on the structure of the Institute, and duties of Trustees, through induction training. More formal training events for all Trustees are held throughout the year as necessary. Trustees are precluded from receiving remuneration from the Institute except when acting as examiner for professional exams.

Trustee Board delegates much of the strategic work of the Institute's key activities to Boards and Committees. Each Board is normally chaired by a Vice-President, and also includes a senior member of HQ staff appointed by the Group Chief Executive. The Boards adopt and progress programmes of work in their respective areas to meet the Institute objectives.

Attendance at the six Trustee Board meetings during the year was as follows:

Trustee	Attendance	
	Eligible	Present
Rebecca George	6	5
Michael Grant	6	6
Chris Rees	3	3
John Higgins	3	3
Gillian Arnold	6	6
Ben Booth	6	4
Tom Crick	3	1
James Davenport	3	3
Indranil Nath	6	6
Stephen Pattison	3	3
Alastair Revell	6	6
Paula Clarendon	6	6
Sam De Silva	6	5
Ronnie Isherwood	3	3
Kevin Streater	6	6
Iain Thompson	6	6
Yvonne Gallagher	3	3
Alastair Irons	3	3
Kathy Farndon	3	3
Colin Smythe	1	1

In addition, there were four electronic meetings of the Trustee Board

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### **Key Boards and Committees of Trustee Board**

Part of the strategic imperative is for BCS to become substantially more outward-facing beyond the sector. This is driven by the changing context for IT; the increasing pivot towards social impact and people, and the resulting need for broader, multi-disciplinary engagement.

<b>BCS Academy of Computing</b>	Promote the creation, study and application of knowledge in computing in collaboration with other key bodies
<b>Community Board</b>	Provide strategic oversight of all aspects of BCS membership, including application, recruitment, retention, member benefits and communications
<b>Organisation and Employers Board</b>	Champion the involvement of the IT profession and promote the value, innovation, excellence, rigour and creativity of IT for the benefit of society as a whole
<b>Society Board</b>	Ensure societal activities are effective, impactful and strategic, and champion BCS in civil society. Commission and review procedures, policies & services to facilitate effective external relations and help develop partnerships around societal goals
<b>Registration and Standards Committee</b>	Exercise the responsibilities of BCS as the regulator for standards developed by BCS for professionals employed in the IT profession
<b>Risk Audit and Finance Committee</b>	Oversee all internal and external audit processes and risk management. Provide additional assurance on the quality and reliability of financial information

The Executive Management team is detailed on page 1.

The administration of the Institute is undertaken by a full-time executive staff based at the registered office in Swindon. Although the Institute's operations have a full-time staff, as mentioned in the President's Message, the Institute benefits from the significant input and contribution of its Honorary Officers and volunteers. However, it is not considered practical to include an estimate of this time due to the nature and variety of the contribution by volunteers to the various Boards, Committees and Member Groups.

The Institute also maintains offices in London, which are used primarily for meetings.

The AGM was held in March 2020 and the following business was conducted:

- Adoption of the Trustees' Report and the Financial Statements for the year ended 31 August 2019.
- Appointment of Haysmacintyre LLP as auditors.

### **Bankers**

Lloyds Bank Plc in Barnwood 1, Barnett Way, Gloucester GL4 3RL.

### **Legal Advisers**

Charles Russell Speechlys Solicitors of 5 Fleet Place, London EC4M 7RD.

### **Auditors**

The policy of the Risk, Audit and Finance Committee is to undertake an annual review of the performance of the auditors against specific criteria prior to reaching their recommendations for their reappointment. During the year,

# **BCS, The Chartered Institute for IT**

## **TRUSTEES' REPORT** (continued)

the Institute undertook an audit tender process, in accordance with best practice, and confirmed the appointment of Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG as auditors for the year ended 31 August 2020 at the 2020 AGM.

### **Registered Office**

The registered office of the Institute is 3 Newbridge Square, Swindon, Wiltshire, SN1 1BY

### **Relationships with Related Parties**

Relationships with related parties are detailed in note 21 and note 22 to the financial statements.

### **Disclosure of information to auditor**

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each Trustee has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

# BCS, The Chartered Institute for IT

## TRUSTEES' REPORT (continued)

### **Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the Financial Statements**

Under the Royal Charter and Bye-laws of the charity and charity law, the Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The Group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the Group and the charity and of the group's excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the Royal Charter and Bye-laws, subject to any material departures disclosed and explained in the financial statements; and
- assess the group and the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charity or to cease operations or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the Royal Charter and Bye-laws of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

**Rebecca George OBE FBCS CITP**  
**Chair of Trustee Board**  
**25 November 2020**

# BCS, The Chartered Institute for IT

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH COMPUTER SOCIETY

### Opinion

We have audited the financial statements of The British Computer Society for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Institute Balance Sheets, the Consolidated Cash Flow Statement 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 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 group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's 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; 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 group 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable 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 group or the parent charitable 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.

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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# BCS, The Chartered Institute for IT

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH COMPUTER SOCIETY (continued)

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, including the President's Message and Group Chief Executive's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### 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' Annual 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' Annual Report have 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the [parent] charitable company 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.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Kathryn Burton (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: .....

# BCS, The Chartered Institute for IT

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 August 2020

	Notes	General Fund £000	Restricted Fund £000	Total 2020 £000	Total 2019 £000
<b>Income and endowments from:</b>					
<b>Investments</b>	8	69	-	69	54
<b>Charitable activities:</b>					
Membership and Other Professional Programmes	4 (a)	6,481	1,748	8,229	7,891
Qualifications and Examination Programmes	4 (b)	12,234	-	12,234	11,950
Publications	4 (c)	745	-	745	794
		<u>19,460</u>	<u>1,748</u>	<u>21,208</u>	<u>20,635</u>
<b>Other:</b>					
Other income	6 (b)	724	-	724	226
		<u>20,253</u>	<u>1,748</u>	<u>22,001</u>	<u>20,915</u>
<b>Total income and endowments</b>					
<b>Expenditure on:</b>					
<b>Charitable activities</b>					
Membership and Other Professional Programmes	4 (a)	7,474	1,457	8,931	9,187
Qualifications and Examination Programmes	4 (b)	12,154	-	12,154	11,306
Publications	4 (c)	630	-	630	573
Goodwill amortised	10 (b)	193	-	193	194
		<u>20,451</u>	<u>1,457</u>	<u>21,908</u>	<u>21,260</u>
<b>Total expenditure</b>					
<b>Net income/(expenditure) before tax</b>	6 (a)	(198)	291	93	(345)
Tax	9	(51)	-	(51)	(98)
<b>Net income/(expenditure) for the year being net movement in funds</b>		<u>(249)</u>	<u>291</u>	<u>42</u>	<u>(443)</u>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<u>7,493</u>	<u>440</u>	<u>7,933</u>	<u>8,376</u>
<b>Total funds carried forward</b>	16	<u>7,244</u>	<u>731</u>	<u>7,975</u>	<u>7,933</u>

All results arose from continuing activities.

