

Company Number: 07066687
Charity Number: 1144894

Instructus

(A company limited by guarantee)

Consolidated Financial Statements
For the year ended 31 March 2021

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

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OFFICERS AND PROFESSIONAL ADVISORS

Registered charity name Instructus

Charity Registration No. 1144894

Company Registration No.: 07066687

Trustees:

Mr N P Hopkins (Chair)

Ms A S Cooper

Ms J A Norrington

Ms E J Rush

Mr R Traish

Ms R Allen

Ms J Seymour

Company Secretary: Mr A Hammond

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

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

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

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

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TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report) FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details

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

The Trustees

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

Mr N P Hopkins, Chair
Ms J A Norrington
Ms E J Rush
Mr R Traish
Ms R Allen
Ms A S Cooper
Ms J Seymour (appointed 29th April 2020), Vice Chair

Structure, governance, and management

Constitution

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

Governing document

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Trustee appointment and management

Trustees are appointed by the board of trustees.

The charity has robust recruitment, induction, appraisal, and training processes in place for all trustees. Trustees receive frequent reports on operations, human resources, risks, and finance. Financial governance is a top priority for trustees: the CEO holds regular finance meetings and holds regular audit meetings with the executive team, where at least one trustee is present, and where performance is reviewed, targets are agreed, and financial governance is scrutinised to minimise risks and maximise income potential. Trustees meet every three months for board meetings and once a year to agree the strategic direction of the charity over the ensuing three-year period. The Risk & Audit Committee meets formally four times per year, plus additional meetings to review budgets as required. In 2021 we formerly established a Quality Committee with two Trustee members, which will also meet four times per year. Trustees act as Chairs of both Risk & Audit and Quality Committees.

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

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

All board and committee meetings during 2020/2021 were held via Microsoft Teams, due to Coronavirus restrictions.

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

Introduction

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

Instructus is the sole owner of **CQM Training & Consultancy Ltd**. At the end of the last financial year, Instructus merged the trade of the wholly owned subsidiary, **The Springboard Consultancy Ltd**, into the charity, as all activity was considered primary purpose to the Charity. Springboard programmes and branding have been maintained.

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

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

Instructus is a registered End Point Assessment Organisation (EPAO) in England for conducting End Point Assessments (EPA) on apprentices. Instructus currently covers 4 standards in the UK: Retailer (Level 2), Business Administrator (Level 3), Retail Team Leader (Level 3) and Team Leader (Level 3).

In 2020/2021 Instructus certified just over 30% of all the apprenticeships certified by non-governmental organisations in the UK.

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	2020/2021	2019/20
England	34.0%	30.8%
Wales	21.2%	28.4%
Scotland	28.7%	21.5%
All	31.3%	28.9%

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

Springboard programmes have a high success rate with a high 98% recommendation rating and 90% of participants saying they are more confident about their personal development since completing a programme. Significantly, since the move to remote learning due to Covid, 98% found the technology easy to use and 96% were satisfied with a remote learning experience.

Springboard programmes make a significant difference to people's lives and are delivered by employees and a network of licenced freelance trainers. As of March 2021, we had 179 licenced trainers delivering programmes.

CQM Training and Consultancy Ltd delivers training across the UK. CQM offer development programmes in the areas of leadership and management, continuous improvement, and vocational skills. As a lead provider on the Register of Apprenticeship Training Providers (ROATP), CQM deliver a range of apprenticeships in many different market sectors, with a notable coverage in the food and drink sector.

As of March 2020, CQM delivered programmes across a diverse client group, including XPO logistics, BAE, Ceva Logistics, Network Rail, Serco, Premier Foods and Bakkavor and had 511 learners on programme.

All activity conducted by Instructus, The Springboard Consultancy and CQM Training & Consultancy Ltd has a direct and positive public benefit. Our work in qualifications, training and skills always focuses on individual learners at the heart of our offering. The more people we can develop, the more lives will be transformed. The trustees are aware of and give due consideration, when setting objects and planning activities, to the Charity Commission's guidance on public benefit

Coronavirus

There is no doubt that the Coronavirus has had a significant impact on all our activity. The majority of all our output relied heavily on face-to-face training, which came to a dramatic halt in March 2020, and has not fully recovered yet.

