



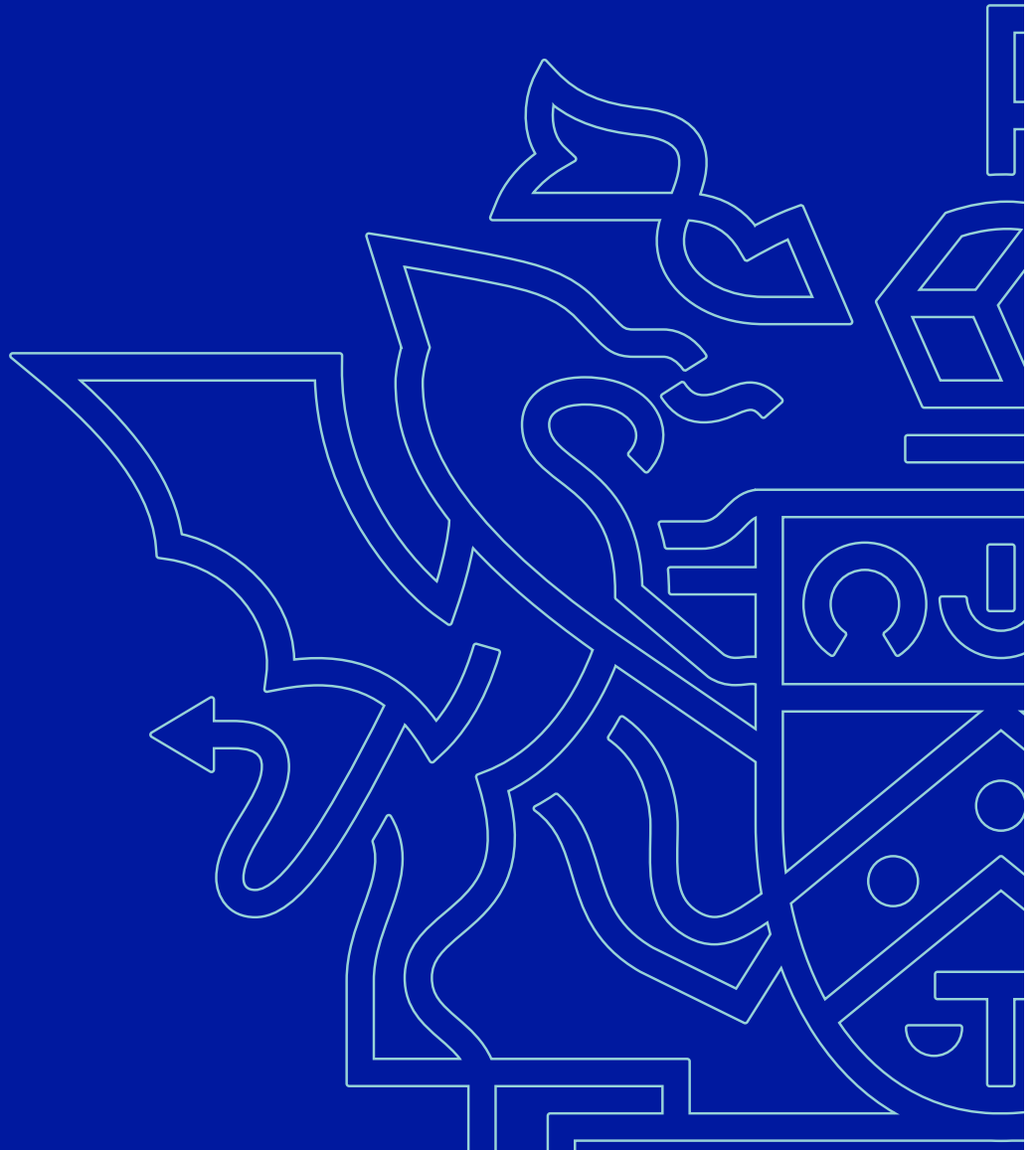
CIM

The Chartered
Institute of Marketing

CIM and its subsidiary companies

Report and Financial Statements

For the year ended 30 June 2015



Contents

Trustees' report	3
Legal and administration information	7
Report of the independent auditors	9
Consolidated statement of financial activities	10
Consolidated and CIM balance sheets	11
Consolidated cash flow statement	12
Notes to the financial statements	14

Trustees' report

For the year ended 30 June 2015

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 2015. 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 2005.

