



CIM

The Chartered
Institute of Marketing

CIM and its subsidiary companies

Report and Financial Statements

For the year ended 30 June 2014



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Trustees' report

For the year ended 30 June 2014

The Trustees are pleased to present their report together with the financial statements of the Chartered Institute of Marketing (CIM) for the year ended 30 June 2014. This report is prepared in accordance with CIM's constitution and its Royal Charter. Although CIM is a not-for-profit organisation, not a charity, this report follows the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities

The Trustees would like to thank staff and volunteer members for their efforts in furthering the objectives of CIM.

Constitution

CIM is incorporated by Royal Charter, which was awarded on 7 February 1989. It is governed by its Constitution comprising of its Charter, Bye-laws, General Regulations and Board Regulations.

Governance, structure and management

The Board of Trustees is the governing body for CIM and determines the overall direction and development of the organisation through good governance and effective strategic planning.

Nine members of The Board of Trustees are directly elected by Voting Members of CIM and three Members are appointed by The Board. Voting Members are defined in the Constitution as Honorary Fellows, Fellows, Members or Associate Members. Casual vacancies may be filled by the Trustees, who also have the power to co-opt up to five Voting Members.

The Trustees met four times in person and conducted three telephone meetings between 1 July 2013 and 30 June 2014 to set strategy, monitor progress and approve significant matters. Day to day operational matters are delegated to the Chief Executive and the senior management team.

New members of the Board undergo a comprehensive induction process with face to face briefings with the Chair, CEO and CIM Company Secretary along with written guidance in an induction pack which includes details of their role and responsibilities, the legal and organisational structure of CIM, copies of the Charter, Bye-laws, General and Board Regulations, and copies of the Annual Report and Accounts for the past three years.

The Trustees are responsible for preparing the annual report and financial statements in accordance with UK Generally Accepted Accounting Practice. CIM's Royal Charter and Bye-Laws require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of CIM and of the income and expenditure for that year. In preparing those financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume CIM will continue.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of CIM and to enable them to ensure that the financial statements comply with the Charter. They are also responsible for safeguarding CIM's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Group's website. The maintenance and integrity of the Group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the on-going integrity of the financial statements contained therein.

Three principal Advisory Groups and Committees operate to support the Board of Trustees:

- The Membership and the Profession Advisory Group advises the Trustees on customer needs within the areas of membership and the profession.
- The Learning Advisory Group provides advice to the Board of Trustees on academic standards, assessment, curriculum development, learning delivery and policy.
- The Audit and Risk Committee advises the Trustees on risk, internal controls and financial reporting and oversees the annual statutory audit. The Committee reviews the risk register in order to manage and minimise all associated risks.

CIM has a number of connected organisations worldwide. CIM Hong Kong is consolidated in these financial statements. The other largest CIM Group organisations are based in Ghana, Kenya, Malaysia and Sri Lanka. Their objectives are in line with those of CIM.

Objectives and strategic goals

The objectives of CIM are to:

- Promote and develop the art and science of marketing and encourage, advance and disseminate knowledge, education and practical training and research into that art and science.
- Promote and maintain high standards of professional skill, ability and integrity among persons engaged in marketing products and services.
- Promote entry to, and advancement in, the profession of marketing by means of examination and other methods of assessment.
- Provide and develop a professional organisation for marketing and increase public awareness and understanding of marketing as a vital factor in business success and prosperity.

The Board has agreed the following corporate goals created around customer groups. All of CIM's operational plans, team and individual objectives will be based around these goals with all activities delivering value to one or more of the target audiences:

- Represent the marketing profession delivering thought leadership, professional development and an authoritative voice.
- Significantly increase the number and variety of marketing professionals supported by and engaging with CIM.
- Be recognised by business as the 'first port of call' for improved performance through enhanced marketing capability and embedded best practice.
- Be the champion of responsible marketing practice and the trusted voice for the public as customers / consumers.
- Reshape CIM's structure, systems, intellectual and financial capital to enable the organisation to deliver a customer led strategy.

Risk management

The Audit and Risk Committee bi-annually undertakes a detailed review of the risk register which provides an in-depth analysis of the exposure to high level risks. The risks are covered under four categories:

- Strategy.
- Operational and compliance.
- Financial.
- Hazards.

The scoring system rates each identified risk on the likelihood and severity of occurrence; scoring is from 1 to 4 and multiplied to assess the gross risk. Each risk is assigned to a member of the executive for managing and monitoring; this is either by inclusion in the appropriate procedures, monthly reports, management accounts or contained in individuals' objectives.

The Board of Trustees reviews new and high-rated risks at each quarterly meeting and also receives a report from the Audit and Risk committee to aid their annual review and discussion of the full risk register. The Board is ultimately responsible for ensuring risks are determined, reviewed and managed.

Achievements and performance

As part of its three year strategic plan CIM has identified five programmes which launched during FY2013/14:

- Brand – create and deliver a brand strategy for CIM; – from positioning, brand architecture and naming, to visual and verbal identity and ongoing management.
- Learning – following a rigorous strategic review of all aspects of the current learning offer, develop and launch a high quality offer to grow CIM's market position and share.
- Proposition development – develop product / service value propositions for all key markets and segments and a proposition model to ensure ongoing relevance.
- Research & insight – create an integrated research agenda that puts customer / market into CIM's decision making and aligns stakeholders behind a common set of drivers.
- Technology - create and implement a technology and digital content plan that provides the business with the required tools and skills to support delivery of its strategic objectives.

Brand strategy

CIM initiated a wholesale review of its brand strategy, positioning and identity. Renovating CIM's brand is seen as a critical precursor to enabling future growth and investment plans, and this project was given the requisite priority and in-depth consideration over more than nine months. Underpinned by a brand health study conducted amongst non-members and senior business practitioners, CIM began a programme of research and consultation to ensure any change to its most valuable asset are underpinned by robust data and evidence. This included staff and volunteer workshops, focus groups and in-depth interviews with a range of stakeholders from undergraduates to Chief Marketing Officers and everything in between. The work was delivered to timetable and under budget.

