



CIM and its subsidiary companies

# **Report and Financial Statements**

Year ended 30 June 2022

# Contents

Directors' report	<b>3</b>
Legal and administration information	<b>11</b>
Independent auditor's report	<b>13</b>
Consolidated profit and loss account	<b>16</b>
Consolidated balance sheet	<b>17</b>
Consolidated cash flow statement	<b>18</b>
CIM balance sheet	<b>19</b>
Notes forming part of the financial statements	<b>20</b>

# Directors' report

## For the year ended 30 June 2022

The Directors present their report together with the financial statements of the Chartered Institute of Marketing (CIM) for the year ended 30 June 2022. This report is prepared in accordance with CIM's Constitution and its Royal Charter.

In June 2021, the Board approved a new three-year growth strategy up to 2024 that focused on growing at home, growing internationally, and growing through partnerships, with an external enabler being the continued growth of our extensive CIM community – both virtually and on the ground – and an internal enabler of continued investment in our infrastructure, our people, and our site at Moor Hall.

Starting this reporting period with a clear direction and focus, enabled us to maintain the positive momentum for change that was initiated the previous year – a year that generated an operating profit despite a global pandemic and £2m fall in revenue, as well as seeing a 4% growth in membership - with the intention of creating an organisation that had scalability and future proofing to be able to maintain and support members and the marketing community.

In the desire for change and doing things differently in adapting to new ways of working, a range of new initiatives were introduced, some of which helped to improve the levels of engagement with our stakeholders as a return to some degree of 'normality' started to be recognised. The launch of the virtual Fellows' community and the Register of Marketers are two such examples and are a mechanism to maintain that all important link and relationship with our members and helps to reinforce the support that has continued to be provided by CIM. Through our PR support over the year, 529 articles were secured with quotes from CIM members or regional/SIG chairs in the national media, and in the last quarter of the year alone to June, 9,145 members engaged with our PR content via our volunteer community.

This year has also seen significant investment in the infrastructure of our site at Moor Hall. The largest of these was the replacement of the aged heating and hot water systems that were operating on a 40-year old gas boiler system and was well past its serviceable life and was already in partial failure. There was also an entire upgrade to Moor Hall's ethernet cabling and fibre cabling to support improved secure systems, improve our cyber security, and achieve greater data bandwidth. Health and Safety risks were also addressed, with the replacement of all the fire doors in Marlow Court (the accommodation block) and the replacement of air conditioning units that were using redundant gas.

New initiatives include the development at pace of new products, with new and refreshed training courses, as well as successful OfQual recognition for CIM's new Diploma in Sustainable Marketing. CIM also held its first Sustainability Summit in March 2022 which was a great success. An example of the feedback received: "That was, without a doubt, the best event I have ever been to... On every level, educational, inspiration, practical takeaways, and networking, it was top notch." With the continued impact of CIM's sustainability hub and sustainable marketing courses, work is also being carried out by CIM, as a business, to demonstrate its own sustainability credentials.

There has also been significant progress in CIM's drive for collaboration through partnerships. We now have over 395 different forms of partnerships that are designed to extend our reach, our revenue, and our recognition. Partners are diverse, from universities and accredited study centres to the British Film Institute and the Australian Marketing Institute. CIM attended the European Marketing Confederation's (EMC) forum held in Madrid and was elected to be the Vice-Chair of the EMC for the next two years, developing a set of international marketing competencies that have already been endorsed by ten countries with more to follow.

Change continues to be the order of the day, and while the investment in the site is intended to narrow our facilities maintenance debt, considerable progress is being made in reducing CIM's technical debt. We have appointed a new Director of Customer Experience and Digital, and with the joint stewardship from the Board with the creation of an IT steering group, there is plenty of eager anticipation to see the benefits of these changes come to fruition, and currently the delivery plan is still on schedule.

CIM continues to represent the profession that is so critical to delivering change, and to set the standards by which the profession operates. Driving ethical working practices and behaviours, conscious consumption and production, together with economic growth, all combine to deliver a more sustainable future, as per the Objects of our Charter.

The Directors would like to thank all staff and volunteer members for their amazing support and efforts in delivering the Objects of CIM during these continuing difficult and changeable times. CIM is now in a much stronger position to take advantage of emerging opportunities and to support members, organisations and the wider marketing community as it continues to embrace it's Institution's Objects.