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 two telephone meetings between 1 July 2014 and 30 June 2015 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 enable risks to be managed and minimised.

CIM has a number of connected organisations worldwide. CIM Hong Kong is consolidated in these financial statements. The other largest organisations in the CIM community 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.
- Ensure that CIM's structure, systems, intellectual and financial capital 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 five categories:

- Strategic
- Financial
- Operational
- Compliance and Legal
- People

The scoring system rates each identified risk on the likelihood and severity of occurrence. Each risk is assigned to a member of the executive for management 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 that risks are determined, reviewed and managed.

Achievements and performance:

Brand

The launch of CIM's new brand positioning and identity during the year received positive feedback across both the marketing and design community. The introduction of our new corporate identity was fully rolled out during the financial year, resulting in a coherent and distinct visual presence for the first time in many years. Our teams have now turned their attention to pushing the creative boundaries of our new identity and working with our channels and volunteer groups to help develop and share creative best practices.

Learning & development

CIM's training arm continues to perform strongly. Sales of in-company training solutions have experienced a fifth successive year of growth as an increasing number of organisations are recognising the value of investment in their marketing teams and in professional development. Overseas customers now account for 15% of In-Company business. Sales of open training courses have weakened slightly in a challenging market.

The new suite of Qualifications has received positive feedback from the study centre network. First assessments took place in December 2014. The previous syllabus is being phased out with final exams taking place in September 2015. The focus is now on expanding the portfolio to meet the wider needs of marketing learners.

The Professional Marketing Standards have been released and form a framework of competencies and proficiency levels to map CIM against other marketing learning products. Work has commenced on a new online CPD portal which will provide members with the ability to maintain their CPD records and benchmark their knowledge and skills against the standards, identifying areas for further development and training.

Membership

In the twelve months to June 2015, total membership declined by 1% with growth in a number of UK and international regions. There has been a 5% increase in the studying membership community, reflecting the success of the Graduate Gateway initiative, with UK universities subscribing to Affiliate membership for their undergraduates, as well as a growth in members undertaking our new qualifications. The decline in professional membership was 6% with an in-depth review of professional member needs taking place in order to promote relevance and employability.

The Membership and the Professional Advisory Group (MPAG) has established two working groups to review both the Networks structure and the financial investment used to support that structure. Details of the Network review were launched at the successful Stakeholder Networking Conference held in July.

Moor Hall Conference Centre

The completed bedroom refurbishment, combined with a step change improvement in food quality due to the outsourcing of Moor Hall catering, has delivered an 18% increase in revenues and resulted in a rating of 8.4 out of a possible 10 on www.booking.com. In addition Moor Hall has joined the Conference Centres of Excellence Group. Investment in a rolling site maintenance programme will help to maintain the current standards, improve the overall customer experience and continue the increase in corporate bookings.

Research and insight

During the year CIM's research and insight efforts were focussed on market and customer research programmes, designed to inform management decisions. In 2014/15 CIM began to refocus on its external thought leadership and voice agenda. Beginning with a major crowd-sourced initiative called 'Marketing 2025', CIM has worked collaboratively across industries and markets to identify the major issues and opportunities shaping our profession over the next decade. Run as a competition to develop practical ideas and solutions, we secured input from more than 2,700 marketing professionals (the majority of whom are not yet members), with over 400 ideas contributed. We have now closed the project and will be launching the winning ideas in autumn 2015. All of the ideas are being progressed through our content strategy and thought leadership agenda for the next financial year to ensure that we respond to the opportunities raised.

Financial report 2015 - Overall results

The financial statements for 2015 include the three subsidiaries of CIM: CIM Holdings Ltd, the commercial entity of CIM; the Communication, Advertising and Marketing Foundation Limited (CAM), a charity limited by guarantee; and the international operations in Hong Kong. CIM continues its support of CIM Holdings Ltd which has accumulated losses due to past trading and pension provisions.

Income of £15.6 million is 4.6% higher than the revenue achieved last year. Growth was achieved within qualifications, training and the Conference Centre which offset the decline in membership income. Expenditure was correspondingly 5.4% higher than the prior year, reflecting increased direct costs and support requirements associated with the growth in revenue, increased customer focus and the delivery of a new technology platform.