Learning & development

CIM carried out extensive research which drove the design and structure of the new Certificate and Diploma in Professional Marketing. The new suite of qualifications was launched to the network in April and the modular approach, with "awards" available separately for a number of specialisms, was welcomed. The syllabus design has created more opportunity for CIM to collaborate with corporate partners, as well as other professional bodies and awarding organisations, to raise the profile of marketing as a career. The new syllabus will be taught from September 2014 and will help arrest the decline in assessment income.

CIM's learning products other than qualifications have performed strongly throughout FY 2013/14. In-company training has shown significant growth as organisations invest in their marketing teams' professional development. Residential courses, however, continue to decline in the current market.

The results of our research have also been used to create updated Professional Marketing Standards which are proprietary to CIM as the leading professional body in marketing. These will underpin all of CIM's learning offer and outline the core, technical and behavioural competencies expected of professional marketers.

Membership

The rate of membership decline reduced to 1% by June 2014 with growth in a number of UK and international regions. There has been a 4% increase in the studying membership community, reflecting the success of the MAP/Graduate Gateway initiative. The decline in professional membership has slowed from 5% to 4% with a number of measures having been taken to retain and win back members.

CIM's Market Interest Groups (MIGs) have now signed a new 'Working Together' agreement that will ensure MIG activity is more integrated within CIM processes and thinking. As part of the integration process, changes have been approved to Board Regulations (BR) 301 and 303 to bring MIG governance more in line with regional governance. CIM will work with the newly renamed Sector Interest Groups (SIGs) to engage with their network and help to increase CIM membership.

Moor Hall Conference Centre

The refurbishment of 56 bedrooms was completed during FY2013/14, ahead of schedule and within budget. This completed the planned upgrade of all 80 rooms with an immediate 27% improvement being noted in ratings on www.booking.com. In parallel with a full year of working with a new catering company, the impact has been a marked improvement in the customer experience and an increase in corporate bookings.

Research and insight

During the last financial year, CIM undertook more market insight and customer research than at any other time in its history. Working in partnership with leading research house YouGov, we conducted in-depth studies exploring marketers' and employers' needs, marketing capability, attitudinal segmentation, next-generation talent, brand health and brand consultation. In all, we secured responses from thousands of marketers, both members and non-members, as well as a broad population of senior business practitioners, ensuring our insight was derived from a diverse range of stakeholders. Positively, we delivered against all of our research projects on-time and under-budget.

Financial report 2014 – Overall results

The financial statements for 2014 include the three subsidiaries of the Chartered Institute of Marketing (CIM): CIM Holdings Limited, the commercial entity of CIM; the Communication, Advertising and Marketing Foundation Limited (CAM), a charity limited by guarantee; and the international branch of Hong Kong. In previous years the results of CIM Sri Lanka were also consolidated but these have now been eliminated following a review by the Board, finding a lack of dominant influence in the control of that company. CIM continues its support of CIM Holdings Limited which has accumulated losses due to past trading and pension provisions.

Income of £14.9 million is slightly above the revenue achieved last year, without the turnover from Sri Lanka in 2013. Growth was achieved within the Conference Centre which offset the decline within Qualifications. Expenditure was lower

than the prior year with cost savings in Membership and Education following a major reorganisation in the prior year. This was offset by increased central costs, principally in the development of an appropriate technology infrastructure and recruitment. An accrual for holiday pay of £152k was introduced and absorbed against operating income.

The freehold property at Moor Hall was professionally revalued at 30 June 2014 at £6 million on an existing use basis. This generated a surplus of £1,652k over book value.

CIM produced a consolidated pre-tax surplus of £626k (2013: £347k) and after taxation, an actuarial loss on the old pension fund and the property revaluation, the resulting increase in funds is £1,602k. Free reserves in the General Fund plus deferred income remain in deficit at £376k (2013: £338k). It is intended that the value of free reserves should eventually represent a sum that would cover three months' operating costs with additional funds set aside in order to fund significant financial projects in line with future strategies.

Statement of financial activities

Education revenue of £3.0m declined by 6.1% overall due to a complete change in the syllabus and examination structure for CIM qualifications which will take effect in 2014/15. CAM's proportion of this income equates to 20% and it experienced year on year growth of 15%.

Membership income, excluding the CIM Sri Lanka Branch internal revenue, was broadly the same as in 2013 at £5.0m with the reduction in membership numbers slowing and offset by increased subscription charges.

Learning and Development revenue increased by £182k to £5.3m. There was growth in the provision of in-company training courses on customers' premises, up by £280k or 16%. Conference Centre revenue of £1.4m increased by 25%. This income is derived from hiring the conference centre facilities for the delivery of training and corporate events.

Costs of £14.3m included unusual items of £353k relating to the de-consolidation of Sri Lanka and the provision for holiday pay. The true cost level of £14.0m was therefore 4% lower than last year following substantial reductions in 2013. Costs of £167k to deliver the five agreed strategic programmes, including the development of the new qualifications, were also incurred in 2014 within the above total. This expenditure was in accordance with the strategic plan to fulfil CIM's corporate objectives.

Balance sheet

The total net worth of CIM increased to £3.6m (2013: £2.0m) with the general fund accounting for £4.3m – an increase of 73% including the £1.6m surplus on revaluation of freehold property, offset by the FRS17 deficit on the pension scheme which increased primarily due to the actuarial loss on liabilities. The restricted fund of £572k relates to CAM.

Capital expenditure of £542k increased compared to the prior year (2013: £268k) and relates primarily to the completion of refurbishment of the bedroom stock plus IT spend and a small number of replacement vehicles for sales staff. A bank loan of £400k over five years was taken out to finance the bedroom refurbishment programme.

Net current liabilities reduced by 18% mainly due to retention of funds from improved profitability resulting in an increase in bank balances of over £500k.