Over the course of the year, we have worked hard to ensure formats and training programmes have been updated to accommodate virtual delivery. Our staff have showed tremendous versatility in delivery methods and learner support to ensure that our participants have the best possible experience, and best chance of positive outcomes.

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Apprenticeship starts have reduced by up to 50% over the year, which in turn has meant our certification levels and EPA levels have been significantly impacted. However, there is a great deal of political support for apprenticeships and skills development which we anticipate will lead to a recovery in numbers as lockdowns ease.

As income was significantly impacted, we took some significant cost saving decisions in the year. We accessed the Government backed Furlough Scheme across the organisation at various periods across the year, and we undertook a restructure which resulted in redundancies in the organisation. Some Exec staff also undertook voluntary targeted reductions in salary at key points.

Our efforts to reduce costs and be flexible with our training provision has meant that the negative impact has largely been contained within the financial year. Our efforts throughout the year have led to a final quarter surplus in all parts of the organisation, albeit not in any way significant enough to counter initial losses.

The board have met regularly via MS Teams to support the ongoing decision making and the restructure exercise. They have paid particular attention to cash management, receiving, and reviewing updated forecasts throughout the year.

Looking forward we anticipate a period of consolidation in H1 as the economy strengthens and employees return to work, followed by an increase in activity from H2 onwards. We have invested in a strengthened marketing position to ensure we are able to take advantage of the dramatic changing landscape and opportunities as lockdowns end. As we enter 2021/22 we have launched our new 'Authentic Leader' programme in Q1, increased our Open Cohort Apprenticeship Programmes and are delivering increased non-apprenticeship activity in line with our strategy.

Charity and Social Impact

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

Given the pandemic we have had to focus on our core offering in each component area. Principally this is as follows:

Qualifications

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

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Training

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

Skills

- 6 National Occupational Standards Review Projects
- Erasmus+ Project: Enhancing mentor skills in the construction project, working with 5 European partners.

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

- New apprentices
- Individual growth/Societal growth
- Improved business ROI
- Improved productivity
- Improved equality

In addition to our core activity, Instructus has developed and funded a 10 day 'whole person' training pilot for mixed gender 14–16-year-old disadvantaged students in conjunction with Moulton School and Science College. The first pilot was completed in April 2019 with the purpose of closing the achievement gap between the disadvantaged group and their peers. As the pandemic hit the UK, we were in the process of rolling out the programme to the first of four planned cohorts of students. Understandably the programme was put on hold, and schools remain in a period of consolidation following the significant upheaval in the year.

The trustees have agreed that the strategic direction of this programme will be reconsidered in October 2021, along with other potential projects, finances allowing.

Quality Assurance

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

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

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We have various accreditations, including:

- Cyber Essentials
- Cyber Essentials Plus (to be completed in May 2021)
- IASME Governance
- Matrix Accreditation
- Living Wage Employer

Achievements and Performance

The year has largely been defined by the Coronavirus. All efforts have been invested in ensuring that the organisation has survived the pandemic and is able to rebuild from a strong base as things return to a sense of normality. The first lockdown in March led to most planned courses being cancelled and a steep drop off in apprenticeship-based activity.

Working with our customers we have developed online solutions for all our training and development interventions, which we aim to continue as part of a blended approach to future delivery. Our collective efforts have seen a strong final quarter, with the organisation returning to surplus for the period, despite the third national lockdown.

We have developed a new programme, Authentic Leader, which we are currently launching. This programme combines elements of our Springboard Programme with Management Development and an ILM qualification.

Alongside trying to ensure client programmes continued through the year, we have focused on improving the internal support infrastructure. We have embedded a new CRM system, improved our course tracking and resource allocation, and introduced an account management approach for key customers.

Much of our activity is reliant on the return of apprenticeship numbers. Numbers of new apprentices in Scotland and Wales are at 50% of normal levels. Given the Government focus on skills and apprenticeships we are expecting a recovery to the previous levels around September of 2022. In addition, the lockdown restrictions and furlough have had an impact on our ability to bring many learners to completion of their apprenticeship – we now have a concerted programme of activity to support completions as restrictions ease.