CIM produced a consolidated pre-tax surplus of £535k (2014: £626k). The closed defined benefit pension scheme was in surplus at 30 June 2015 due to outperformance of investments above the growth in scheme liabilities, however this surplus cannot be reflected in the financial statements, being an asset of the fund. A gain of £971k to eradicate CIM's liability has therefore been reflected in the accounts which has contributed to a total increase in funds of £1,506k. Free reserves in the

General Fund plus deferred income remain in deficit at £1,322k (2014: £376k). 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

Qualification revenue of £3.9m increased by 29% overall due to the change in the syllabus and examination structure for CIM's awards. This was caused by a positive response to the new exams coupled with a sunset effect of students taking the old papers before being time-barred in September 2015.

Membership income was 11% lower than last year at £4.5m due to the decline in professional membership and reduced income from the increased numbers of studying members on the Graduate Gateway scheme who subscribed at lower rates.

Training revenue increased by £253k to £5.6m. There was growth in the provision of in-company training courses, up by £459k or 23% and increased income from the CIM Academy which offers a mix of virtual and blended residential courses. However, this was partially offset by reductions in income from residential training courses and workshops. Conference Centre revenue of £1.7m increased by 18%. This income is derived from hiring the conference centre facilities for the delivery of training and corporate events.

Costs of £15.1m included £137k to complete the delivery of the five agreed strategic programmes, involving the development of the new qualifications and the successful rebranding of CIM. 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 £5.1m (2014: £3.6m) with the general fund accounting for £4.4m after the eradication of the pension fund liability following its return to surplus. The restricted fund of £711k relates to CAM.

Capital expenditure of £883k increased substantially compared to the prior year (2014: £542k) and relates to significant IT spend as well as necessary improvements to the buildings and facilities at Moor Hall.

Net current liabilities of £2.1m include £1.7m of deferred income due to timing of membership renewals and pre-booked courses. Bank balances of £530k (2014: £1,077) declined due to the effect of higher capital expenditure, loan repayments, pension fund payments and creditor movements, offset by a reduction in debtors.

Summary and outlook

CIM has once again returned a substantial operating surplus for the year at £535k although lower than in 2014 due to planned investment in products, brand and delivery. The decline in professional membership income remains to be addressed but all other income streams have shown growth in the year and increased expenditure has been incurred in a focussed way to improve customer experience and provide a better service level.

Matthew Neilson

Chairman of the Board of Trustees

Date: 16 October 2015

Legal and administration information

For the year ended 30 June 2015

The Board of Trustees

Matthew Neilson FCIM Chartered Marketer - Chair

Keith Arundale FCIM Chartered Marketer

Michael Bedingfield DipM FCIM Chartered Marketer

Professor Colin Bradshaw DipM MCIM Chartered Marketer
(from January 2015)

Ann Brine DipM FCIM Chartered Marketer

Dr Jonathan Deacon DipM FCIM Chartered Marketer
- Vice Chair

Claire Dunning DipM FCIM Chartered Marketer
(until July 2014)

Professor John Egan FCIM Chartered Marketer
(from July 2014)

Leigh Hopwood DipM MCIM Chartered Marketer
(from January 2015)

Shiraz Latiff DipM FCIM Chartered Marketer

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(until July 2014)

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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

Joanna Berry FCIM

Dr Jafaar El-Murad FCIM

Kelvin Golding DipM FCIM Chartered Marketer

John Haynes

Dominic John DipM MCIM

Julius Lukwago DipM MCIM Chartered Marketer

Professor Philip Megicks DipM FCIM

Professor Nina Reynolds MCIM Chartered Marketer

Bev Ridyard DipM MCIM Chartered Marketer

Dr Beth Rogers DipM FCIM Chartered Marketer

Andrew Sherratt MCIM Chartered Marketer

The Membership and the Profession Advisory Group

Claire Carter - Chair

Shobha Bentley

Paul Connor MCIM Chartered Marketer

Dr Jonathan Deacon DipM FCIM Chartered Marketer

Ray Donnelly DipM FCIM

Shantha Katipearachchi DipM MCIM Chartered Marketer

Francesca Monaco MCIM Chartered Marketer

Alex Mswaka MCIM Chartered Marketer

Charlie Nettle MCIM Chartered Marketer

Keith Rowland DipM FCIM Chartered Marketer

Jade Tambini

Catherine Tarasiuk MCIM Chartered Marketer

John Taylerson DipM FCIM Chartered Marketer

Vikki Whittemore DipM MCIM Chartered Marketer

Michael Woo DipM FCIM

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Kelvin Golding DipM FCIM Chartered Marketer
(East of England)