Summary and outlook

CIM has returned a substantial operating surplus for the year. Excluding unusual items relating to Sri Lanka (£201k), the provision for holiday pay (£152k) and pension fund income (£149k), the operating profit was £830k (2013: £105k). The decline in membership numbers in previous years has slowed to 1%, training and conference income is growing and the refurbished bedroom accommodation has been well received by existing and potential customers.

The new qualification syllabus and revamped membership propositions are anticipated to improve results further, building on the work already done in 2013 and the achievements of 2014.

Matthew Neilson

Chairman of the Board of Trustees

Date: 9 October 2014

Legal and administration information

For the year ended 30 June 2014

The Board of Trustees

Matthew Neilson FCIM Chartered Marketer – Chair
Keith Arundale FCIM Chartered Marketer
Professor Michael Baker DipM Hon FCIM Chartered Marketer (until January 2014)
Michael Bedingfield DipM FCIM Chartered Marketer (from January 2014)
Ann Brine DipM FCIM Chartered Marketer
Philip Comer DipM FCIM Chartered Marketer (until January 2014)
Dr Jonathan Deacon DipM FCIM Chartered Marketer
Chris Diaz DipM FCIM Chartered Marketer (until January 2014)
Claire Dunning DipM FCIM Chartered Marketer – Vice Chair (until July 2014)
Professor Susan Hart FCIM (until June 2014)
Andrew Harvey DipM FCIM Chartered Marketer (until January 2014)
Shiraz Latiff DipM FCIM Chartered Marketer
Emma Leech DipM FCIM Chartered Marketer (until July 2014)
Christopher Masters DipM FCIM Chartered Marketer – Vice Chair
Derek Milward DipM MCIM Chartered Marketer (from January 2014)
Chris Parker FCIM Chartered Marketer
Nick Porter FCIM Chartered Marketer (until January 2014)

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Jenny Ashmore FCIM

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Sally Cowdry DipM FCIM
Fiona Dawson FCIM
Martin Glenn FCIM
Lord Michael Grade FCIM

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Matthew Neilson FCIM Chartered Marketer
Fiona Spencer FCIM Chartered Marketer

The Audit and Risk Committee

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Keith Arundale FCIM Chartered Marketer
Scott Forsyth FCIM Chartered Marketer
Helen Frances DipM MCIM
Brian Selvanayagam DipM MCIM Chartered Marketer

The Constitution and Ethics Committee

Derek Milward DipM MCIM Chartered Marketer – Chair
Philip Comer DipM FCIM Chartered Marketer
Shiraz Latiff DipM FCIM Chartered Marketer
Matthew Neilson FCIM Chartered Marketer
Norman Waite DipM FCIM Chartered Marketer

The Learning Advisory Group

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Giovanna Battiston DipM MCIM Chartered Marketer
Dr Joanna Berry FCIM
Professor Amanda Broderick DipM FCIM
Dr Jafaar El-Murad FCIM
Kelvin Golding DipM FCIM Chartered Marketer
John Haynes
Dominic John DipM MCIM
Emma Leech DipM FCIM Chartered Marketer
Julius Lukwago DipM MCIM
Professor Philip Megicks DipM FCIM
Professor Nina Reynolds MCIM Chartered Marketer
Bev Ridyard DipM MCIM Chartered Marketer
Vicky Robinson DipM MCIM Chartered Marketer
Dr Beth Rogers DipM FCIM Chartered Marketer
Andrew Sherratt DipM MCIM Chartered Marketer

The Membership and the Profession Advisory Group

Claire Carter - Chair
Giovanna Battiston DipM MCIM Chartered Marketer
Shobha Bentley
Nadi Dharmasiri DipM FCIM Chartered Marketer
Ray Donnelly DipM FCIM
Andrew Gordon Garry Heath MCIM
Leigh Hopwood DipM MCIM Chartered Marketer
Tim Martin MCIM Chartered Marketer
Christopher Masters DipM FCIM Chartered Marketer
Alex Mswaka MCIM Chartered Marketer
Charlie Nettle MCIM Chartered Marketer
Catherine Tarasiuk MCIM Chartered Marketer
John Taylerson DipM FCIM Chartered Marketer
Vikki Whitemore DipM MCIM Chartered Marketer
Michael Woo DipM FCIM

Regional Chairs

Kelvin Golding DipM FCIM Chartered Marketer
(East of England)
Tim Martin MCIM Chartered Marketer
(East Midlands)
Tatiana Schofield DipM MCIM Chartered Marketer
(Greater London)
Wilson Shao FCIM Chartered Marketer
(Hong Kong)
Christine Watson DipM MCIM Chartered Marketer
(Ireland)
Goh Ing King DipM FCIM Chartered Marketer
(Malaysia)
Garry Heath MCIM
(Market Interest Groups)
Dr Joanna Berry FCIM
(North East)
Davide De Maestri FCIM Chartered Marketer
(North West)
Joe Pacitti MCIM
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Leigh Hopwood DipM MCIM Chartered Marketer
(South East)
John Taylerson DipM FCIM Chartered Marketer
(South West)
Shantha Katipearachchi DipM MCIM Chartered Marketer
(Sri Lanka)

Roger Pride FCIM
(Wales)

Paul Connor MCIM Chartered Marketer
(West Midlands)

Giovanna Battiston DipM MCIM Chartered Marketer
(Yorkshire)

Chief Executive

Anne Godfrey FCIM

Secretary

Joanne Saintclair-Abbott

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RH6 OPA

Banker

Royal Bank of Scotland
9th Floor
280 Bishopsgate
London
EC2M 4RB

Solicitors

Governance Matters:
Farrer & Co.
66 Lincoln's Inn Fields
London
WC2A 3LH

Independent auditors' report to The Board of Trustees of The Chartered Institute of Marketing

We have audited the financial statements of The Chartered Institute of Marketing (CIM) for the year ended 30 June 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to The Board of Trustees, as a body, in accordance with CIM's governing charter. Our audit work has been undertaken so that we might state to The Board 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 CIM and The Board as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent body's affairs as at 30 June 2014, and of the group's incoming resources and application of resources 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 paragraph 60 of the Bye-Laws of the Royal Charter of The Chartered Institute of Marketing.