That said we remain in a confident position against the core KPI's by which we measure our success;
Financial Performance: Sales and Operations: Customer: People.

Financial Performance	Despite significant losses in year, group cash position was above forecast at year end. COVID 19 has set our plans back by a full year, but final quarter performance and forward pipeline give confidence that recovery to surplus will be achieved in 21/22.
Sales and Operations	We have invested in Marketing resource to ensure we capitalise on market opportunity as restrictions lift. We are already seeing a significantly improved

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pipeline for EPA and Development courses. Effective CRMs in place across all the Group and tight operational management of our processes and customers.

Customer	Our latest recommendation ratings from customers remain above 90% across all areas.
People	We had a staff sickness rate of 0.2% for the year, and no staff left other than because of redundancy. We have ensured regular communication throughout the pandemic, with an enhanced focus on mental health. Staff feedback is very positive regarding the support offered over the year.
Impact	In 2020/21 we certified 26,227 apprenticeships, conducted 47 EPA's, delivered Springboard courses to 1969 people, and had 511 learners on programme with CQM. When we compare to 19/20 the impact of the Coronavirus is clear – in 2019/20 we certified 48,470 apprenticeships, delivered Springboard courses to 5085 people, and had 800 learners on programme with CQM.

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

The skills projects we were commissioned to deliver have been completed on time and on budget. Five National Occupational Standards (NOS) suites' reviews: Business and Administration, Marketing, Contact Centre, Management and Leadership, Customer Service. These were reviewed to ensure the National Occupational Standards are up-to-date and all job functions are unique and sector specific.

National Occupational Standards (NOS) are statements of performance standards individuals must achieve when carrying out functions in the workplace, together with specifications of the underpinning knowledge and understanding. The NOS are developed by Standard Setting Organisations (SSO) who consult with employers and other stakeholders across each of the UK nations, (Scotland, Wales, Northern Ireland and England). This consultation process allows any specific requirements to be considered by each nation and the result is a set of NOS that are suitable for use across the UK. The NOS, which are set out in a common format, are approved on a four-nation basis and content is scrutinised by SQA Accreditation.

The review cycle involves the following stages of submission on the NOS database management system:

Part A - Evidence of Employer and Stakeholder Engagement

The information detailed in the Part A informs about the employer and stakeholder engagement and consultation activities. We outline the methodology for stakeholder engagement including nation representatives. For each nation we created a UK-wide and nation specific lists of organisations and upload these onto the system. For consultations in Wales, we also measure a demand to have the NOS translated into Welsh language during the consultation stage.

Draft NOS

We run a second, wider consultation with employers and stakeholders on the original NOS and Occupational map, gaining their input into a range of areas including the required updates, and what is missing. We gather the feedback from this consultation, clarifying specific points from stakeholders. Amendments are made to the NOS to produce the draft NOS, including updating them in line with the NOS guidance. The NOS drafts are sent to SQA Accreditation Manager. The Draft NOS are accompanied by the Status of Update,

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which is uploaded onto the system. The nation representatives provide feedback on the draft NOS and sign these off. The Draft NOS and the nation representatives' feedback is then be shared with the Project Steering Group and any further amendments are made, agreed, and captured.
Part B - Evidence of employer and stakeholder engagement

This identifies any changes that took place in relation to addressing methods of engagement in Part A. Nation representatives would be aware of this through the ongoing communication. The final project report is provided as part of the evidence, including a list of employers and stakeholders that were consulted in each nation and all feedback. Nation representatives sign off the Part Bs once they are happy.

Final NOS

The Steering Group is asked to agree the final draft NOS to be submitted for approval to the nation representatives via the NOS Database. Status of NOS document along with the final Occupational Map is uploaded onto the system. Nation representatives sign off the final NOS once they are happy. We then request that SDS publish the final NOS and move any obsolete/old NOS to Legacy, or Archive.

One new NOS suite: Digital Marketing. This suite was requested as a priority to underpin the current SVQ in Digital Marketing that also forms Modern Apprenticeship framework in Scotland.

All NOS have been standardised with consistent terminology across Performance Criteria, Knowledge and Understanding to ensure both parts are closely aligned and reflect on each other.