Tatiana Schofield DipM MCIM Chartered Marketer
(Greater London)

Wilson Shao FCIM Chartered Marketer
(Hong Kong)

Nicholas Read DipM MCIM Chartered Marketer
(Ireland)

Goh Ing King DipM FCIM Chartered Marketer
(Malaysia)

Keith Rowland DipM FCIM Chartered Marketer
(Market Interest Groups)

Charlie Nettle MCIM Chartered Marketer
(North East)

Davide De Maestri FCIM Chartered Marketer
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Joe Pacitti MCIM
(Scotland)

Diana Tucker MCIM Chartered Marketer
(South East)

John Taylerson DipM FCIM Chartered Marketer
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Sanjika Perera DipM FCIM
(Sri Lanka)

Roger Pride FCIM
(Wales)

Paul Connor MCIM Chartered Marketer
(West Midlands)

Sally Steadman DipM MCIM Chartered Marketer
(Yorkshire)

Chief Executive

Anne Godfrey FCIM Chartered Marketer

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 2015 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 2015, 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: 21 October 2015

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 2015

	Note	2015 Total Funds £'000	2014 Total Funds £'000
Incoming resources			
Education services	1e	3,863	2,993
Membership services	1e	4,504	5,049
Learning and development services	1e	5,590	5,337
Conference centre services	1e	1,666	1,407
Other financing income	15	-	149
Total incoming resources		15,623	14,935
Expenditure			
Education services	1g,2	2,474	2,235
Membership services	1g,2	5,399	5,116
Learning and development services	1g,2	5,190	4,554
Conference centre services	1g,2	1,937	2,119
Governance costs	1h,2	88	84
De-consolidation of CIM Sri Lanka Branch	5	-	201
Total expenditure		15,088	14,309
Net incoming resources before taxation		535	626
Taxation		-	-
Net incoming resources for the year		535	626
Actuarial gain / (loss) on defined benefit pension scheme	13	971	(676)
Surplus on revaluation of land and buildings	4	-	1,652
Net movement in funds		1,506	1,602
Total funds brought forward		3,583	1,981
Total funds carried forward	11	5,089	3,583

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

At 30 June 2015

	Note	2015 Group £'000	2015 CIM £'000	2014 Group £'000	2014 CIM £'000
Fixed assets					
Tangible assets	4	7,435	5,940	7,011	6,000
Investments	5	-	4	-	4
		7,435	5,944	7,011	6,004
Current assets					
Stocks	1d	57	14	33	8
Debtors	7	1,501	1,567	1,575	1,315
Cash at bank and in hand		530	459	1,077	759
		2,088	2,040	2,685	2,082
Current liabilities					
Creditors - Amounts falling due within one year	8	(2,456)	(1,965)	(2,175)	(1,804)
Deferred income	9	(1,735)	(1,410)	(2,347)	(1,721)
		(4,191)	(3,375)	(4,522)	(3,525)
Net current liabilities					
		(2,103)	(1,335)	(1,837)	(1,443)
Total assets less current liabilities					
		5,332	4,609	5,174	4,561
Creditors					
Amounts falling due after more than one year	10	(243)	(243)	(314)	(313)
Defined benefit pension scheme	13	-	-	(1,277)	-
		5,089	4,366	3,583	4,248
Funds					
General fund	11	4,378	4,366	4,288	4,248
Defined benefit pension reserve	13	-	-	(1,277)	-
Restricted reserves	11	711	-	572	-
		5,089	4,366	3,583	4,248

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

These financial statements were approved by The Board of Trustees on 16 October 2015.