Opinion on other matter prescribed by the Bye Laws of the Royal Charter of The Chartered Institute of Marketing

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BDO LLP

Gatwick
United Kingdom
Date: 13 October 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of financial activities

For the year ended 30 June 2014

| | Note | 2014 Total Funds £'000 | 2013 Total Funds £'000 |
|--|-----------|------------------------------|------------------------------|
| Incoming resources | | | |
| Education services | 1e | 2,993 | 3,188 |
| Membership services | 1e | 5,049 | 5,262 |
| Learning and development services | 1e | 5,337 | 5,155 |
| Conference centre services | 1e | 1,407 | 1,125 |
| Other financing income | 15 | 149 | 190 |
| Total incoming resources | | 14,935 | 14,920 |
| Expenditure | | | |
| Education services | 1g,2 | 2,235 | 2,895 |
| Membership services | 1g,2 | 5,116 | 5,501 |
| Learning and development services | 1g,2 | 4,554 | 4,393 |
| Conference centre services | 1g,2 | 2,119 | 1,679 |
| Governance costs | 1h,2 | 84 | 105 |
| De-consolidation of CIM Sri Lanka Branch | 7 | 201 | – |
| Total expenditure | | 14,309 | 14,573 |
| Net incoming resources before taxation | | | |
| Taxation | 5 | – | (52) |
| Net incoming resources for the year | | 626 | 295 |
| Actuarial loss on defined benefit pension scheme | 15 | (676) | (692) |
| Surplus on revaluation of land and buildings | 6 | 1,652 | – |
| Net movement in funds | | 1,602 | (397) |
| Total funds brought forward | | 1,981 | 2,378 |
| Total funds carried forward | 13 | 3,583 | 1,981 |

All incoming resources and resources expended derive solely from continuing activities. The notes on pages 14 to 24 form part of these financial statements.

Balance sheet

On 30 June 2014

| | Note | 2014 Group £'000 | 2014 CIM £'000 | 2013 Group £'000 | 2013 CIM £'000 |
|---|------|------------------------|----------------------|------------------------|----------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | 7,011 | 6,000 | 5,272 | 3,305 |
| Investments | 7 | – | 4 | – | 4 |
| | | 7,011 | 6,004 | 5,272 | 3,309 |
| Current assets | | | | | |
| Stocks | 1d | 33 | 8 | 45 | 3 |
| Debtors | 9 | 1,575 | 1,315 | 1,735 | 1,842 |
| Cash at bank and in hand | | 1,077 | 759 | 527 | 111 |
| | | 2,685 | 2,082 | 2,307 | 1,956 |
| Current liabilities | | | | | |
| Creditors – Amounts falling due within one year | 10 | (2,175) | (1,804) | (2,092) | (1,314) |
| Deferred income | 11 | (2,347) | (1,721) | (2,449) | (1,738) |
| | | (4,522) | (3,525) | (4,541) | (3,052) |
| Net current liabilities | | | | | |
| | | (1,837) | (1,443) | (2,234) | (1,096) |
| Total assets less current liabilities | | | | | |
| | | 5,174 | 4,561 | 3,038 | 2,213 |
| Creditors | | | | | |
| Amounts falling due after more than one year | 12 | (314) | (313) | (8) | – |
| Defined benefit pension scheme | 15 | (1,277) | – | (1,049) | – |
| | | 3,583 | 4,248 | 1,981 | 2,213 |
| Funds | | | | | |
| General fund | 13 | 4,288 | 4,248 | 2,485 | 2,213 |
| Defined benefit pension reserve | 15 | (1,277) | – | (1,049) | – |
| Restricted reserves | 13 | 572 | – | 545 | – |
| | | 3,583 | 4,248 | 1,981 | 2,213 |

The notes on pages 14 to 24 form part of these financial statements.

These financial statements were approved by The Board of Trustees on 9 October 2014.

Matthew Neilson
Trustee and Chairman

Consolidated cash flow statement

For the year ended 30 June 2014

| | 2014 | | 2013 | |
|--|-------|------------|-------|-------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cash flow from operating activities (note 1) | | 995 | | 325 |
| Returns on investment and servicing of finance | | | | |
| Interest received | 7 | | 2 | |
| Interest paid | (3) | | (3) | |
| Net cash inflow / (outflow) from returns on investment and servicing of finance | | 4 | | (1) |
| Taxation | | | | |
| UK Corporation tax repaid | | – | | – |
| Capital expenditure and financial investment | | | | |
| Purchase of tangible fixed assets | (542) | | (268) | |
| Sale proceeds of fixed assets | – | | 10 | |
| De-consolidation of Sri Lanka branch | (298) | | – | |
| Net cash outflow for capital expenditure and financial investment | | (840) | | (258) |
| Cash inflow before use of liquid resources and financing | | 159 | | 66 |
| Financing | | | | |
| Secured loan received | | 400 | | – |
| Loan repayments | | (9) | | (2) |
| Net cash inflow / (outflow) from financing | | 391 | | (2) |
| Increase / (decrease) in cash in the year (note 2) | | 550 | | (64) |

The notes on pages 14 to 24 form part of these financial statements.

Notes to the consolidated cash flow statement

For the year ended 30 June 2014

1. Reconciliation of net incoming resources to operating cash flow

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Net incoming resources | 626 | 347 |
| Interest paid | 3 | 3 |
| Interest received | (7) | (2) |
| Depreciation charge | 440 | 378 |
| Exchange differences re: fixed assets | 2 | – |
| Decrease / (increase) in stocks | 10 | (3) |
| Decrease / (increase) in debtors | 84 | (234) |
| Increase in creditors | 76 | 284 |
| Loss on sale of fixed assets | 8 | 32 |
| De-consolidation of CIM Sri Lanka Branch | 201 | – |
| Pension scheme liability movement | (448) | (480) |
| Net cash inflow from operating activities | 995 | 325 |