The Group has no recognised gains or losses other than the net movement in funds for the period.

The notes on pages 25 to 47 form part of these financial statements.

# BCS, The Chartered Institute for IT

## BALANCE SHEETS

at 31 August 2020

	Notes	Group 2020 £000	Institute £000	Group 2019 £000	Institute £000
<b>Fixed assets</b>					
<b>Intangible assets</b>					
Goodwill	10(b)	1,614	-	1,807	-
Other intangibles	10(b)	247	-	86	-
		<u>1,861</u>	<u>-</u>	<u>1,893</u>	<u>-</u>
Tangible assets	10(a)	1,789	1,789	629	629
Investments	10(c)	1	4,396	1	4,396
		<u>3,651</u>	<u>6,185</u>	<u>2,523</u>	<u>5,025</u>
<b>Current assets</b>					
Cash at bank – current holdings		4,845	4,262	3,981	3,250
– held on deposit		3,127	3,127	5,006	5,006
Total cash and cash equivalents		<u>7,972</u>	<u>7,389</u>	<u>8,987</u>	<u>8,256</u>
Debtors	11	2,897	2,168	3,059	2,361
		<u>10,869</u>	<u>9,557</u>	<u>12,046</u>	<u>10,617</u>
<b>Creditors:</b> amounts falling due within one year	13	<u>(6,298)</u>	<u>(4,907)</u>	<u>(6,238)</u>	<u>(5,013)</u>
<b>Net current assets</b>		<u>4,571</u>	<u>4,650</u>	<u>5,808</u>	<u>5,604</u>
<b>Total assets less current liabilities</b>		<u>8,222</u>	<u>10,835</u>	<u>8,331</u>	<u>10,629</u>
<b>Provisions for liabilities</b>	15	<u>(247)</u>	<u>(247)</u>	<u>(398)</u>	<u>(398)</u>
<b>Net assets</b>		<u>7,975</u>	<u>10,588</u>	<u>7,933</u>	<u>10,231</u>
<b>Funds</b>					
General (unrestricted) fund	17	7,244	9,857	7,493	9,791
Restricted fund	17	731	731	440	440
		<u>7,975</u>	<u>10,588</u>	<u>7,933</u>	<u>10,231</u>

The notes on pages 25 to 47 form part of these financial statements.

These financial statements were approved by Trustee Board on 25 November 2020 and signed on its behalf by:

**R George**  
President: 2019-20

**B Booth**  
Vice-President Finance

**P Fletcher**  
Group Chief Executive



# BCS, The Chartered Institute for IT

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 August 2020

	Notes	2020		2019	
		£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Net Cash Flow from operating activities	(a)		745		496
<b>Cash flows from investing activities</b>					
Dividends, interest and rent from investments		69		54	
Decrease in cash investments		-		1,000	
Acquisition of tangible fixed assets		(1,538)		(612)	
Acquisition of intangible fixed assets		(291)		(59)	
<b>Net cash from/(used in) investing activities</b>			<b>(1,760)</b>		<b>383</b>
Net (decrease)/increase in cash and cash equivalents			<b>(1,015)</b>		<b>879</b>
Cash and cash equivalents at 1 September 2019			<b>8,987</b>		<b>8,108</b>
Cash and cash equivalents at 31 August 2020			<b>7,972</b>		<b>8,987</b>

There is no debt other than immaterial leases which are shown in note 18

- **Reconciliation of net (expenditure)/income for the year to net cash flow from/(used in) operating activities**

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	42	(443)
Adjustment for depreciation and amortisation charges	701	590
Dividends, interest and rent from investments	(69)	(54)
Decrease/(increase) in trade and other debtors	162	(300)
Increase in trade and other creditors	60	845
Decrease in provisions	(151)	(145)
Loss on disposal of fixed asset	-	3
<b>Net cash flow from operating activities</b>	<b>745</b>	<b>496</b>

# BCS, The Chartered Institute for IT

## INSTITUTE STATEMENT OF CHANGES IN RESERVES

	General Fund	Restricted Fund	Total Reserves
	£000	£000	£000
Balance at 1 September 2018	9,824	1,075	10,899
Net expenditure for the period	(33)	(635)	(668)
<b>Balance at 31 August 2019</b>	<u>9,791</u>	<u>440</u>	<u>10,231</u>

	General Fund	Restricted Fund	Total Reserves
	£000	£000	£000
Balance at 1 September 2019	9,791	440	10,231
Net income for the period	66	291	357
<b>Balance at 31 August 2020</b>	<u>9,857</u>	<u>731</u>	<u>10,588</u>

# BCS, The Chartered Institute for IT

## NOTES *(forming part of the financial statements)*

### 1 **Status of the Institute**

The Institute is incorporated by Royal Charter and is a registered charity. The charity number is 292786 and its registered office is 3 Newbridge Square, Swindon, Wiltshire, SN1 1BY.

### 2 **Accounting policies**

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Institute's financial statements.

#### ***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) (second edition effective 1 January 2019) - (Charities SORP FRS 102) and, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Bye-laws require the Institute to prepare financial statements in accordance with the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

#### ***Parent Company disclosure exemptions***

In preparing the separate financial statements of the parent Company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No Statement of Cash Flows has been presented for the parent Company;
- Disclosures in respect of the parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent Company as their remuneration is included in the totals for the Group as a whole.

#### ***Basis of consolidation***

The consolidated financial statements incorporate the accounts of the Institute and its subsidiaries, BCS Learning & Development Limited and the Institute for the Management of Information Systems for the year ended 31 August 2020.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal. The results of the Institute and its subsidiaries are consolidated on a line by line basis.

An associate is an undertaking in which the Group has a long-term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and joint ventures is included in the consolidated statement of financial activities and its interest in their net assets is included in investments in the consolidated balance sheet.

The consolidated financial statements account for ITEXT Limited as a joint venture.

A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

#### ***Public benefit entity***

The charitable company meets the definition of a public benefit entity under FRS 102.

# BCS, The Chartered Institute for IT

## NOTES (continued)

### ***Going concern***

After reviewing the Group and Institute's forecasts and projections, the Trustees consider that there are no material uncertainties about the Group and charitable company's ability to continue as a going concern, based on the anticipated continued success and growth in the apprenticeship market and the reduction in the Group and Institutes cost base. The Trustees consider that the Group and Institute have adequate cash flows and cash based reserves in order to meet their liabilities as they fall due for at least a year from the date of approval of these financial statements. The Trustees therefore continue to adopt the going concern basis in preparing the financial statements.