Matthew Neilson
Trustee and Chairman

Consolidated cash flow statement

For the year ended 30 June 2015

	2015		2014	
	£'000	£'000	£'000	£'000
Cash flow from operating activities (note 1.)		447		995
Returns on investment and servicing of finance				
Interest received	2		7	
Interest paid	(42)		(3)	
Net cash inflow / (outflow) from returns on investment and servicing of finance		(40)		4
Taxation				
UK Corporation tax repaid		-		-
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(883)		(542)	
Sale proceeds of fixed assets	-		-	
De-consolidation of Sri Lanka branch	-		(298)	
Net cash outflow for capital expenditure and financial investment		(883)		(840)
Cash inflow before use of liquid resources and financing		(476)		159
Financing				
Secured loan received	-		400	
Loan repayments	(71)		(9)	
Net cash inflow / (outflow) from financing		(71)		391
Increase / (decrease) in cash in the year (note 2.)		(547)		550

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 2015

1. Reconciliation of net incoming resources to operating cash flow	2015 £'000	2014 £'000
Net incoming resources	535	626
Interest received	(2)	(7)
Interest paid	42	3
Depreciation charge	428	440
Exchange differences re: fixed assets	-	2
Decrease / (increase) in stocks	(24)	10
Decrease / (increase) in debtors	74	84
(Decrease) / increase in creditors	(331)	76
Loss on sale of fixed assets	31	8
De-consolidation of CIM Sri Lanka Branch	-	201
Pension scheme liability movement	(306)	(448)
Net cash inflow from operating activities	447	995

2. Reconciliation of net cash flow to movement in net funds	2015 £'000	2014 £'000
(Decrease) / increase in cash in the year	(547)	550
Cash flow from decrease / (increase) in debt	71	(386)
Change in net debt resulting from cash flows	(476)	164
Net funds at 1 July 2014	683	519
Net funds at 30 June 2015	207	683

3. Analysis of funds	1 July 2014	Cash flow	30 June 2015
Cash at bank and in hand	1,077	(547)	530
Debt due within 1 year	(80)	-	(80)
Debt due after 1 year	(314)	71	(243)
	683	(476)	207

Notes to the financial statements

For the year ended 30 June 2015

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% - 33%
Motor vehicles	33%
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. The carrying value of any resulting net pension scheme asset is restricted to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. 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).

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	2015 Total £'000	2014 Total £'000
Education services	952	28	663	831	2,474	2,235
Membership services	2,109	34	1,047	2,209	5,399	5,116
Learning & development services	2,449	238	1,996	507	5,190	4,554
Conference centre services	938	128	327	544	1,937	2,119
Governance costs	-	-	88	-	88	84
	6,448	428	4,121	4,091	15,088	14,108

Governance costs comprise auditors' fees, annual review costs and Board of Trustees expenses. Expenses amounting to £26,000 (2014: £55,000) were reimbursed to 10 (2014:14) 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.

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 £2,560k which are included under staff costs.

	Education £'000	Membership £'000	Learning & Development £'000	Conference Centre £'000	Total £'000
Finance & computing	202	649	325	238	1,414
Corporate activities, HR & marketing	528	1,286	52	78	1,944
Estates	100	274	130	229	733
	830	2,209	507	545	4,091

3. Staff costs

	2015 £'000	2014 £'000
Wages and salaries	5,642	5,330
Social security costs	569	525
Pension costs	237	208
	6,448	6,063

Contributions to the Defined Benefit Pension Scheme (see note 13) were £306k (2014: £299k).

The average monthly number of persons employed during the year, analysed by the type of work was:	2015 Number	2014 Number
Education services	12	14
Membership services	52	46
Learning and development	39	33
Conference centre	25	24
Administration staff:		
Finance and computing	24	20
Corporate activities and marketing	25	23
Estates	3	3
	180	163

The number of higher paid employees was:	2015 Number	2014 Number
£60,001 - £70,000	1	3
£70,001 - £80,000	2	1
£80,001 - £90,000	2	-
£110,001 - £120,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

The number of higher paid employees to whom retirement benefits accrued under a defined benefit scheme was 1 (2014: 2). The number of higher paid employees to whom retirement benefit accrued under a defined contribution scheme was 5 (2014: 4), the contributions for provisions of the defined contribution scheme was £10.4k (2014: £5.3k).