## Constitution

CIM is incorporated by Royal Charter, which was awarded on 7 February 1989. It is governed by its Constitution comprising its Charter, Bye-laws, General Regulations and Board Regulations. Changes to its Charter, Bye-laws and General Regulations were passed by CIM Members at the AGM in December 2019 and came into effect on 12 February 2020 following approval by the Privy Council.

## Governance, structure, and management

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

## Statement of directors' responsibilities

The Board of Directors is 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 Directors 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 Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume CIM will continue

The Directors 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 Directors' responsibility extends to the on-going integrity of the financial statements contained therein.

Five principal Committees operate to support the Board of Directors:

- The Strategy and Finance Committee reviews CIM's management accounts on a monthly basis and oversees strategy implementation
- The Appointments and Remuneration Committee manages the process for appointments to CIM's Board and Committees and oversees the appointment process and terms of the CEO
- The Audit and Risk Committee advises the Directors on risk, internal controls and financial reporting and oversees the annual statutory audit. The Committee reviews the risk register to enable risks to be managed and minimised
- The Constitution and Ethics Committee provides the Board with advice on CIM's governance structure
- The Disciplinary Committee considers complaints raised against CIM members under the Code of Professional Conduct

CIM has a number of connected organisations worldwide. CIM Hong Kong Limited and CIM Enterprises Limited are consolidated in these financial statements.

The Communication, Advertising and Marketing Education Foundation (CAM) is a subsidiary of CIM. CAM is a charity, has a separate Board and operates independently of CIM.

## Objects

The Objects of CIM are:

- To promote and develop the art and science of marketing and to encourage, advance and disseminate knowledge, education, and practical training in and research into that art and science
- To promote and maintain high standards of professional skill, ability and integrity among persons engaged in marketing products and services
- To promote entry to and advancement in the profession of marketing by means of examination and other methods of assessment

- To provide and develop a professional organisation for marketing
- To increase public awareness and understanding of marketing as a vital factor in business success and prosperity

## 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 six categories:

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

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 Directors review new and high-rated risks at each quarterly meeting and 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.

The potential future impact of the COVID-19 pandemic has subsided but there is still some potential for financial impact for the Hotel and Conference Centre and Training Business Solutions activities during the winter months both through lost business and also availability of staff due to sickness.

Looking forward, the increasing inflation rates in the UK and geopolitical instability in our largest overseas market (Sri Lanka) has increased the financial risk profile across a number of areas of the business. This has been factored into the budget planning process and will be monitored throughout the year to enable mitigating actions to be taken to ensure the businesses ongoing financial stability.

Climate Change and Sustainability, and Cyber security have also been identified as key risk areas for CIM to embed a robust proactive plan that pre-empt both our clients expectations as well as supporting our own strategic goals.

## Achievements and performance:

### Qualifications

Following a 16% growth in 2020/21 qualifications revenue stabilised across the 2021/22 year to deliver a revenue figure of +2% versus budget and -7% YOY. New studying membership registrations, which are an early indicator of future qualifications revenue, have shown a YOY decline since January 2022, but membership renewals are still relatively strong. It is anticipated that qualifications revenue will decline across 2022/23 due to both rising inflation levels globally and potential learners returning to the workplace following COVID-19, resulting in less time being available to study. Political unrest in Sri Lanka, the second largest market for CIM qualifications, is also of concern.

In order to mitigate the levels of decline there is an increased focus on other segments such as the undergraduate market and selected international markets. Product development in the form of additional modules around sustainability has also taken place, with the objective of attracting new learners and CIM alumni wishing to demonstrate skills in this important growth area. Reorganisation of the account management team in line with sector relationships rather than geographic location should also assist in building stronger relationships within the learning community.

Currently, the favoured mode of qualification delivery across the 100+ Accredited Study Centres (ASCs) is online or virtual delivery, which became the norm during the lockdown period. It is, as yet, unknown if there will be a return to face-to-face delivery, which may ensure learners remain engaged over the whole programme resulting in higher levels of bookings.