### ***Significant estimates and judgements***

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date or any judgements made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, save for the risk around the carrying value of the investment held in the Institute accounts given the valuation relies on forecasts and the inherent uncertainty present in any forecast.

### ***Goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, which ranges from two to twenty years based on the Trustees' assessment of useful economic life. The Group considers the useful economic life of the Activ Training goodwill to be twenty years and so is amortising accordingly.

### ***Fund accounting***

General funds comprise accumulated unrestricted surpluses and deficits on general funds and are available for use at the discretion of the Trustees in furtherance of the objects of the Institute.

Restricted funds are funds subject to specific instructions by the donor, but still within the objects of the Institute.

### ***Income***

Income is reported gross and the Statement of Financial Activities recognises all incoming resources receivable during the period after adjustments for any deferred income which are included in the balance sheet as a creditor.

Income from financial investments is recognised as it is accrued.

Income for ECDL from accredited centres is recognised at the time of purchasing registrations. Income is recognised at this point as it is non-refundable and all obligations have been fulfilled.

Examinations income is recognised when candidates sit examinations.

Event income is recognised when the course or event is run. Income received in advance of the course or event dates is deferred and included in creditors on the balance sheet.

Membership subscription income is accounted on a receivable basis and represents only that part of the subscription which relates to the financial year for which it is paid, the balance is included in deferred income in creditors on the balance sheet and released in the period to which it relates.

Life membership is accounted for on a receivable basis and released into the Statement of Financial Activities over ten years. The balance is included in creditors and carried forward to future years.

Income from Government grants is recognised on an accruals basis.

# BCS, The Chartered Institute for IT

## NOTES (continued)

The two subsidiary companies, BCS Learning & Development Limited (BCS L&D) and the Institute for the Management of Information Systems (IMIS) both provide goods and services. The income for these goods and services is recognised at the time the goods and services are delivered.

Income from subsidiaries (IMIS and BCS Learning & Development Ltd) is recognised when the Gift Aid is legally declared.

Investment income from the Joint Venture (ITEXT) is recognised in the Institute account as the value of Gift Aid received. In the Group accounts it is recognised in publications income.

### ***Expenditure***

Expenditure is shown gross and an accrual adjustment has been made for all known liabilities at the year end.

Charitable activities include expenditure associated with professional programmes, events, meetings and special projects and publications. The costs are incurred by the Institute, Specialist Groups and Branches and include both direct and indirect costs relating to these activities.

Direct costs are allocated on an actual basis to the relevant expense heading.

Governance costs include those costs incurred in the governance of the Institute and its assets and are primarily associated with constitutional and statutory requirements. Support costs and governance costs are reallocated to the relevant expense heading on the basis of staff numbers engaged in the relevant activity.

### ***Debtors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

### ***Creditors***

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised costs using the effective interest method.

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.

### ***Provisions for liabilities***

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

### ***Foreign Currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities.

### ***Research and Product Development***

Expenditure on research is written off to the profit and loss account in the year in which it is incurred.

# BCS, The Chartered Institute for IT

## NOTES (continued)

Product development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources exist to enable the project to be completed. This development expenditure is written off to the profit and loss account over a two year period from the date of completion of the project.

### ***Taxation***

The Institute, as a registered charity, is exempt from taxation on its income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the period.

The Profits of the non-charitable subsidiaries are normally gift aided to the parent Charity and any profit remaining is subject to a taxation charge. The charge or credit for taxation is based on the result for the period. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

### ***Operating leases***

The cost of operating leases is charged to the Statement of Financial Activities over the period to which they relate.

### ***Fixed Assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation. The de-minimus capitalisation limit is £500. A provision is made for depreciation at a rate based on the estimated useful life of each class of asset. The rates currently in use are as follows:

Office and computer equipment	–	25% - 33% per annum on cost
Fixtures & fittings	–	10% per annum on cost
Short leasehold improvements	–	over the period of the lease

### ***Investments***

Investments in subsidiary, associate and joint venture undertakings are carried in the balance sheet of the Institute at cost, less any provisions for diminution in value. Joint venture undertakings are recognised in the Group accounts using the equity method. The original investment is initially recognised in cost adjusted for the Group's share of the profit/loss and reduced by the value of distributions received.

### ***Pensions***

The Institute operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

### ***Irrecoverable VAT***

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 3 Detailed comparatives for the consolidated statement of financial activities

	Notes	General Fund £000	Restricted Fund £000	Total 2019 £000
<b>Income and endowments from:</b>				
<b>Investments</b>	8	54	-	54
<b>Charitable activities:</b>				
Membership and Other Professional Programmes	4 (a)	6,627	1,264	7,891
Qualifications and Examination Programmes	4 (b)	11,950	-	11,950
Publications	4 (c)	794	-	794
		<u>19,371</u>	<u>1,264</u>	<u>20,635</u>
<b>Other:</b>				
Other income	6 (b)	226	-	226
		<u>19,651</u>	<u>1,264</u>	<u>20,915</u>
<b>Total income and endowments</b>				
<b>Expenditure on:</b>				
<b>Charitable activities</b>				
Membership and Other Professional Programmes	4 (a)	7,900	1,287	9,187
Qualifications and Examination Programmes	4 (b)	11,306	-	11,306
Publications	4 (c)	573	-	573
Goodwill amortised	10 (b)	194	-	194
		<u>19,973</u>	<u>1,287</u>	<u>21,260</u>
<b>Total expenditure</b>				
<b>Net expenditure before tax</b>	6 (a)	(322)	(23)	(345)
Tax	9	(98)	-	(98)
<b>Net expenditure for the year being net movement in funds</b>		<u>(420)</u>	<u>(23)</u>	<u>(443)</u>
Restricted Funds Transfer		612	(612)	-
<b>Net expenditure for the year being net movement in funds</b>		<u>192</u>	<u>(635)</u>	<u>(443)</u>
<b>Reconciliation of funds</b>				
<b>Total funds brought forward</b>		<u>7,301</u>	<u>1,075</u>	<u>8,376</u>
<b>Total funds carried forward</b>	16	<u>7,493</u>	<u>440</u>	<u>7,933</u>

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 4 Charitable Income and expenditure