4. Tangible fixed assets

	Freehold Land and Buildings £'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 2014	6,000	1,424	52	2,257	603	10,336
Additions	-	196	-	597	90	883
Disposals	-	(87)	(47)	(118)	(3)	(255)
At 30 June 2015	6,000	1,533	5	2,736	690	10,964
Depreciation						
At 1 July 2014	-	923	17	2,004	381	3,325
Charge for the year	60	88	6	239	35	428
Disposals	-	(85)	(18)	(118)	(3)	(224)
At 30 June 2015	60	926	5	2,125	413	3,529
Net book value						
At 30 June 2015	5,940	607	-	611	277	7,435
At 30 June 2014	6,000	501	35	253	222	7,011

Freehold land and buildings are owned by CIM and are subject to a fixed charge. Except for fixed assets comprising furniture and fittings with a net book value of £2,602 (2014: £3,691) all other fixed assets including improvements to the buildings are owned by CIM Holdings Ltd.

The net book value of freehold land and buildings, including improvements to premises, is £5,940,000 comprising land £3,000,000 and buildings £2,940,000. (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 was shown as a movement of funds in the SOFA last year).

5. Fixed asset investment of CIM

		2015 £'000	2014 £'000
Investments		4	4
	Percentage of shares held	2015 £	2014 £
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
The 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 Enterprises Limited (dormant)	100%	1	1
The Sales Leadership Alliance Limited (dormant)	100%	1	1
Marketing Due Diligence Limited	100%	-	-
The Institute of Sales (dormant)	100%	-	-
The Marketing Council (dormant)	100%	-	-
The Marketing Foundation (dormant)	100%	*	*
		4,402	4,402
Loan to CIM Holdings Ltd		1,750,000	1,750,000
Provision Against Loan to CIM Holdings Ltd		(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 Limited (CAM)
- CIM Holdings Limited
- CIM Hong Kong Branch / The Chartered Institute of Marketing Hong Kong Limited

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 was a charge to the SOFA of £201,000 last year.

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

6. Results of principal subsidiary

CIM Holdings Ltd (100% subsidiary of CIM)	2015 £'000	2014 £'000
Turnover	7,498	7,028
Cost of sales	(2,381)	(2,175)
Gross profit	5,117	4,853
Administrative expenses	(4,838)	(4,637)
Retained profit for the financial year	279	216
Assets	2,408	2,238
Liabilities	(4,819)	(4,623)
Pension scheme liability	-	(1,276)
Net liabilities	(2,411)	(3,661)
Share capital	1	1
Profit and loss account	(2,412)	(2,386)
Pension scheme reserve	-	(1,276)
Shareholders' deficit	(2,411)	(3,661)

7. Debtors: Amounts falling due within one year

	2015		2014	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Trade debtors	1,088	397	1,140	326
Owed by group companies	-	765	-	650
Sundry debtors	57	131	19	5
Prepayments	301	274	249	220
Accrued income	55	-	167	114
	1,501	1,567	1,575	1,315

8. Creditors: Amounts falling due within one year

	2015		2014	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Trade creditors	1,326	541	951	505
Owed to group companies	-	734	-	616
Other creditors	62	-	91	34
Other taxes and social security costs	180	-	314	38
Accruals	808	610	739	531
Bank loan (see note 10)	80	80	80	80
	2,456	1,965	2,175	1,804

9. Deferred income

	2015		2014	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Balance at 1 July 2014	2,347	1,720	2,449	1,738
Released to the SOFA	(2,347)	(1,720)	(2,449)	(1,738)
New sources of deferred income	1,735	1,410	2,347	1,720
Balance at 30 June 2015	1,735	1,410	2,347	1,720

Deferred income relates to:

- Membership fees received in advance, carrying forward the proportion of income received relating to the period between the year end and each member's next renewal date.
- Education, conference and training income invoiced but relating to future financial periods.

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

	2015		2014	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Bank loan	243	243	313	313
Other	-	-	1	-
	243	243	314	313

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

11. Funds

	Balance at 1 July 2014 £'000	Transfers £'000	Other Movements £'000	Incoming Resources £'000	Expended Resources £'000	Balance at 30 June 2015 £'000
General fund:						
Free reserves	(2,723)	(730)	-	15,063	(14,667)	(3,057)
Fixed asset reserves	7,011	424	-	-	-	7,435
	4,288	(306)	-	15,063	(14,667)	4,378
Defined benefit pension reserve	(1,277)	306	971	-	-	-
Restricted funds:						
CAM	572	-	-	560	(421)	711
	3,583	-	971	15,623	(15,088)	5,089

The CAM funds are restricted to activities that are in line with objectives of the Charity and are represented by the net current assets of that company in the group's accounts.