Recently there has been a small growth in the numbers of students engaging in the marketing apprenticeship standards. Engagement stalled during the lockdown period as typically apprentices were either furloughed or made redundant and were therefore unable to continue with their work-based learning. This, alongside the emergence of a competitor organisation within the marketing standards, resulted in a reduction in revenue for CIM in its role as an End Point

Assessment Organisation (EPAO). Changes in the customer journey resulting in a more accessible and streamlined process are beginning to deliver results and revenues for 2022/23 are expected to increase YOY as we regain market share and the number of apprentices increases.

CIM has continued to expand the number and type of partnerships forged with other organisations. These are developed to improve reach in otherwise untouched markets or segments, or to build CIM's reputation within the profession. Those secured within 2021/22 include a joint membership product with the Australian Marketing Institute, a jointly badged Masters programme between Cranfield University and CIM Academy and development of a course to appear on the subscription section of MOOC provider (Massive online Open Provider) FutureLearn, are examples of some of the partnerships forged within 2021/22. Whilst it is anticipated that revenue from these partnerships, which will manifest across membership, training and assessment bookings will be slow burn, having established the template for these relationships, further growth of these partnership types should be more easily achieved.

## Learning & development

The wholesale changes made during the pandemic to shift from 'face-to-face' to 'virtual' (live interactive tutor led learning via Zoom) and 'online' (on-demand, online self-study) remained in place for the year. Face-to-face only returned for Business Solutions clients where learning delivery was performed at client's premises.

Overall, revenue performance for the area saw growth of £1.07m, 29% YOY. A continuation of the momentum built up during the second half of 2020/21. Growth occurred across all three Learning & Development revenue streams, with Open Training delivering +41% YOY, Business Solutions delivering +20% YOY and CIM Academy delivering +15% YOY.

Since the start of the pandemic, there has been continual investment in developing new or revised 'virtual' and 'online' courses. With a mix of new partnered and wholly owned (IP) online programmes created. Virtual courses have seen a year-on-year increase of 42% in revenue and 35% in delegate volumes. Online course revenue increased by 26% with delegate volumes growing by 6%. The variance in revenue-to-volumes for 'online' courses is because we launched additional, longer duration (learning content hours) courses that come at a higher price point.

Delivering Open Training programmes virtually and online, along with increased marketing activity, has continued to support improved international reach for our programmes with revenue from delegates based outside of the UK increasing by 33% YOY.

Business Solutions is the new name for In-Company Training. This is a public change of name and positioning to reflect the broad range of services on offer. However, for financial comparison and reporting purposes, all references to past and present In-Company Training figures can be used for Business Solutions.

Business Solutions has been slower to build back when compared to Open Training from the initial cancellations and conflicting business priorities witnessed from our clients at the start of the pandemic. However, this year did start to see positive indicators for sustainable growth, with an increase in enquiries and a stronger sales order pipeline in the second half of the year. Current economic uncertainty creates an element of future risk for this area, and we will be monitoring customer behaviour closely moving forwards.

CIM Academy delivered constantly high pass rates of over 90% for CIM qualifications across all three assessment sessions. Booking levels for December 2021 and April 2022 assessment sessions were encouraging and outperformed budget. However, as evidenced across the qualification network, the June assessment session saw a slowdown in bookings and increased deferrals, with learners deciding to postpone their studies. Revenue is recognised when the programmes are delivered. As a result, a larger than normal number of pre-existing bookings have moved into the 2022/23 financial year. While this area still exceeded budget by 2%, mid-year forecasts had predicted better year end results.

A key trend observed during 2020/21 and continued throughout this year was a tendency for both individual delegates and organisations to shorten their purchase to consumption cycle, with bookings made for learning interventions just a few weeks or even days in advance, rather than the normal one to three months for individuals, and three to nine months for organisations purchasing Business Solutions. This increased customer urgency has led to a change in how course inventory is reviewed and managed, along with an increase in frequency for marketing when promoting specific courses and subject areas.

Moving forwards, we will continue to refine the existing portfolio, introduce additional online and partnership programmes, as well as build on the momentum gained in 2021/22 in attracting a broader international audience. We will continue to adapt appropriately, including testing different delivery models and a phased return to face to-face for selected courses.

## Membership

We ended June 2022 with a membership of 25,936, which is a 6% decline on the previous year. Our membership remains a 70/30 split between the UK and abroad, and our professional members constitute 59% of our total. Whilst acquisition and retention have performed roughly to budget for professional membership, our studying member acquisition was 16% below where we expected to end the year. Just over 50% of membership are registered on to the CPD programme, 19% of our professional member community are Chartered Marketers, with a further 4% completing their first year of CPD and working towards this status.