	Income	Staff costs	Other direct costs	Support Costs	Governance Costs	Charitable expenditure	Surplus/ (deficit) 2020	Surplus/ (deficit) 2019
	£000	£000	£000	£000	£000	£000	£000	£000
<b>4 (a) Membership and Other Professional Programmes</b>								
Membership	6,011	1,958	(253)	1,631	408	3,744	2,267	2,131
Member Groups	86	171	385	107	31	694	(608)	(653)
BCS Academy /Education	275	287	(122)	722	54	941	(666)	(709)
Corporate Events /Marketing	109	1,145	(14)	749	216	2,096	(1,987)	(2,042)
	<u>6,481</u>	<u>3,561</u>	<u>(4)</u>	<u>3,209</u>	<u>709</u>	<u>7,475</u>	<u>(994)</u>	<u>(1,273)</u>
Grants	1,748	650	807	-	-	1,457	291	(23)
	<u>8,229</u>	<u>4,211</u>	<u>803</u>	<u>3,209</u>	<u>709</u>	<u>8,932</u>	<u>(703)</u>	<u>(1,296)</u>
<b>4 (b) Qualifications and Examination Programmes</b>	<u>12,234</u>	<u>2,738</u>	<u>5,958</u>	<u>3,458</u>	<u>-</u>	<u>12,154</u>	<u>80</u>	<u>644</u>
<b>4 (c) Publications</b>								
Journals and books	745	140	196	294	-	630	115	221
	<u>745</u>	<u>140</u>	<u>196</u>	<u>294</u>	<u>-</u>	<u>630</u>	<u>115</u>	<u>221</u>
<b>4 (d) Goodwill amortised</b>	<u>-</u>	<u>-</u>	<u>193</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>(193)</u>	<u>(194)</u>
<b>4 (e) Support and governance costs</b>								
Support costs (note 5)	-	3,707	3,253	(7,669)	-			
Governance costs (note 5)	-	467	242	-	(709)			
	<u>-</u>	<u>4,174</u>	<u>3,495</u>	<u>(7,669)</u>	<u>(709)</u>			
<b>Total expenditure 2020</b>		<u>11,263</u>	<u>10,645</u>					
Total expenditure 2019		<u>9,929</u>	<u>11,331</u>					



# BCS, The Chartered Institute for IT

## NOTES (continued)

### 4 Detailed comparatives for charitable income and expenditure

	Income	Staff costs	Other direct costs	Support Costs	Governance Costs	Charitable expenditure	Surplus/ (deficit) 2019
	£000	£000	£000	£000	£000	£000	£000
<b>4 (a) Membership and Other Professional Programmes</b>							
Membership	6,072	1,794	(137)	1,813	471	3,941	2,131
Member Groups	136	157	449	141	42	789	(653)
BCS Academy /Education	305	317	(4)	651	50	1,014	(709)
Corporate Events /Marketing	114	1,038	126	765	227	2,156	(2,042)
	<u>6,627</u>	<u>3,306</u>	<u>434</u>	<u>3,370</u>	<u>790</u>	<u>7,900</u>	<u>(1,273)</u>
Grants	1,264	527	760	-	-	1,287	(23)
	<u>7,891</u>	<u>3,833</u>	<u>1,194</u>	<u>3,370</u>	<u>790</u>	<u>9,187</u>	<u>(1,296)</u>
<b>4 (b) Qualifications and Examination Programmes</b>	<u>11,950</u>	<u>2,331</u>	<u>5,431</u>	<u>3,544</u>	<u>-</u>	<u>11,306</u>	<u>644</u>
<b>4 (c) Publications</b>							
Journals and books	794	112	195	266	-	573	221
	<u>794</u>	<u>112</u>	<u>195</u>	<u>266</u>	<u>-</u>	<u>573</u>	<u>221</u>
<b>4 (d) Goodwill amortised</b>	<u>-</u>	<u>-</u>	<u>194</u>	<u>-</u>	<u>-</u>	<u>194</u>	<u>(194)</u>
<b>4 (e) Support and governance costs</b>							
Support costs (note 5)	-	3,247	3,934	(7,181)	-		
Governance costs (note 5)	-	406	383	-	(789)		
	<u>-</u>	<u>3,653</u>	<u>4,317</u>	<u>(7,181)</u>	<u>(789)</u>		
<b>Total expenditure 2019</b>		<u>9,929</u>	<u>11,331</u>				

# BCS, The Chartered Institute for IT

## NOTES (continued)

Membership income comprises:

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Membership Subscriptions:</b>		
Subscriptions received during the year	<b>5,396</b>	5,752
Adjustments for subscriptions received in advance	<b>324</b>	(3)
	<hr/>	<hr/>
Net subscription income	<b>5,720</b>	5,749
Engineering Council	<b>161</b>	166
Other	<b>130</b>	157
	<hr/>	<hr/>
	<b>6,011</b>	6,072
	<hr/>	<hr/>

## 5 Support Costs Allocation

	<b>Staff</b>	<b>Direct</b>	<b>2020</b>	2019
	<b>Costs</b>	<b>Costs</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
IT	<b>1,271</b>	<b>1,215</b>	<b>2,486</b>	2,329
Finance & Administration, HR	<b>926</b>	<b>511</b>	<b>1,437</b>	1,867
Premises	<b>207</b>	<b>908</b>	<b>1,115</b>	1,435
Offices Supplies and Equipment	-	<b>82</b>	<b>82</b>	93
Depreciation & Amortisation	-	<b>508</b>	<b>508</b>	396
Secretariat & Legal	<b>365</b>	<b>143</b>	<b>508</b>	585
General and Administration	<b>1,303</b>	<b>128</b>	<b>1,431</b>	1,265
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>4,072</b>	<b>3,495</b>	<b>7,567</b>	7,970
Allocation to individual Charitable Activities	<b>(3,707)</b>	<b>(3,253)</b>	<b>(6,960)</b>	(7,181)
Governance costs allocated to individual Charitable Activities	<b>(467)</b>	<b>(242)</b>	<b>(709)</b>	(789)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(4,174)</b>	<b>(3,495)</b>	<b>(7,669)</b>	(7,970)
<b>Governance costs comprise:</b>				
Secretariat	<b>365</b>	<b>143</b>	<b>508</b>	585
Audit	-	<b>40</b>	<b>40</b>	45
Governance legal costs	-	<b>50</b>	<b>50</b>	64
Apportionment of Directorate	<b>102</b>	<b>9</b>	<b>111</b>	95
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>467</b>	<b>242</b>	<b>709</b>	789
	<hr/>	<hr/>	<hr/>	<hr/>

Cost allocation includes an element of judgement and the Institute has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the period. This allocation includes support costs where they are directly attributable. Therefore, the allocation of costs shown are a best estimate of the support costs.