2. Reconciliation of net cash flow to movement in net funds

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Increase in cash in the year | 550 | 64 |
| Cash flow from decrease / (increase) in debt | (386) | (2) |
| Change in net debt resulting from cash flows | 164 | 62 |
| Net funds at 1 July 2013 | 519 | 457 |
| Net funds at 30 June 2014 | 683 | 519 |

3. Analysis of funds

| | 1 July 2013 | Cash flow | 30 June 2014 |
|--------------------------|----------------|--------------|-----------------|
| Cash at bank and in hand | 527 | 550 | 1,077 |
| Debt due within 1 year | – | (80) | (80) |
| Debt due after 1 year | (8) | (306) | (314) |
| | 519 | 164 | 683 |

Notes to the financial statements

For the year ended 30 June 2014

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Although The Chartered Institute of Marketing (CIM) is not registered with the Charity Commission the financial statements have been prepared in compliance with SORP 2005 'Accounting and Reporting by Charities' to best reflect the activities of a professional body. For comparative purposes the charitable nomenclature of the SORP has been retained.

b) Basis of consolidation

The financial statements include the results of CIM, those branches over which CIM can exert dominant influence and which would have a material impact on its results, and all of its subsidiary undertakings. In the case of other branches the amounts advanced have been treated as part of total expenditure. A separate statement of financial activities for CIM itself has not been presented.

c) Tangible fixed assets

All fixed assets are capitalised at cost (except where stated otherwise) and depreciation is provided on a straight-line basis to write off the cost of fixed assets over their estimated useful lives at the following rates:

| | |
|-------------------------------|-----------|
| Freehold land | Nil |
| Buildings | 2% |
| Improvement to premises | 2% |
| Plant and equipment | 7% – 25% |
| Motor vehicles | 25% |
| Computer equipment & software | 25% – 33% |
| Furniture and equipment | 10% – 20% |

d) Stock

Stocks are valued at the lower of cost and net realisable value. Due allowance is made for slow moving and obsolete stock.

e) Analysis of incoming resources

The main income streams are divided into four areas:

- i) Education services includes all examination fees and accreditation fees.
- ii) Membership services includes professional and student membership fees and advertising income received through The Marketer magazine.
- iii) Learning and development, which covers CIM's trading activities. These consist of Training, The Marketing Bookshop and Corporate membership.
- iv) Conference centre services covers corporate events along with Weddings and other social events held at Moor Hall.

f) Accounting for incoming resources

Income is deferred where it relates to membership subscriptions and course income which apply to the next financial year. All deferred income will be released within the following financial year. Income is recognised as follows:

- i) Education services from examination fees is recognised in the period in which the exams are sat.
- ii) Membership services from subscriptions is recognised over the period to which it relates.
- iii) Learning and development is recognised at date of delivery of the service / goods apart from Corporate membership which is recognised over the period to which it relates.
- iv) Conference centre services are recognised when the relevant event takes place.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a fair basis. In compliance with SORP 2005 indirect costs, including central support costs, are allocated across the activities.

Expenditure on Information Technology is based on a charge per person for the use of the service, Human Resources is on an actual charge per person for the use of the services and Estates and building occupation costs are charged on an occupation of space basis. All other indirect expenditure is allocated based on the proportion of incoming resources of that activity as a percentage of the group incoming resources. Any irrecoverable VAT is included within expenditure with the cost that it relates to.

h) Governance costs

Governance costs represent expenditure incurred by the Board of Trustees in undertaking their role as Trustees of the Charity and compliance with statutory requirements, auditors fees and annual review costs.

i) Investments

Investments are stated at cost, less any provision for impairment, as they relate to wholly owned subsidiaries and there is no available market value for them. The need for any impairment is assessed by comparison of the carrying value of the investment against the higher of realisable value and value in use.

j) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the approximate rate of exchange ruling at the transaction date. Exchange gains and losses are accounted for in arriving at the result for the year.

k) Pensions

The Group's defined benefits scheme is accounted for in accordance with FRS 17 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the Group's long term expected return on assets (based on the market value of scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the differences arising from experience or assumption changes.

Contributions to the Group's defined contribution scheme are charged to the statement of financial activities in the year in which they become payable.

l) Operating leases

Rentals payable under operating leases are charged to the statement of financial activities as incurred over the term of the lease.

m) Fund Accounting

General funds held by CIM are unrestricted general funds which can be used in accordance with CIM's objects at the discretion of the Trustees. Restricted funds relate to the net funds of the Communication, Advertising and Marketing Education Foundation Limited (CAM) and, previously, the Sri Lanka Branch.

n) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception: deferred tax assets are recognised only to the extent that the trustees consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Analysis of expenditure

| | Staff costs £'000 | Depreciation £'000 | Other Direct Costs £'000 | Overheads £'000 | 2014 Total £'000 | 2013 Total £'000 |
|---------------------------------|----------------------|-----------------------|--------------------------------|--------------------|------------------------|------------------------|
| Education services | 1,013 | 36 | 723 | 463 | 2,235 | 2,895 |
| Membership services | 2,116 | 65 | 1,068 | 1,867 | 5,116 | 5,501 |
| Learning & development services | 2,043 | 231 | 1,701 | 579 | 4,554 | 4,393 |
| Conference centre services | 891 | 108 | 339 | 781 | 2,119 | 1,679 |
| Governance costs | | | 84 | | 84 | 105 |
| | 6,063 | 440 | 3,915 | 3,690 | 14,108 | 14,573 |

Governance costs comprise of auditors fees, annual review costs and Board of Trustees expenses.