We also oversaw the translation into Welsh of five NOS suites – Cleaning and Support Services, Confined Spaces, Regulatory Compliance Life Science, Social Marketing and Sporting Excellence. All these NOS have undergone quality approval by Welsh Government.

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Risks

The single biggest risk is the impact of Coronavirus, especially financially.

The position in 20/21 was very hard to forecast as no-one knew what impact the pandemic would have. Given a period of increased stability in quarter 4, combined with the mitigations taken, the Executive team have put in place a realistic budget for the year ahead targeting a return to surplus.

The Risk & Audit Committee, under delegated authority of the board scrutinised these budgets and assumptions before recommending approval by the board. In addition, the Risk & Audit Committee oversaw a 'worst case' scenario planning exercise, where impacts were investigated with up to a 20% reduction in revenue.

The Board have reviewed budgets and scenario plans and are satisfied that Instructus remains a 'going concern' beyond 12 months, even if the worst-case position manifests. The board accept that significant mitigations may need to be actioned at the end of quarter 1 if the planned budget is not being achieved and have scheduled a full financial review for the July board.

For assurance, current performance for P1 and P2 is running in line with budget.

Whilst Instructus remains largely reliant on the performance of the apprenticeship sector, the Government response has largely been to put apprenticeships and skills development as a core focus for recovery.

Out of funding learners who have not yet completed apprenticeships present a significant risk. Many apprentices have been furloughed, or restrictions have meant that core projects have not been completed as part of the apprenticeship. Improving the completion rate as the lockdown ends is a significant priority in H1.

Certification volumes continue to decline in England as the reform measures move apprenticeship certification into the DfE with most final certificates expected to be issued by Instructus around Aug 2021, although some longer duration programmes will take until 2022/2023.

We are switching our resources and investments to End Point Assessment. We have high levels of satisfaction with our existing customers, and as lockdown ends are developing a healthy pipeline of customers and prospects.

Instructus has detailed risk register which is monitored at individual board level and is reviewed quarterly by the audit and risk committee and individual subsidiary boards.

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Reserves Review

Instructus has traditionally maintained a strong cash balance and enough reserves to maintain operations for between 24 – 30 months under normal market conditions. This cautious approach has meant that Instructus remained cash positive throughout the pandemic.

The board fully accept that the reserves have been needed to maintain operations throughout the pandemic. They therefore have agreed to set a minimum group reserve for 21/22 of £200,000 (down from £300,000). This was deemed sufficient to allow for mitigations to be actioned in any of the possible eventualities considered.

The Trustees have agreed to review this limit in April 2022, with the intention to increase and consider a split between allocated and non-allocated reserves.

Future Strategic Plans

We have undertaken a full strategic review over the course of the year, taking a focused view on key priorities and looking forwards to the impact we can make through to 2025. There is increasing optimism that, as lockdown pressures ease, the need for apprenticeships, personal development training and skills development will increase. Government has openly acknowledged the need to drive apprenticeships and skills development as a core foundation of future plans. In addition, the changing working environment will mean employees will benefit from our whole person interventions and equality enhancing programmes.

In summary our focus areas are:

- Continued high quality certification of apprenticeships.
- Delivery of key skills development projects, working closely with the devolved nations.
- Growth of EPA sales and standards assessed.
- Growth of Springboard programme reach directly and through supported network of trainers.
- Delivering high quality apprenticeships and training, with 75% completion rates.
- Developing our staff and supporting with increased options for virtual and digital delivery/learner management.
- Expanding our product portfolio through targeted New Product Development (NPD).
- Becoming renowned specialists in continuous improvement.
- Returning to surplus in 2022 and maintaining sustainable surplus position thereafter.

The board of Trustees see H1 as an opportunity for recovery and consolidation. If budget plans are being met, and in addition to our annual strategic review, a full review of strategic priorities will be held in October, including a review of charitable initiatives for the future, including the re-establishment of our programme for schools.

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TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report) FOR THE YEAR ENDED 31 MARCH 2021

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

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

NIGEL HOPKINS

NIGEL HOPKINS (Jul 23, 2021 16:31 GMT+1)

.....
Mr N P Hopkins

Trustee

Date: Jul 23, 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Instructus ('the parent charity') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

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

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTRUCTUS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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

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

Use of the Audit Report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.