The above total support costs have been allocated to individual charitable activities on the basis of staff numbers engaged in the relevant activity as shown in note 4.

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 5 Detailed comparison of support costs allocation

	Staff Costs £000	Direct Costs £000	2019 Total £000
IT	1,180	1,149	2,329
Finance & Administration, HR	896	971	1,867
Premises	184	1,251	1,435
Offices Supplies and Equipment	-	93	93
Depreciation & Amortisation	-	396	396
Secretariat & Legal	326	259	585
General and Administration	1,067	198	1,265
	<u>3,653</u>	<u>4,317</u>	<u>7,970</u>
Allocation to individual Charitable Activities	(3,247)	(3,934)	(7,181)
Governance costs allocated to individual Charitable Activities	(406)	(383)	(789)
	<u>(3,653)</u>	<u>(4,317)</u>	<u>(7,970)</u>

#### **Governance costs comprise:**

Secretariat	326	259	585
Audit	-	45	45
Governance legal costs	-	64	64
Apportionment of Directorate	80	15	95
	<u>406</u>	<u>383</u>	<u>789</u>

### 6 (a) Net income

	2020 £000	2019 £000
<b>Net income is stated after charging:</b>		
Audit of these financial statements	24	25
Amounts receivable by the auditor and its associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	16	20
Other services relating to taxation	15	22
All other services	-	2
Depreciation and other amounts written off owned tangible fixed assets	378	125
Amortisation of intangible assets	130	271
Amortisation of goodwill	193	194
Hire of assets under operating leases	525	922
<b>and after crediting:</b>		
Rent receivable	(34)	(51)

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 6 (b) Other income

	2020 £000	2019 £000
Miscellaneous income	409	226
Government Grants	315	-
	<u>724</u>	<u>226</u>

### 7 Staff numbers and costs

The average number of persons employed by the Group during the year was 245 (2019: 228). The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	9,769	8,650
Redundancy and ex-gratia payments	23	38
Social security costs	1,000	833
Pension costs (see note 20)	471	408
	<u>11,263</u>	<u>9,929</u>

The termination benefits are for both redundancy and termination and were all settled during the year.

#### **Remuneration of Trustees**

No Trustees have received any form of remuneration for their services provided to the Institute or its subsidiary undertakings. During the year, 15 Trustees (2019: 17) were reimbursed for expenses of £13,629 (2019: £23,610) incurred for undertaking their duties and attending meetings on behalf of the Institute.

#### **Employees**

The number of employees whose emoluments for the period fell within each of the following bands is as follows:

	Total	2020		Total	2019	
		Institute	L&D		Institute	L&D
£320,000 – 329,999	-	-	-	1	1	-
£280,000 – 289,999	1	1	-	-	-	-
£190,000 – 199,999	1	1	-	-	-	-
£180,000 – 189,999	1	-	1	-	-	-
£170,000 – 179,999	-	-	-	2	1	1
£120,000 – 129,999	3	2	1	-	-	-
£110,000 – 119,999	2	2	-	3	3	-
£100,000 – 109,999	2	1	1	1	1	-
£90,000 – 99,999	2	1	1	2	1	1
£80,000 – 89,999	4	1	3	2	-	2
£70,000 – 79,999	6	2	4	3	2	1
£60,000 – 69,999	5	3	2	3	2	1

The above analysis of emoluments excludes pension contributions of £145,957 (2019: £97,255) in respect of 25 (2019: 16) employees.

# BCS, The Chartered Institute for IT

## NOTES (continued)

There were no performance related bonuses for 2019/20; a number of staff are due payments relating to a long term retention scheme and these are included above.

### **Key management personnel remuneration**

The total employee benefits including pension contributions of the key management personnel were £1,641,160 (2019: £1,474,439).

## 8 Investment income

	<b>2020</b>	2019
	<b>£000</b>	£000
Interest receivable on bank balances	<b>69</b>	54

## 9 Taxation

Total tax expenses recognised in the statement of financial activities.

	<b>2020</b>	2019
	<b>£</b>	£
Current tax	-	-
Current tax on income for the period	-	-
Adjustment in respect of prior periods	<b>(224)</b>	-
Total current tax	<b>(224)</b>	-
Deferred tax		
Tax income related to incurred usable tax losses	<b>51</b>	98
Release asset due to refund in respect of prior year	<b>224</b>	-
Total deferred tax	<b>275</b>	98
Total tax charge	<b>51</b>	98

	<b>2020</b>	2019
	<b>£</b>	£
<b>Reconciliation of effective tax rate</b>		
Net income/(expenditure) before tax	<b>93</b>	(345)
Current tax at 19% (2019: 19%)	<b>18</b>	(65)
Net expenditure not subject to corporation tax	<b>39</b>	163
Adjustments in respect of prior periods	<b>(224)</b>	-
Losses carried back	<b>224</b>	-
Deferred tax not recognised	<b>(6)</b>	-
Total tax included in statement of financial activities	<b>51</b>	98

The UK corporation tax reductions from 20% to 19% from 1 April 2017 and 18% from 1 April 2020 were substantively enacted on 26 October 2015. An additional reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016, however this was reversed on 11 March 2020 whereby the

# BCS, The Chartered Institute for IT

## NOTES (continued)

rate from 1 April 2020 is now set to remain at 19%. The deferred tax assets and liabilities at 31 August 2020 have been calculated based on these rates.

The Institute, as a registered charity is exempt from taxation on its income and gains falling within section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. The tax in the period is in respect of tax relating to BCS Learning & Development Ltd.

There is a deferred taxation asset at 31 August 2020 of £35k (2019: £309k) arising in respect of incurred usable tax losses in BCS Learning & Development Ltd (note 12).

### 10 Fixed assets

#### (a) Tangible fixed assets:

<u>Group</u>	Short leasehold improvements £000	Office and computer equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 September 2019	759	334	281	1,374
Additions	1,072	224	242	1,538
Disposals	(348)	(137)	(52)	(537)
<b>At 31 August 2020</b>	<b>1,483</b>	<b>421</b>	<b>471</b>	<b>2,375</b>
<b>Depreciation</b>				
At 1 September 2019	380	239	126	745
Charged for year	145	133	100	378
On disposals	(348)	(137)	(52)	(537)
<b>At 31 August 2020</b>	<b>177</b>	<b>235</b>	<b>174</b>	<b>586</b>
<b>Net book value</b>				
<b>At 31 August 2020</b>	<b>1,306</b>	<b>186</b>	<b>297</b>	<b>1,789</b>
At 31 August 2019	379	95	155	629

# BCS, The Chartered Institute for IT

## NOTES (continued)

<u>Institute</u>	Short leasehold improvements £000	Office and computer equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 September 2019	759	334	281	1,374
Additions	1,072	224	242	1,538
Disposals	(348)	(137)	(52)	(537)
<b>At 31 August 2020</b>	<b>1,483</b>	<b>421</b>	<b>471</b>	<b>2,375</b>
<b>Depreciation</b>				
At 1 September 2019	380	239	126	745
Charged for year	145	133	100	378
On disposals	(348)	(137)	(52)	(537)
<b>At 31 August 2020</b>	<b>177</b>	<b>235</b>	<b>174</b>	<b>586</b>
<b>Net book value</b>				
<b>At 31 August 2020</b>	<b>1,306</b>	<b>186</b>	<b>297</b>	<b>1,789</b>
At 31 August 2019	379	95	155	629

The fixed assets are held for charitable activities.