Professional recognition continues to top our members' reasons for joining us, and in its second year since launch, we have seen a significant increase in the use of our Credly partnership, which issues digital badges for both professional membership and our qualifications. 28,792 badges were issued. Acceptance of the badges is 80%, against Credly's average of 67%. 52% of those awarded are shared on social media, helping to increase our brand presence and further promote knowledge of our qualifications. While on the topic of professionalism, the Disciplinary Committee considered one case this year which was upheld.

Looking forward, the difficult global economic situation will place additional pressure on our membership growth. With qualifications forecast to be down on 2021/22, understandably we anticipate studying membership to mirror this. Our focus is to grow professional membership retention by 2% to 78% through development in our understanding of our membership's needs and improved appreciation of the value for money provided in maintaining one's membership in 2022/23. In turn, we hope this work will assist with new member acquisition in the latter part of 2022/23 and 2023/24.

## CIM Moor Hall Conference Centre

CIM Moor Hall had a positive financial start to the year with above budget income performance for the first five months. In December, further hospitality and meeting restrictions were put in place by the government due to the Covid-19 Omicron variant, resulting in cancelled and lost business for December 2021 and January 2022. January and February's financial results were further exacerbated by a mains gas leak resulting in heating and water being shut off for the hotel and some areas of the site. Recruitment and retention of hospitality staff has been a challenge, with few applications and a lack of skilled available resource meaning that many areas of the business have been under resourced resulting in service levels being affected. Despite these challenges, the final quarter showed improvement, with a positive contribution at year end of £395k.

## Marketing

We continued to build and support our community with content and learning opportunities to help navigate challenging conditions. As COVID-19 restrictions lifted and the recruitment sector reopened, it was more important than ever for marketers to stand out with best-in-class knowledge and skills. Our campaigns drew on insights gleaned from surveys, polls and discussions with ASCs and Course Directors, helping to ensure we had our finger firmly on the industry pulse. We spotlighted our member and student voices and achievements, with user generated content playing an integral role in our social media strategy, and the team responded to hundreds of posts each week. Across membership, qualifications, and training, our 'always on' activity acted as a constant presence in the market, building our reach and awareness, with our product-led campaigns highlighting our membership benefits and the vocational impact of studying with us.

The past twelve months have been a critical period for CIM's public image and how we support and engage with our membership base. The PR programme and our research/thought leadership activities have focused on supporting members, providing them with key guidance during the COVID-19 pandemic (career advice, skills gaps, future trends). We also shared more member success stories and opinions on the key topics than ever before in the media – ensuring that our growing community has a clear shared voice.

Our voice in the media and the market continues to grow, with our PR campaigns reaching more people, securing more press coverage, and increasing our share of voice against our direct competitors during the last financial year. We consistently held number one spot for share of voice versus our direct competitors, retained a strong presence across national, regional, and broadcast press on the topics that matter most to our members. As a brand, we received 755 pieces of tier 1 press coverage over the past financial year, while our engagement across our various content platforms continues to rise dramatically as our relevancy increases.

During this period, we delivered a number of reports to members including our 'Sustainable Marketing' white paper', 'GenZ research' and 'The Impact of Marketing' series, while a second version of our popular 'CMO50' report is currently underway, providing members with an international view of the future of marketing.

With face-to-face events not possible for much of last year, we once again held The Pitch competition virtually, this time with Boots as our sponsor. Boots' Chief Marketing Officer said he felt inspired by the winning team's entrepreneurial attitude and was thoroughly impressed with the quality of all finalists. Our social and PR strategies drove conversations, pre, during

and post event, helping all involved to share their success with our community and theirs. We made the virtual format work to our advantage by increasing the number of international teams entering by 33% compared with the previous year.

Our Webinar Express series continued to go from strength to strength, averaging around a 50% attendance rate from registrations. It is a successful vehicle for raising the profile of our regions and Sector Interest Groups (SIGs) and further extends our voice across the industry.

Due to tight restrictions the previous year, we held two successful Graduation ceremonies in September 2021 and November 2021, and this proved to be a significant logistical feat with the high number of students attending and ensuring that the events themselves continued to be such a special occasion for the graduating students.