David Hoose (Jul 27, 2021 12:05 GMT+1)

David Hoose

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Meridian Business Park
6 Dominus Way
Leicester
LE19 1RP

Date: Jul 27, 2021

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments:				
Charitable activities	3	996,982	996,982	831,527
Other trading activities	4	1,249,244	1,249,244	2,377,816
Investments	5	69	69	221
Total incoming		2,246,295	2,246,295	3,209,564
Expenditure on:				
Raising Funds	6	1,393,958	1,393,958	2,606,202
Charitable Activities	7,8	1,280,191	1,280,191	997,857
Total expenditure		2,674,149	2,674,149	3,604,058
Net movement in funds		(427,854)	(427,854)	(394,494)
Reconciliation of funds				
Total funds brought forward		1,270,519	1,270,519	1,665,013
Total funds carried forward		842,665	842,665	1,270,519

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

All funds relate to unrestricted funds in both years.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	13	215,152	312,025
Tangible fixed assets	14	34,075	56,800
		<u>249,227</u>	<u>368,825</u>
Current assets			
Stocks	16	6,311	6,848
Debtors	17	616,209	625,532
Cash at bank and in hand		678,345	798,583
		<u>1,300,685</u>	<u>1,430,963</u>
Creditors: amounts falling due within one year	18	(566,446)	(527,136)
		<u>734,239</u>	<u>903,828</u>
Net current assets			
		<u>983,466</u>	<u>1,272,652</u>
Total assets less current liabilities			
		<u>983,466</u>	<u>1,272,652</u>
Creditors: amounts falling due after one year	18	(138,667)	-
Provisions			
Other provisions	19	(2,133)	(2,133)
		<u>842,665</u>	<u>1,270,519</u>
Net assets			
		<u>842,665</u>	<u>1,270,519</u>
Funds of the charity			
Unrestricted funds		842,665	1,270,519
Total charity funds	25	<u>842,665</u>	<u>1,270,519</u>

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

NIGEL HOPKINS

NIGEL HOPKINS (Jul 23, 2021 16:31 GMT+1)

Mr N P Hopkins

Trustee

Date: Jul 23, 2021

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

COMPANY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible fixed assets	13	-	1,127
Tangible fixed assets	14	15,093	30,021
Investments	15	650,000	650,000
		<u>665,093</u>	<u>681,148</u>
Current assets			
Stocks	16	6,311	6,848
Debtors	17	218,804	209,474
Cash at bank and in hand		408,105	631,787
		<u>633,220</u>	<u>848,109</u>
Creditors: amounts falling due within one year	18	(201,715)	(156,451)
Net current assets		<u>431,505</u>	<u>691,658</u>
Net assets		<u>1,096,598</u>	<u>1,372,806</u>
Funds			
Unrestricted funds		<u>1,096,598</u>	<u>1,372,806</u>
Total funds		<u>1,096,598</u>	<u>1,372,806</u>

The deficit for the financial year of the parent company was £276,208 (2020: £757,071 deficit)

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

NIGEL HOPKINS
NIGEL_HOPKINS (Jul 23, 2021 16:31 GMT+1)

Mr N P Hopkins

Trustee

Date: Jul 23, 2021

Company registration number: 07066687

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
(Deficit) for the financial year	(427,854)	(394,494)
<i>Adjustments for:</i>		
Tax charge	8,062	-
Depreciation of tangible assets	27,662	27,988
Amortisation of intangible assets	96,873	231,612
Other interest receivable and similar income	(69)	(221)
Tax paid	(8,062)	-
Decrease/(increase) in stock	537	(30)
Decrease in debtors	9,503	86,671
Increase/(decrease) in creditors	17,977	(75,637)
Net cash used in operating activities	<u>(275,371)</u>	<u>(124,111)</u>
Cash flows from investing activities		
Interest received	69	221
Purchase of tangible assets	(5,603)	(16,729)
Proceeds on the sale of fixed assets	667	-
Net cash (used in)/from investing activities	<u>(4,866)</u>	<u>(16,508)</u>
Cash flows from financing activities		
Cash receipt from bank loans	<u>160,000</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(120,237)	(140,618)
Cash and cash equivalents at beginning of year	798,583	939,201
Cash and cash equivalents at end of year	<u>678,345</u>	<u>798,583</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

1 General information

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

Accounting policies

Basis of preparation

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

Going concern

The Instructus board have constantly monitored the impact of the Coronavirus pandemic on commercial activity. Significant adjustments to working practices have allowed us to move activities online resulting in improved performance from Q4 20/21. The impact of restrictions due to COVID has now stabilised, and we have a strong pipeline growing on a weekly basis. Throughout 2020/21 performance tracked closely to forecast, giving the board confidence in the Executives forward view of performance.