12. Capital and revenue commitments

	2015		2014	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Capital: contracted, but not provided for	232	-	114	-

The contracted capital relates to computer software in course of development.

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

	2015 Group Motor Vehicles £'000	2014 Group Motor Vehicles £'000
Leases expiring:		
Within 1 Year	4	11
2-5 Years	45	9
	49	20

13. 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 2015 there were 204 members in the scheme; 93 deferred members, 94 pensioners, and 17 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 2014. The valuation showed that the market value of the scheme's assets was £18,910,000 with the actuarial value of liabilities representing a funding level of 90% (30 June 2011 valuation: 81%). 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 2017.

From July 2015, in order to repay the Scheme's deficit, the contribution payment schedule states an annual payment of £250k for the next 7 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, £21k (2014: £20k), which are provided by additional insurance premiums. The pension charge for the period of £114k (2014: £69k) includes the pension administrators' costs of £87k (2014: £59k). 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.

13. Pensions (continued)

The assumptions used for calculating the liabilities were:

	2015	2014
Rate of increase in salaries	2.7%	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	3.1%	3.2%
Rate of increase to pensions in payment accrued since 1/7/07	2.2%	2.3%
Revaluation of deferment (CPI)	2.2%	2.5%
Expected return on scheme assets at beginning of year	3.9%	6.0%
Discount rate	3.9%	4.5%
Inflation assumption (RPI)	3.2%	3.3%

Mortality table:

	85% S2NXA CMI 2014 projections LTR 1.5%	85% S1NXA CMI 2013 projections LTR 1.5%
Life expectancy of pensioners at age 65		
Males:	24.2 years	23.9 years
Females:	26.4 years	26.4 years

Effect of change of assumptions on liability values

Change

	Increase liabilities by
Reduce discount rate by 0.25%	1,079,000
Increase in salary growth assumption by 0.25%	91,000
Increase inflation and salary growth assumption by 0.25%	702,000
Change mortality assumption by 0.5%	738,000

Scheme assets

	2015 £'000	2014 £'000
Equities	15,054	14,228
Fixed interest	2,965	2,656
Cash	4,790	2,086
	22,809	18,970

Change in scheme liabilities

	2015 £'000	2014 £'000
Beginning balance	(20,247)	(18,932)
Interest cost	(899)	(910)
Benefits paid	564	749
Actuarial (loss) / gain on defined benefit obligation	(1,917)	(1,154)
Closing balance	(22,499)	(20,247)

13. Pensions (continued)

Change in scheme assets

	2015 £'000	2014 £'000
Beginning balance	18,970	17,883
Expected return on scheme assets	1,130	1,059
Employer contributions	306	299
Benefits paid	(564)	(749)
Actuarial gain	2,967	478
Closing balance	22,809	18,970
Actual return on scheme assets	4,097	1,537

Amount recognised in the SoFA

	2015 £'000	2014 £'000
Actual less expected on return on assets	2,967	478
Actuarial (loss) / gain on liabilities	(1,917)	(1,154)
Effect of limit on recognisable surplus	(79)	-
Actuarial gain / (loss) recognised in the SoFA	971	(676)

Amounts recognised in the balance sheet

	2015 £'000	2014 £'000
Present value of scheme liabilities	(22,499)	(20,247)
Fair value of scheme assets	22,809	18,970
Asset surplus not recognised in the balance sheet	(310)	-
Net liability at end of year	-	(1,277)

Other amounts recognised in the SoFA

	2015 £'000	2014 £'000
Interest cost	899	910
Expected return on assets	(899)	(1,059)
Total charged to expenditure for the year	-	(149)

Amounts for current and previous periods

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(22,499)	(20,247)	(18,932)	(18,162)	(15,491)
Scheme assets	22,809	18,970	17,883	17,325	14,292
Surplus / (Deficit)	310	(1,277)	(1,049)	(837)	(1,199)
Experience adjustments on liabilities	(1,917)	(1,154)	(605)	(2,272)	604
Experience adjustments on assets	2,967	478	(87)	2,119	590

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