Analysis of overheads

All overhead costs directly accounted for by CIM are allocated to CIM Holdings Ltd, the commercial business stream, and are apportioned as detailed in note 1g. The overhead costs are net of salaries of £2,544k which are included under staff costs.

| | Education £'000 | Membership £'000 | Learning & Development £'000 | Conference Centre £'000 | Total £'000 |
|--------------------------------------|--------------------|---------------------|------------------------------------|-------------------------------|----------------|
| Finance & computing | 203 | 494 | 219 | 340 | 1,256 |
| Corporate activities, HR & marketing | 157 | 1,117 | 239 | 162 | 1,675 |
| Estates | 103 | 256 | 121 | 279 | 759 |
| | 463 | 1,867 | 579 | 781 | 3,690 |

3. Net resources expended is stated after charging

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Auditors' remuneration: Audit fees | 41 | 43 |
| Other fees | 21 | 13 |
| Expenses reimbursed to Trustees | 55 | 69 |
| Amount paid in respect of Trustee indemnity insurance | 3 | 3 |
| Operating lease rentals | 58 | 74 |
| Provision for accrued holiday pay | 152 | – |

Expenses were reimbursed to 14 (2013:11) individuals who acted as Trustees during the year; these costs relate to travel, accommodation and legal expenses. No Trustees received any remuneration during the financial year.

4. Staff costs

| | 2014 £'000 | 2013 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 5,330 | 5,741 |
| Social security costs | 525 | 580 |
| Pension costs | 208 | 183 |
| | 6,063 | 6,504 |

Contributions to the Defined Benefit Pension Scheme (see note 15) were £299k (2013: £290k).

The average monthly number of persons employed during the year, analysed by the type of work was:

| | 2014 Number | 2013 Number |
|------------------------------------|----------------|----------------|
| Education services | 14 | 21 |
| Membership services | 46 | 56 |
| Learning and development | 33 | 28 |
| Conference centre | 24 | 27 |
| Administration staff | | |
| Finance and computing | 20 | 17 |
| Corporate activities and marketing | 23 | 26 |
| Estates | 3 | 4 |
| | 163 | 179 |

The number of higher paid employees was:

| | 2014 Number | 2013 Number |
|---------------------|----------------|----------------|
| £60,001 – £70,000 | 3 | 2 |
| £70,001 – £80,000 | 1 | 3 |
| £80,001 – £90,000 | – | 2 |
| £90,001 – £100,000 | – | 1 |
| £110,001 – £120,000 | 1 | – |
| £120,001 – £130,000 | – | 1 |
| £140,001 – £150,000 | 1 | – |

The number of higher paid employees to whom retirement benefits accrued under a defined benefit scheme was nil (2013: nil). The number of higher paid employees to whom retirement benefit accrued under a defined contribution scheme was six (2013: seven), the contributions for provisions of the defined contribution scheme was £14.2k (2013: £30.3k).

5. Taxation

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| United Kingdom Corporation Tax in respect of current year | – | 15 |
| Deferred tax | – | 37 |
| | – | 52 |

6. Tangible fixed assets

| | Freehold Land and Buildings £'000 | Improve- ments to premises £'000 | Plant and Equipment £'000 | Motor Vehicles £'000 | Computer Equipment and Software £'000 | Furniture and Equipment £'000 | Total £'000 |
|-----------------------------------|--|---|---------------------------------|----------------------------|--|-------------------------------------|----------------|
| Cost or valuation | | | | | | | |
| At 1 July 2013 | 5,088 | 1,756 | 1,305 | 6 | 2,239 | 434 | 10,828 |
| Exchange difference | – | – | – | – | (2) | – | (2) |
| Additions | 11 | – | 266 | 47 | 32 | 186 | 542 |
| Disposals | – | – | (146) | – | (1) | (9) | (156) |
| De-consolidation | – | – | (1) | (1) | (11) | (8) | (21) |
| Transfer | 1,756 | (1,756) | – | – | – | – | – |
| Revaluation | (855) | – | – | – | – | – | (855) |
| As 30 June 2014 | 6,000 | – | 1,424 | 52 | 2,257 | 603 | 10,336 |
| Depreciation | | | | | | | |
| At 1 July 2013 | 1,784 | 587 | 1,013 | 5 | 1,785 | 382 | 5,556 |
| Charge for the year | 101 | 35 | 49 | 12 | 229 | 14 | 440 |
| Disposals | – | – | (138) | – | (1) | (9) | (148) |
| De-consolidation | – | – | (1) | – | (9) | (6) | (16) |
| Transfer | 622 | (622) | – | – | – | – | – |
| Revaluation | (2,507) | – | – | – | – | – | (2,507) |
| At 30 June 2014 | – | – | 923 | 17 | 2,004 | 381 | 3,325 |
| Net book value At 30 June 2014 | 6,000 | – | 501 | 35 | 253 | 222 | 7,011 |
| At 30 June 2013 | 3,304 | 1,169 | 292 | 1 | 454 | 52 | 5,272 |

Freehold land and buildings are owned by CIM and are subject to a fixed charge. Except for fixed assets comprising of furniture and fittings with a net book value of £3,691 (2013: £10,607) all other fixed assets including improvements to the buildings are owned by CIM Holdings Limited.

The net book value of freehold land and buildings, including improvements to premises, is £6,000,000 comprising of land £3,000,000 and buildings £3,000,000. The property was valued at 30 June 2014 on an existing use basis by Deriaz Slater, Chartered Surveyors in accordance with guidelines issued by the Royal Institute of Chartered Surveyors. The net surplus on revaluation of £1,652,000 is shown as a movement of funds in the SOFA.

7. Fixed asset investment of CIM

| | | 2014 £'000 | 2013 £'000 |
|--|----------------------------------|---------------|---------------|
| Investments | | 4 | 4 |
| | | 2014 | 2014 |
| | Percentage of shares held | £ | £ |
| CIM Holdings Limited | 100% | 1,000 | 1,000 |
| The Institute of Marketing (pre Charter) (dormant) | 100% | 2,000 | 2,000 |
| CIM Direct Limited (dormant) | 100% | 1,000 | 1,000 |
| College of Marketing Limited (dormant) | 100% | 100 | 100 |
| Marketing Training Limited (dormant) | 100% | 100 | 100 |
| Marketing House Publishers Limited (dormant) | 100% | 100 | 100 |
| Marketing Business Limited (dormant) | 100% | 100 | 100 |
| CIM Enterprise Ltd (dormant) | 100% | 1 | 1 |
| Sales Leadership Alliance Ltd (dormant) | 100% | 1 | 1 |
| Institute of Sales (dormant) | 100% | – | – |
| The Marketing Council (dormant) | 100% | – | – |
| | | 4,402 | 4,402 |
| Loan to CIM Holdings Limited 1,750,000 | | 1,750,000 | 1,750,000 |
| Provision Against Loan to CIM Holdings | | (1,750,000) | (1,750,000) |
| | | 4,402 | 4,402 |

All investments are entities incorporated in the UK.