The board received detailed forecasts as part of the budget setting exercise for 2021/22. These have been reviewed in July 2022, alongside an updated forecast with no material changes. The board is also assured that performance in P1 & P2 is tracking in line with the forecast position. Budgets have also been stress tested looking at worst case scenarios. Based on the analysis, the board concluded that Instructus remains a going concern well beyond the next 12 months.

Consolidation

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

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Judgements and key sources of estimation uncertainty

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

In the opinion of management, the following are key areas of judgement or key sources of estimation Uncertainty that have a significant effect on the financial statements;

In estimating income relating to completion payments on apprenticeship programmes and associated end point assessment costs management at CQM use an estimate of an overall drop-off rate of apprenticeship learners from inception to completion of training. This rate is comparable with industry averages and actual experience delivering apprenticeship training programmes

The following principal accounting policies have been applied:

Taxation

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

Funds

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

Designated funds are funds earmarked by the trustees for specific purposes.

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

There were no Designated or Restricted funds during the year ended 31 March 2021 or during the year ended 31 March 2020.

Incoming resources

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

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Resources expended

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

Expenditure on charitable activities include:

- a. Expenditure on the charity's primary charitable purposes as described in the trustees' report.
- b. Governance costs associated with the governance of the charity and its assets. Included within this category are costs associated with the strategic, as opposed to day to day, management of the charity's activities.

Expenditure on other activities are directly attributable to specific activities.

Defined contribution plans

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

Operating leases

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

Goodwill

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

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

Intangible assets

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Amortisation

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

Goodwill	10 years
Course development costs	3 years

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

Tangible assets

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

Depreciation

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

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

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (continued)

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

Stocks

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

Provisions

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

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

Financial instruments

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

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

2. Limited by guarantee

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

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

3. Charitable activities income

	2021 Unrestricted Funds £	2021 Total Funds £	2020 Unrestricted Funds £	2020 Total Funds £
Grants and contracts	111,492	111,492	26,551	26,551
Registration, certification and Training income	718,142	718,142	801,349	801,349
Other income	167,348	167,348	3,627	3,627
	996,982	996,982	831,527	831,527

4. Other trading activities income

	2021 Unrestricted Funds £	2021 Total Funds £	2020 Unrestricted Funds £	2020 Total Funds £
Training and consultancy	1,249,244	1,249,244	2,377,816	2,377,816

5. Investment income

Bank interest receivable	69	69	221	221
	69	69	221	221

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

6. Costs of other trading activities

	2021	2021	2020	2020
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Total costs	1,393,958	1,393,958	2,606,202	2,606,202
	<u>1,393,958</u>	<u>1,393,958</u>	<u>2,606,202</u>	<u>2,606,202</u>

	2021	2020
	£	£
Training and consultancy materials	240,580	639,710
Staff costs	917,736	1,411,507
Staff training and recruitment	26,789	19,942
Travel and sustenance	4,219	112,891
Premises costs	36,906	30,828
Legal and professional fees	46,928	53,271
Other expenditure	48,764	92,076
Amortisation of goodwill	60,220	95,476
Impairment of goodwill	-	134,783
Depreciation	11,816	15,718
	<u>1,393,958</u>	<u>2,606,202</u>

7. Expenditure on charitable activities by fund type

	2021	2021	2020	2020
	Unrestricted	Total	Unrestricted	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Instructus – training and skills	1,258,409	1,258,409	970,124	970,124
Support costs	21,782	21,782	27,733	27,733
	<u>1,280,191</u>	<u>1,280,191</u>	<u>997,857</u>	<u>997,857</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total 2021 £	Total 2020 £
Instructus Training and skills activities	1,258,409	-	1,258,409	970,124
Governance costs	-	21,782	21,782	27,733
	1,258,409	21,782	1,280,191	997,857