### (b) Intangible fixed assets:

<u>Group</u>	Goodwill £000	Product Development £000	Total £000
<b>Cost</b>			
At 1 September 2019	4,452	1,043	5,495
Additions	-	291	291
<b>At 31 August 2020</b>	<b>4,452</b>	<b>1,334</b>	<b>5,786</b>
<b>Amortisation</b>			
At 1 September 2019	2,645	957	3,602
Charged in year	193	130	323
<b>At 31 August 2020</b>	<b>2,838</b>	<b>1,087</b>	<b>3,925</b>
<b>Net book value</b>			
<b>At 31 August 2020</b>	<b>1,614</b>	<b>247</b>	<b>1,861</b>
At 1 September 2019	1,807	86	1,893

### (c) Investments:

<u>Institute</u>	Shares in group undertaking £000	Participating interests £000	Total £000
At 1 September 2019	4,395	1	4,396
Additions	-	-	-
<b>At 31 August 2020</b>	<b>4,395</b>	<b>1</b>	<b>4,396</b>

# BCS, The Chartered Institute for IT

## NOTES (continued)

The undertakings in which the Institute's interest at the period end is more than 20% are as follows:

	<b>Company Registration</b>	<b>Country of Incorporation</b>	<b>Principal activity</b>	<b>Direct/ Indirect</b>	<b>Class and percentage of shares held</b>
<b>Subsidiary undertakings</b>					
Activ Training Limited	03123597	England and Wales	Dormant	Direct	100% of ordinary shares
BCS Learning & Development Limited	01005485	England and Wales	Qualifications & Publications	Direct	100% of ordinary shares
Institute for the Management of Information Systems	01160852	England and Wales	Examinations & Standards	Direct	100% limited by guarantee
BCS ITEXT Limited	02624911	England and Wales	Dormant	Direct	100% of ordinary shares
Information Systems Examination Board Limited	02474836	England and Wales	Dormant	Indirect	100% limited by guarantee
i-2-K Limited	04231899	England and Wales	Dormant	Direct	100% of ordinary shares
Communications Management Association	02238045	England and Wales	Dormant	Direct	100% limited by guarantee
Institute for Communications Arbitration and Forensics	04452710	England and Wales	Dormant	Indirect	100% limited by guarantee
ICAF Limited	04227423	England and Wales	Dormant	Indirect	100% of ordinary shares

The registered address of all the above entities is First Floor Block D, North Star House, North Star Avenue, Swindon, Wiltshire, SN2 1FA

### Associated undertakings – joint ventures

ITEXT Limited	02717318	England and Wales	Production of Publications	Direct	50% of ordinary shares & 100% of preference shares
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Registered Address: Oxford University Press, Great Clarendon Street, Oxford, OX2 6DP

Activ Educate Limited	06343657	England and Wales	E-learning Software	Indirect	50% of ordinary shares
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# BCS, The Chartered Institute for IT

## NOTES (continued)

Registered Address: First Floor Block D, North Star House, North Star Avenue, Swindon, Wiltshire, SN2 1FA

### Associated undertakings – associates

SFIA Foundation	04770377	England and Wales	Skills Framework	Direct	20% limited by guarantee
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Registered Address: 5 Fleet Place, London, EC4M 7RD

The Institute holds the following other investments:

	Company Registration	Country of Incorporation	Principal Activity	Direct/ Indirect	Class and percentage shares held
European Computer Driving Licence Foundation (ECDL-F)	259212	Ireland	IT Examinations Licensing Body	Direct	3% limited by guarantee

Registered Address: The Grange, Stillorgan Road, Blackrock, Co. Dublin

Federation for Informatics Professionals (FED-IP)	10639143	England and Wales	Register and Standards	Direct	100% limited by guarantee
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### Group

The amounts included in respect of joint ventures/associates comprise the following:

<i>Joint venture/associates</i>	2020 £000	2019 £000
Investment in joint venture:		
– share of gross assets	3	3
– share of gross liabilities	(2)	(2)
	<u>1</u>	<u>1</u>

### 11 Debtors

	Group 2020 £000	Institute 2020 £000	Group 2019 £000	Institute 2019 £000
Trade debtors	1,740	204	1,818	499
Prepayments and other debtors	1,122	936	932	743
Amounts owed by group undertakings	-	1,028	-	1,119
Deferred tax asset (note 12)	35	-	309	-
	<u>2,897</u>	<u>2,168</u>	<u>3,059</u>	<u>2,361</u>

Amounts owed by group undertakings includes a £500,000 (2019: £800,000) loan to BCS Learning & Development Limited which is repayable on demand and carries an interest rate of 4%. The remaining amount owed relates to the central costs recharge.

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 12 Deferred tax asset

	<b>Group 2020 £000</b>	<b>Institute 2020 £000</b>	Group 2019 £000	Institute 2019 £000
Unused tax losses	<b>35</b>	-	309	-
	<b>35</b>	-	309	-

### 13 Creditors

	<b>Group 2020 £000</b>	<b>Institute 2020 £000</b>	Group 2019 £000	Institute 2019 £000
Trade creditors	<b>705</b>	<b>433</b>	525	381
Other creditors	<b>137</b>	<b>114</b>	304	110
Other taxes and social security	<b>107</b>	<b>107</b>	-	-
Accruals	<b>2,210</b>	<b>1,280</b>	1,863	1,221
Deferred income (note 14)	<b>3,139</b>	<b>2,973</b>	3,546	3,298
Amounts owed to group undertakings	-	-	-	3
	<b>6,298</b>	<b>4,907</b>	6,238	5,013

### 14 Deferred income

Deferred income comprises advance income for extended membership periods including life membership, sales of consultancy, training and examinations for which the relevant service income has yet to be earned at the year end.