The following subsidiaries were active in the year and are all 100% subsidiaries of CIM:

- The Communication Advertising & Marketing Education Foundation Ltd (CAM)
- CIM Holdings Ltd
- CIM Hong Kong Branch.

In previous years the results of CIM Sri Lanka Branch Ltd were consolidated in CIM's results. The Trustees have reviewed CIM's interest in that company and concluded that CIM no longer has dominant influence or control over the Sri Lankan activities and finances. Therefore the 2014 CIM group results show a de-consolidation of the Sri Lankan company. The net effect is a charge to the SOFA in the year of £201,000.

The loan to CIM Holdings Ltd is unsecured, interest free and is not expected to be repaid within the foreseeable future.

8. Results of principal subsidiary

| CIM Holdings Ltd (100% subsidiary of CIM) | 2014 £'000 | 2013 £'000 |
|---|----------------|----------------|
| Turnover | 7,028 | 6,701 |
| Cost of sales | (2,175) | (2,006) |
| Gross profit | 4,853 | 4,695 |
| Administrative expenses | (4,637) | (4,396) |
| | 216 | 299 |
| Assets | 2,238 | 2,794 |
| Liabilities | (4,623) | (4,946) |
| Pension scheme liability | (1,276) | (1,049) |
| | (3,661) | (3,201) |
| Share capital | 1 | 1 |
| Profit and loss account | (2,386) | (2,153) |
| Pension scheme reserve | (1,276) | (1,049) |
| | (3,661) | (3,201) |

9. Debtors: Amounts falling due within one year

| | 2014 | | 2013 | |
|-------------------------|----------------|--------------|----------------|--------------|
| | Group £'000 | CIM £'000 | Group £'000 | CIM £'000 |
| Trade debtors | 1,140 | 326 | 1,229 | 575 |
| Owed by group companies | – | 650 | – | 878 |
| Sundry debtors | 19 | 5 | 94 | 9 |
| Prepayments | 249 | 220 | 289 | 279 |
| Accrued income | 167 | 114 | 123 | 101 |
| Deferred tax | – | – | – | – |
| Corporation tax | – | – | – | – |
| | 1,575 | 1,315 | 1,735 | 1,842 |

10. Creditors: Amounts falling due within one year

| | 2014 | | 2013 | |
|---------------------------------------|----------------|--------------|----------------|--------------|
| | Group £'000 | CIM £'000 | Group £'000 | CIM £'000 |
| Trade creditors | 951 | 505 | 843 | 418 |
| Owed to group companies | – | 616 | – | 368 |
| Other creditors | 91 | 34 | 241 | 4 |
| Other taxes and social security costs | 314 | 38 | 439 | 37 |
| Accruals | 739 | 531 | 568 | 487 |
| Bank loan (see note 12) | 80 | 80 | – | – |
| | 2,175 | 1,804 | 2,091 | 1,314 |

11. Deferred income

| | 2014 | | 2013 | |
|--------------------------------|----------------|--------------|----------------|--------------|
| | Group £'000 | CIM £'000 | Group £'000 | CIM £'000 |
| Balance at 1 July 2013 | 2,449 | 1,738 | 2,546 | 1,755 |
| Released to the SOFA | (2,449) | (1,738) | (2,546) | (1,755) |
| New sources of deferred income | 2,347 | 1,720 | 2,449 | 1,738 |
| Balance at 30 June 2014 | 2,347 | 1,720 | 2,449 | 1,738 |

12. Creditors: Amounts falling due after more than one year

| | 2014 | | 2013 | |
|-----------|----------------|--------------|----------------|--------------|
| | Group £'000 | CIM £'000 | Group £'000 | CIM £'000 |
| Bank loan | 313 | 313 | – | – |
| Other | 1 | – | 8 | 8 |
| | 314 | 313 | 8 | 8 |

The bank loan is secured by way of fixed charge over the freehold property of CIM.

13. Funds

| | Balance at 1 July 2013 £'000 | Transfers £'000 | Other Movements £'000 | Incoming Resources £'000 | Expended Resources £'000 | Balance at 30 June 2014 £'000 |
|--|------------------------------------|--------------------|-----------------------------|--------------------------------|--------------------------------|--|
| General fund: | | | | | | |
| Free reserves | (2,787) | 290 | (676) | 14,196 | (13,746) | (2,723) |
| Fixed asset reserves | 5,272 | 87 | 1,652 | – | – | 7,011 |
| | 2,485 | 377 | 976 | 14,196 | (13,746) | 4,288 |
| Defined benefit pension reserve | (1,049) | (377) | – | 149 | – | (1,277) |
| Restricted funds | | | | | | |
| CAM | 344 | – | – | 590 | (362) | 572 |
| CIM Sri Lanka Branch | 201 | – | – | – | (201) | – |
| | 1,981 | – | 976 | 14,935 | (14,309) | 3,583 |

The restricted funds represent the net funds of the Sri Lanka Branch (until de-consolidation on 1 July 2013) and CAM. The CAM funds are restricted to activities that are in line with objectives of the Charity.

14. Capital and revenue commitments

| | 2014 | | 2013 | |
|---|----------------|--------------|----------------|--------------|
| | Group £'000 | CIM £'000 | Group £'000 | CIM £'000 |
| Capital: contracted, but not provided for | 114 | – | 24 | – |

The contracted capital relates to computer equipment and e-learning software delivered in July and August 2014.