	Total 2021 £	Total 2020 £
Instructus, parent company – Training and skills activities costs.		
Contract, project, registration, training and certification costs	176,451	30,395
Staff costs	815,141	651,235
Staff expenses, training and recruitment	29,724	56,354
Promotion and publicity	24,141	14,295
Premises costs	34,436	44,205
Legal and professional fees	24,919	22,725
Other expenditure	101,097	137,292
Depreciation and amortisation	52,500	13,623
	1,258,409	970,124

Governance costs:	Total	Total
Auditor fees	21,700	24,450
Costs of trustees' meetings	82	3,283
	21,782	27,733

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

9. Net expenditure

Net expenditure is stated after charging:

	2021	2020
	£	£
Amortisation and impairment of intangible assets	96,873	231,612
Depreciation of tangible fixed assets	27,662	27,988
Operating lease cost	43,519	44,127

10. Auditor's remuneration

	2021	2020
	£	£
Auditor's remuneration	20,570	21,000
Auditor's remuneration – non audit services	1,130	3,450
	21,700	24,450

11. Staff costs

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

	2021	2020
	£	£
Wages and salaries	1,541,114	1,764,092
Social Security costs	109,226	175,454
Other post retirement benefit costs	82,537	123,196
	1,732,877	2,062,742

The average head count of employees during the year was 41 (2020: 49)

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

	2021	2020
	£	£
£60,000 to £69,999	2	-
£70,000 to £79,999	1	-
£80,000 to £89,000	-	3
£110,000 to £119,999	1	-
£140,000 to £149,999	-	1
	4	4

The key management personnel of the group comprise those of Instructus being the Chief Executive Officer and Managing Director and the key management personnel of its two wholly owned subsidiaries, CQM Training and Consultancy Limited and The Springboard Consultancy Limited. The total for the group key management personnel was £383,452 (2020: £491,174).

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

12. Trustee remuneration and expenses

No trustees received remuneration for their services as trustees during the year (2020: None).

Trustees' travel and subsistence expenses of £70 (2020: £3,282) were reimbursed by the charity to 1 (2020: 6) trustee during the year.

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

13. Intangible assets

Group and company

	Goodwill	Course development costs	Total
	£	£	£
Cost			
At 1 April 2020 and 31 March 2021	<u>954,758</u>	<u>4,058</u>	<u>958,816</u>
Amortisation/impairment			
At 1 April 2020	643,860	2,931	646,791
Charge for the year	95,746	1,127	96,873
At 31 March 2021	<u>739,606</u>	<u>4,058</u>	<u>743,664</u>
Carrying amount			
At 31 March 2021	<u>215,152</u>	<u>-</u>	<u>215,152</u>
At 31 March 2020	<u>310,898</u>	<u>1,127</u>	<u>312,025</u>

The course development costs are company intangible assets.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

14. Tangible assets

Group	Equipment £	Total £
Cost		
At 1 April 2020	203,215	203,215
Additions	5,603	5,603
Disposals	(1,334)	(1,334)
At 31 March 2021	207,484	207,484
Depreciation		
At 1 April 2020	146,414	146,414
Charge for the year	27,662	27,662
Eliminated on disposals	(667)	(667)
At 31 March 2021	173,409	173,409
Carrying amount		
At 31 March 2021	34,075	34,075
At 31 March 2020	56,800	56,800
Company		
Cost		
At 1 April 2020	103,797	103,797
Additions	917	917
At 31 March 2021	104,714	104,714
Depreciation		
At 1 April 2020	73,775	73,775
Charge for the year	15,846	15,846
At 31 March 2021	89,621	89,621
Carrying amount		
At 31 March 2021	15,093	15,093
At 31 March 2020	30,021	30,021

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

15. Investments

The group has no investments

Company	Shares in group undertakings £
Cost	
At 1 April 2020 and 31 March 2021	<u>1,285,336</u>
Impairment	
At 1 April 2020	635,336
Provision for impairment	-
At 1 April 2020 and 31 March 2021	<u>635,336</u>
Carrying amount	
At 1 April 2020 and 31 March 2021	<u>650,000</u>

Company investments comprise:

The company has two wholly owned subsidiaries, CQM Training and Consultancy Limited (Company No: 02782477) and The Springboard Consultancy Limited (Company No: 04729410). Both companies were registered in England and Wales, with registered offices as Instructus, 100% ordinary share capital owned and both are included within the consolidated accounts. The main activities of the subsidiary CQM Training and Consultancy Limited is training, coaching and consultancy. On 31 March 2020 the activity of The Springboard Consultancy Limited was hived up into Instructus and the company is now dormant.