#### Group

	Events Income £000	Life Membership £000	Annual Membership £000	Academy Income £000	Exams Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2019	24	165	3,090	-	176	91	3,546
Amounts released to incoming resources	(24)	(35)	(2,966)	-	(176)	(91)	(3,292)
Amount deferred in year	21	37	2,436	222	102	67	2,885
<b>Balance at 31 August 2020</b>	<b>21</b>	<b>167</b>	<b>2,560</b>	<b>222</b>	<b>102</b>	<b>67</b>	<b>3,139</b>

# BCS, The Chartered Institute for IT

## NOTES (continued)

<u>Institute</u>	Events Income £000	Life Membership £000	Annual Membership £000	Academy Income £000	Exams Income £000	Consultancy and Training £000	Total £000
Balance at 1 September 2019	24	165	3,088	-	-	21	3,298
Amounts released to incoming resources	(24)	(35)	(2,964)	-	-	(21)	(3,044)
Amount deferred in year	21	37	2,436	222	-	3	2,719
<b>Balance at 31 August 2020</b>	<b>21</b>	<b>167</b>	<b>2,560</b>	<b>222</b>	<b>-</b>	<b>3</b>	<b>2,973</b>

### 15 Provisions for liabilities

<u>Group and Institute</u>	<b>Dilapidation Provision £000</b>
Balance at 1 September 2019	398
Increase in provision	197
Reversed during the year	(348)
<b>Balance at 31 August 2020</b>	<b>247</b>

The dilapidation provision relates to the leasehold properties held by the Institute and is the Trustees best estimate of the cost of the work which it is required to perform either during or at the end of the lease.

The provision reversed during the year relates to the end of the lease on the North Star House, Swindon office where dilapidations were not ultimately payable.

### 16 Analysis of group net assets between funds

	Unrestricted funds £	Restricted funds £	<b>Total funds £</b>
Fixed assets	3,650	-	<b>3,650</b>
Investments	1	-	<b>1</b>
Net current assets	3,840	731	<b>4,571</b>
Non-current liabilities	(247)	-	<b>(247)</b>
<b>Net assets at the end of the year</b>	<b>7,244</b>	<b>731</b>	<b>7,975</b>

# BCS, The Chartered Institute for IT

## NOTES (continued)

### 17 Funds

<b><u>Group</u></b>	2019 £000	Income £000	Expenditure £000	Transfer £000	Gains/(losses) £000	2020 £000
General Fund	7,493	20,233	(20,502)	-	-	<b>7,244</b>
Restricted Fund						
- Network of Teaching Excellence	59	-	-	-	-	<b>59</b>
- Scotland Computing at Schools	40	-	(25)	-	-	<b>15</b>
- Computing at Schools	29	-	-	-	-	<b>29</b>
- Countdown to Computing	21	-	(12)	-	-	<b>9</b>
- Barefoot Computing	103	-	(26)	-	-	<b>77</b>
- Scholarship Scheme	28	161	(145)	-	-	<b>44</b>
- Quantum	67	-	(25)	-	-	<b>42</b>
- Gatsby Foundation	-	261	(261)	-	-	<b>-</b>
- Microsoft Creative Computing	93	-	(9)	-	-	<b>84</b>
- National Centre for Computing Excellence	-	953	(953)	-	-	<b>-</b>
- Bursary	-	3	(1)	-	-	<b>2</b>
- IMIS Fund	-	370	-	-	-	<b>370</b>
	440	1,748	(1,457)	-	-	<b>731</b>
Total Funds	7,933	22,001	(21,959)	-	-	<b>7,975</b>

# BCS, The Chartered Institute for IT

## NOTES (continued)

	2019	Income	Expenditure	Transfer	Gains/(losses)	2020
	£000	£000	£000	£000	£000	£000
<b><u>Institute</u></b>						
General Fund	9,791	7,540	(7,474)	-	-	<b>9,857</b>
Restricted Fund						
- Network of Teaching Excellence	59	-	-	-	-	<b>59</b>
- Scotland Computing at Schools	40	-	(25)	-	-	<b>15</b>
- Computing at Schools	29	-	-	-	-	<b>29</b>
- Countdown to Computing	21	-	(12)	-	-	<b>9</b>
- Barefoot Computing	103	-	(26)	-	-	<b>77</b>
- Scholarship Scheme	28	161	(145)	-	-	<b>44</b>
- Quantum	67	-	(25)	-	-	<b>42</b>
- Gatsby Foundation	-	261	(261)	-	-	<b>-</b>
- Microsoft Creative Computing	93	-	(9)	-	-	<b>84</b>
- National Centre for Computing Excellence	-	953	(953)	-	-	<b>-</b>
- Bursary	-	3	(1)	-	-	<b>2</b>
- IMIS Fund	-	370	-	-	-	<b>370</b>
	440	1,748	(1,457)	-	-	<b>731</b>
Total Funds	10,231	9,288	(8,931)	-	-	<b>10,588</b>

The restricted fund relates to the grants received under the Network of Teaching Excellence, Scotland Computing at Schools, Computing at Schools, Countdown to Computing, Barefoot Computing, Digital Education Scotland, Computer Science Teaching Scholarship, Quantum, Gatsby Foundation, Microsoft Creative Computing Schemes, National Centre for Computing Excellence, and Bursary.

The assets of the Institute for the Management of Information Systems were transferred to the British Computer Society as a restricted fund so that it can be used in furtherance of the IMIS charitable purposes, as the activity is within the BCS' charitable purposes.

# BCS, The Chartered Institute for IT

## NOTES (continued)

### Detailed comparatives for funds

<u>Group</u>	2018 £000	Income £000	Expenditure £000	Transfer £000	Gains/(losses) £000	2019 £000
General Fund	7,301	19,651	(20,071)	612	-	<b>7,493</b>
Restricted Fund						
- Network of Teaching Excellence	581	-	(19)	(503)	-	<b>59</b>
- Scotland Computing at Schools	28	-	-	12	-	<b>40</b>
- Computing at Schools	127	23	-	(121)	-	<b>29</b>
- Countdown to Computing	29	-	(8)	-	-	<b>21</b>
- Barefoot Computing	125	-	(22)	-	-	<b>103</b>
- Scholarship Scheme	7	151	(130)	-	-	<b>28</b>
- Quantum	69	-	(2)	-	-	<b>67</b>
- Gatsby Foundation	-	241	(241)	-	-	-
- Microsoft Creative Computing	109	76	(92)	-	-	<b>93</b>
- National Centre for Computing Excellence	-	607	(607)	-	-	-
- IBM Artificial Intelligence	-	16	(16)	-	-	-
- Bursary	-	150	(150)	-	-	-
Total Funds	1,075	1,264	(1,287)	(612)	-	<b>440</b>
	8,376	20,915	(21,996)	-	-	<b>7,933</b>