Digital once again played a key role in how we reached out and engaged with marketers who predominantly worked from home. We held regular Instagram Q&A's with Customer Experience representatives via Stories, answering commonly asked questions which are now pinned to our highlights for future access. We increased the use of short form video and varied our execution style per social platform, with the learnings inspiring the strategy behind our TikTok launch. At the time of writing, our most popular TikTok video has gained 78.7k views and over 5k engagements.

User generated content continues to be shared across our social communities, with shared digital badges and certificates resulting in a thousand fold increase in mentions on LinkedIn, boosting our impressions on the platform to over three million.

We have seen good levels of engagement with our live videos on Instagram and our PDF sliders on LinkedIn, and we aim to increase these over the next year as we further bolster our social presence. Last year alone we achieved more than 510k social media engagements and saw a vast increase in direct messaging via our social channels, resulting in meaningful conversations with those aspiring to work in marketing, and those who have already carved a path.

Building on the successes of the previous year, we have strengthened our content team. Our comprehensive strategy spanned owned, earned, and paid channels and was a healthy mix of written, audio, and visual content based on the needs of our audience. Results from the membership survey showed that Catalyst continues to be perceived as a leading member benefit, and our podcasts and webinars were once again our most engaged formats – with our member exclusive webinars averaging around 650 attendees per webinar, and our podcast listener base continued to grow with over 42k downloads over the past year. Video content is increasingly important, and we aim to increase the quantity and quality of our output throughout the coming year.

## **Our People**

The importance of our people to the on-going success of our business has never been more evident. CIM's people strategy supports a progressive work environment with a culture of trust and empowerment where our staff can feel engaged, supported, and valued, and measured by outcomes and deliverables.

In a climate of recruitment challenges and talent shortages, having the right people with the right skills to deliver our business goals is more challenging than ever. We have continued to develop our recruitment resources and launched a new careers website in June to attract a broader range of talent and improve the recruitment experience for our candidates.

As we embrace hybrid working routines, we continue to innovate to improve our onboarding experience and the introduction of new technology in 2022 will deliver an engaging and seamless process for those coming into the business whilst working remotely.

Flexible working opportunities have long been a feature of CIM, but the changes brought about by the pandemic led us to review how we work. With the insight gained from regular pulse surveys and feedback from our people, we developed a hybrid working plan that will enable us to attract and retain talented people to the organisation.

The challenges of the past few years have brought the need for on-going management development into sharp focus and, in response to employee feedback, we have developed and launched a series of short learning sessions to support remote working, recognising burnout, critical thinking and performance development. We were also proud to launch our menopause policy and support training in February to very positive feedback from managers and teams.

Wellbeing has been an ongoing priority for CIM, and we are now in our third year of providing a dedicated wellbeing programme, this year launching Wellbeing Wednesdays, a programme of online wellbeing talks and activities aimed at improving general mental and physical health. The addition of a mental health first aid team in December underlined our commitment to the support of good mental health and wellbeing.



## **Sustainability (Environmental, Social and Governance)**

CIM believes that a successful future for our business and our customers depends on the sustainability of the environment, communities, and economies in which we operate. We are committed to reducing our negative environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. It is a journey. Currently, our three priority areas are energy, waste and transport and positive actions have already been taken to reduce our negative environmental impact in these areas. Examples include switching to green energy, various recycling programmes and the introduction of Hybrid working to reduce travel, commuting and energy consumption.

As well as focusing on our own operations, CIM is also committed to supporting society and the marketing community through promoting responsible sustainable marketing practice. During the financial year CIM launched the Sustainable Marketer Diploma and hosted its first Sustainability summit in March.

## **Financial report 2022 – overall results**

The consolidated financial statements for 2022 include the continuing subsidiaries of CIM: The Communication Advertising and Marketing Education Foundation (CAM), a charity limited by guarantee, CIM Hong Kong Limited and CIM Enterprises Limited.

Income of £13.6 million is 21% higher than the revenue recorded last year.

Direct costs of sales at £6.5m were up by 11% with Administrative expenses at £6.2m increasing by 15.9% compared with last year.

As a result, CIM reported a consolidated operating profit before restructuring costs of £817k (2021: £123k).

As all of the restructuring within the organisation had taken place in 2021, no further costs were incurred during the year. (2021: £234k).