A summary of their results is shown below:

CQM Training and Consultancy Limited

	2021 £	2020 £
Income	1,249,244	1,961,827
Expenditure	(1,305,143)	(1,918,686)
Net (loss)/profit	<u>(55,899)</u>	<u>43,141</u>
Assets	730,496	631,625
Liabilities	(549,582)	(394,812)
Net Assets	<u>180,914</u>	<u>236,813</u>

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

15. Investments (continued)

The Springboard Consultancy Limited

	2021	2020
	£	£
Income	-	415,989
Expenditure	-	(495,658)
Net loss	-	(79,669)
Assets	2	2
Liabilities	-	-
Net Assets	2	2

16. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	6,311	6,848	6,311	6,848

Stock comprises study guides and training course materials

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	130,783	109,659	111,010	98,267
Amounts owed by group undertakings	-	-	44,048	19,219
Prepayments and accrued income	469,210	458,005	47,786	75,808
Other debtors	16,036	57,868	15,960	16,180
	616,029	625,532	218,804	209,474

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

18. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	66,531	76,018	7,321	20,251
Accruals and deferred income	390,754	386,768	137,505	106,453
Bank loans	21,333	-	-	-
Social security and other taxes	77,033	19,901	50,814	18,032
Other creditors	10,795	44,449	6,075	11,715
	<u>566,446</u>	<u>527,136</u>	<u>201,715</u>	<u>156,451</u>

Accruals and deferred income includes £142,604 (2020: £173,247) of deferred income in relation to income received in advance for training and consultancy services.

Creditors: amounts falling due over one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	138,667	-	-	-
	<u>138,667</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a debenture comprising fixed and floating charges over all the assets of CQM Training and Consultancy Limited. The loan attracts interests of £3.99% above the base rate. £10,600 of the loan balance is due after more than 5 years.

19. Provisions

Group	Deferred tax £
At 1 April 2020	2,133
Additions	-
At 31 March 2021	<u><u>2,133</u></u>

The company does not have any other provisions

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

20. Deferred tax

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in provisions	2,133	2,133	-	-
	<u>2,133</u>	<u>2,133</u>	<u>-</u>	<u>-</u>

The deferred tax relates to accelerated capital allowances.

21. Net debt analysis

Group

	At 1 April 2020	Net cash flows	At 31 March 2021
	£	£	£
Cash	798,583	(120,238)	678,345
Borrowings	-	(160,000)	(160,000)
	<u>798,583</u>	<u>(280,238)</u>	<u>518,345</u>

22. Employee benefits

Defined contribution plans

The amount recognised in the statement of financial activities as an expense in relation to defined contribution plans was £82,537 (2020: £123,196). Creditors include a balance of £10,637 (2020: £6,543) due in respect of pension commitments.

INSTRUCTUS

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

23. Operating leases

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not late than 1 year	36,481	43,519	36,481	36,481
Later than 1 year and not later than 5 years	124,287	130,716	124,287	130,716
Larger than 5 years	40,000	70,000	40,000	70,000
	200,768	244,235	200,768	237,197

24. Related party transactions

Charity

During the year the charity received gift aid donations of £Nil (2020: £5,972) from The Springboard Consultancy Limited.

During the year the charity received recharge income of £36,887 (2020: £21,188) from CQM Training and Consultancy Limited and £Nil (2020: £17,434) from The Springboard Consultancy Limited. Year end debtors include a balance of £44,084 (2020: £19,219) due from CQM Training and Consultancy Limited.

25. Analysis of charitable funds

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	1,270,519	2,246,295	(2,674,148)	842,665
	1,270,519	2,246,295	(2,674,148)	842,665