The transfer is in relation to restricted fund expenditure coded incorrectly to the general fund

# BCS, The Chartered Institute for IT

## NOTES (continued)

	2018	Income	Expenditure	Transfer	Gains/(losses)	2019
	£000	£000	£000	£000	£000	£000
<b><u>Institute</u></b>						
General Fund	9,824	7,256	(7,901)	612	-	<b>9,791</b>
Restricted Fund						
- Network of Teaching Excellence	581	-	(19)	(503)	-	<b>59</b>
- Scotland Computing at Schools	28	-	-	12	-	<b>40</b>
- Computing at Schools	127	23	-	(121)	-	<b>29</b>
- Countdown to Computing	29	-	(8)	-	-	<b>21</b>
- Barefoot Computing	125	-	(22)	-	-	<b>103</b>
- Scholarship Scheme	7	151	(130)	-	-	<b>28</b>
- Quantum	69	-	(2)	-	-	<b>67</b>
- Gatsby Foundation	-	241	(241)	-	-	-
- Microsoft Creative Computing	109	76	(92)	-	-	<b>93</b>
- National Centre for Computing Excellence	-	607	(607)	-	-	-
- IBM Artificial Intelligence	-	16	(16)	-	-	-
- Bursary	-	150	(150)	-	-	-
Total Funds	1,075	1,264	(1,287)	(612)	-	<b>440</b>
Total Funds	10,899	8,520	(9,188)	-	-	<b>10,231</b>

## 18 Operating leases

Non-cancellable operating lease rentals for the Group are payable as follows:

	2020 Land & Buildings £000	2019 Land & Buildings £000
Within 1 year	230	230
Within 2 to 5 years inclusive	1,867	1,867
After more than 5 years	2,098	2,098
	<b>4,195</b>	<b>4,195</b>

## 19 Capital commitments

There were no capital commitments at 31 August 2019 and 2020.

## 20 Pensions

The Group operates one pension scheme arranged through Standard Life. The scheme invests contributions individually in the name of each scheme member. Members receive individual valuations of their own fund on an annual basis.

# BCS, The Chartered Institute for IT

## NOTES (continued)

The Standard Life scheme is a defined contribution arrangement to which the member and the employer contribute 2 - 9% of scheme earnings. The Group recognises the cost of contributions when they fall due. The pension costs charge for the period represents contributions by the Institute to the fund and amount to £470,614 (2019: £408,000). There are no outstanding or prepaid contributions at the balance sheet date.

### 21 Related party disclosures

The Institute has a 50% share in the joint venture ITEXT Limited and wholly owned subsidiaries BCS Learning & Development Limited and the Institute for the Management of Information Systems. The Group has taken advantage of the exemptions not to disclose any transactions with its wholly owned subsidiaries conferred by the FRS 102 reduced disclosure framework, on the grounds that the subsidiaries' results are included in the consolidated results of the Group.

The transactions between the Institute and ITEXT Limited, the joint venture referred to in note 10, are as follows:

- i) The Institute received income during the period of £313,034 (2019: £301,775) being the covenanted 50% share of the pre-tax profits of ITEXT Limited and £20,000 (2019: £20,000) rental income;
- ii) The Institute purchased publications of £130,593 (2019: £129,295) from ITEXT Limited.
- iii) The balance outstanding at 31 August 2020 was nil (2019: £nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

### 22 Operating results of subsidiary undertakings

#### Institute for the Management of Information Systems

On 5 June 2013, the Institute acquired controlling interest in The Institute for the Management of Information Systems (IMIS). IMIS is a registered charity (number 291495) and a company limited by guarantee. Its objectives are to advance the interests of the data processing profession and its members.

A summary of its trading results is shown below:

	<b>2020</b>	2019
	<b>£000</b>	£000
Statement of financial activities		
Income	-	2
Expenditure	-	(5)
Transfer to parent undertaking	<b>(370)</b>	-
Interest receivable		
<b>Net movement of funds</b>	<b>(370)</b>	<b>(3)</b>
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	-	374
Creditors amounts falling due within one year	-	(4)
<b>Total net assets</b>	<b>-</b>	<b>370</b>
<b>Reserves</b>	<b>-</b>	<b>370</b>



# BCS, The Chartered Institute for IT

## NOTES (continued)

### **BCS Learning & Development Limited**

The wholly-owned trading subsidiary BCS Learning & Development Limited (BCS L&D), which is incorporated in the United Kingdom, pays its profits to the Institute by gift aid. From 1 September 2012, BCS L&D undertakes qualifications and publications activities on behalf of the Institute. The Institute owns the entire issued share capital of fifty thousand ordinary shares of £1 each. A summary of the trading results is shown below:

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Summary profit and loss account</b>		
Turnover	<b>12,743</b>	12,448
Cost of sales and administrative expenses	<b>(12,413)</b>	(11,875)
Interest paid	<b>(30)</b>	(55)
	<hr/>	<hr/>
Net profit before tax	<b>300</b>	518
Tax on profit	<b>(51)</b>	(98)
	<hr/>	<hr/>
Net profit after tax	<b>249</b>	420
	<hr/>	<hr/>

The amount of gift aid to the Institute in 2019/20 was £nil (2018/19 £nil).

The assets and liabilities of the subsidiary were:

Fixed Assets	<b>247</b>	86
Current assets	<b>2,325</b>	2,198
Creditors: amounts falling due within one year	<b>(2,420)</b>	(2,381)
	<hr/>	<hr/>
Total net (liabilities)/assets	<b>152</b>	(97)
	<hr/>	<hr/>
Aggregate share capital and reserves	<b>152</b>	(97)
	<hr/>	<hr/>

## **23 Financial activities of the charity**

A summary of the financial activities undertaken by the Institute is set out below:

	<b>2020</b>	2019
	<b>£000</b>	£000
Gross income	<b>9,189</b>	8,466
Total unrestricted expenditure on charitable activities	<b>(7,474)</b>	(7,901)
Restricted fund expenditure	<b>(1,457)</b>	(1,287)
Investment income	<b>99</b>	54
	<hr/>	<hr/>
<b>Net income</b>	<b>357</b>	(668)
Total funds brought forward	<b>10,231</b>	10,899
	<hr/>	<hr/>
<b>Total funds carried forward</b>	<b>10,588</b>	10,231
	<hr/>	<hr/>
<b>Represented by:</b>		
General fund	<b>9,857</b>	9,791
Restricted fund	<b>731</b>	440
	<hr/>	<hr/>
	<b>10,588</b>	10,231
	<hr/>	<hr/>