Revenue: CIM is committed to minimum annual payments under non-cancellable operating leases as follows:

| | 2014 Group Motor Vehicles £'000 | 2013 Group Motor Vehicles £'000 |
|-------------------------|--|--|
| Leases expiring: | | |
| Within 1 Year | 11 | 26 |
| 2–5 Years | 9 | 29 |
| | 20 | 55 |

15. Pensions

CIM Holdings Ltd operates a Defined Benefit Pension Scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of CIM Holdings Ltd and are invested in a fund administered by investment managers. The scheme has been closed to new entrants since 30 June 2002 and closed to future accrual from 30 April 2010. At 30 June 2014 there were 204 members in the scheme; 94 deferred members, 89 pensioners, and 19 of whom were active at the point the Scheme closed to future accrual and are now referred to as Special Deferred Members.

The contributions and pension costs are determined by a qualified actuary on the basis of a triennial valuation, the most recent valuation being at 30 June 2011. For the purposes of the valuation the actuary assumed that earnings would increase by 3.5% per annum and the interest earned on future income of the fund would be 6% per annum.

The valuation at 30 June 2011 showed that the market value of the scheme's assets was £14,343,000 with the actuarial value of those assets representing a funding level of 81% (30 June 2008 valuation: 75%). The above assessment was based upon numerous long term assumptions made by the independent actuary. These included future rates of salary increases, pension increases, investment returns and rates of mortality. The next full actuarial valuation of the Scheme is due on 30 June 2014.

From July 2012, in order to repay the Scheme's deficit, the contribution payment schedule states an annual payment of £290k for the next 3 years and £440k per annum for a further six years (with these amounts increasing each year in line with RPI). This is reviewed and recalculated after each full valuation.

Additional costs of operating the Scheme are the life cover and dependents' pensions in respect of death in service, £20k (2013: £42k), which are provided by additional insurance premiums and the pension charge for the period of £69k (2013: £94k) which includes the pension administrators' costs, £59k (2013: £87k). All costs are charged directly to the statement of financial activities.

CIM Holdings Ltd's defined contribution pension scheme changed as at the 30 April 2010 to a Group Personal Pension Plan (GPPP) and the assets are held in an independently administered fund. The previous Defined Benefit Scheme members transferred to the GPPP Scheme. The pension charge for the period was £208,057 (2013: £183,136).

15. Pensions (continued)

| The assumptions used for calculating the liabilities were: | 2014 | 2013 |
|---|------|------|
| Rate of increase in salaries | 3.0% | 3.0% |
| Rate of increase to pensions in payment accrued prior to 1.1.95 | 5.0% | 5.0% |
| Rate of increase to pensions in payment accrued after 31.12.94 | 3.2% | 3.2% |
| Rate of increase to pensions in payment accrued since 1.7.07 | 2.3% | 2.3% |
| Revaluation of deferment (CPI) | 2.5% | 2.5% |
| Expected return on scheme assets at beginning of year | 6.0% | 6.0% |
| Discount rate | 4.5% | 4.9% |
| Inflation assumption (RPI) | 3.3% | 3.3% |

| Mortality table: | 85% S1NXA CMI 2010 projections LTR 1.5% | 85% S1NXA CMI 2010 projections LTR 1.5% |
|---|---|---|
| Life expectancy of pensioners at age 65 | | |
| Males: | 23.9 years | 24.2 years |
| Females: | 26.4 years | 26.5 years |

Effect of change of assumptions on liability values

| Change | Increase liabilities by |
|--|----------------------------|
| Reduce discount rate by 0.25% | 977,000 |
| Increase in salary growth assumption by 0.25% | 137,000 |
| Increase inflation and salary growth assumption by 0.25% | 815,000 |
| Change mortality assumption by 0.5% | 1,046,000 |

Scheme assets

| | 2014 £'000 | 2013 £'000 |
|----------------|---------------|---------------|
| Equities | 14,228 | 13,177 |
| Fixed interest | 2,656 | 2,300 |
| Cash | 2,086 | 2,406 |
| | 18,970 | 17,883 |

Change in scheme liabilities

| | 2014 £'000 | 2013 £'000 |
|---|-----------------|-----------------|
| Beginning balance | (18,932) | (18,932) |
| Interest cost | (910) | (838) |
| Benefits paid | 749 | 673 |
| Actuarial (loss)/gain on defined benefit obligation | (1,154) | (605) |
| Closing balance | (20,247) | (18,932) |

15. Pensions (continued)

Change in scheme assets

| | 2014 £'000 | 2013 £'000 |
|---------------------------------------|---------------|---------------|
| Beginning balance | 17,883 | 17,325 |
| Expected return on scheme assets | 1,059 | 1,028 |
| Employer contributions | 299 | 290 |
| Benefits paid | (749) | (673) |
| Actuarial gain | 478 | (87) |
| Closing balance | 18,970 | 17,883 |
| Actual return on scheme assets | 1,537 | 941 |

Amount recognised in the SoFA

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Actual less expected on return on assets | 478 | 87 |
| Actuarial (loss) / gain on liabilities | (1,154) | (605) |
| Actuarial gain / (loss) recognised in the SoFA | (676) | (692) |

Amounts recognised in the balance sheet

| | 2014 £'000 | 2013 £'000 |
|-------------------------------------|----------------|----------------|
| Present value of scheme liabilities | (20,247) | (18,932) |
| Fair value of scheme assets | 18,970 | 17,883 |
| Net liability at end of year | (1,277) | (1,049) |

Other amounts recognised in the SoFA

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Interest cost | 910 | 838 |
| Expected return on assets | (1,059) | (1,028) |
| Total charged to expenditure for the year | (149) | (190) |




Amounts for current and previous periods

| | 2014 £'000 | 2013 £'000 | 2012 £'000 | 2011 £'000 | 2010 £'000 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation | (20,247) | (18,932) | (18,162) | (15,491) | (15,748) |
| Scheme assets | 18,970 | 17,883 | 17,325 | 14,292 | 12,954 |
| Deficit | (1,277) | (1,049) | (837) | (1,199) | (2,794) |
| Experience adjustments on liabilities | (1,154) | (605) | (2,272) | 604 | (1,327) |
| Experience adjustments on assets | 478 | (87) | 2,119 | 590 | 1,841 |

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