The Directors have considered the market value of the investment property at 30 June 2022 and following the valuation received in February 2022 have impaired the investment property to a value of £200,000. The impairment loss of £350,000 has been charged to the profit and loss account.

After accounting for the impairment and net interest payable, there was a profit before tax of £457k (2021: Loss £122k).

The defined benefit pension scheme showed an accounting surplus of £5.7m at the year end, although this asset has not been recognised in accordance with accounting standards. This compares to a surplus of £5.3m last year. The increase in the surplus is due mainly to a lower valuation of technical liabilities.

## **Profit and loss account**

Membership subscription income showed growth of 4% from the previous year, with the overall revenue from Membership increasing by 4.7% on 2021 levels.

Education revenue showed 7% reduction against 2021, mainly due to the lower level of assessment bookings.

Following the lifting of the COVID restrictions, Learning and Development revenue recovered well with an increase of 29% compared with 2021.

Conference Centre revenue increased £257k last year to £1,543k as COVID restrictions were removed.

## **Balance sheet**

The total net worth of CIM as at 30 June 2022 was £4.8m (2021:£4.3m) with unrestricted reserves accounting for £4.1m (2021:£3.7m). The restricted reserves of £629k relate to CAM and are required to be utilised for its charitable purposes. As its previous qualifications have ended, CAM is working on its new proposition and its future strategy.

Capital expenditure of £1.1m was higher than the prior year (2021: £493k) and includes IT spend on improved systems including CRM, CPD and e-Learning modules.

Net current liabilities are £2.4m (2021: £2.2m). This includes the current portion of the Santander loan of £0.453m, which is repayable within 5 years, £2.5m of deferred income (down £0.4m on last year), and Trade Creditors £0.9m (up £0.3m on last year). Also, Trade and other Debtors were £0.6m (down £0.1m on last year).

The bank balance of £1.8m reflects an increase in cash resources of £0.3m. In addition CIM has a Government backed Coronavirus Business Interruption Loan Scheme (CBIL Scheme) overdraft facility available of £1.5m.

### **Summary and Outlook**

In summary, the Board is very pleased with the progress CIM has made in 2021/22 in maintaining financial stability as well as embracing the elements that will combine to deliver growth – both now and in the future. It also recognises the fact that the leadership of the organisation and the appetite for change continues to be strong, and that this is an exciting time for CIM to maintain the momentum going forwards and to deliver growth in line with the strategy.

The Board wishes to thank the CEO, the Senior Management Team and all CIM staff, our membership and the wider stakeholder community for their commitment and dedication to maintaining a strong professional body that is robust, agile, and capable.



**June Dennis**

Chair of the Board of Directors

Date: 14<sup>th</sup> October 2022

# Legal and administration information

For the year ended 30 June 2022

## The Board of Directors

Dr June Dennis DipM FCIM Chartered Marketer – Chair  
Professor Mark Durkin FCIM – Vice Chair  
Andrew Yuille DipM FCIM Chartered Marketer – Vice Chair  
Gina Balarin MCIM Chartered Marketer  
Andrew Binns FCIM (until December 2021)  
Matilda Crossman DipM MCIM FCCA  
Nadi Dharmasiri DipM FCIM Chartered Marketer  
Natalie Gross DipM FCIM  
Kate Hamilton Hon FCIM Chartered Marketer  
Fiona Hawkins FCIM (from December 2021)  
Dr Dawn Holmes FCIM Chartered Marketer  
Leigh Hopwood DipM Hon FCIM Chartered Marketer –  
Vice Chair (until December 2021)  
Michael Lynch DipM FCIM Chartered Marketer (from  
December 2021)  
Gus MacIver ACIM FCMA  
Derek Millward DipM Hon FCIM – Vice Chair (until  
October 2021)  
Julian Rawel DipM FCIM Chartered Marketer (until December  
2021)

## Vice Presidents

Andrew Cosslett Hon FCIM  
Fiona Dawson Hon FCIM  
Martin Glenn Hon FCIM  
Lord Michael Grade Hon FCIM

## Strategy and Finance Committee

Gus MacIver ACIM FCMA – Chair  
Dr June Dennis DipM FCIM Chartered Marketer  
Professor Mark Durkin FCIM (from January 2022)  
Kate Hamilton Hon FCIM Chartered Marketer (until December  
2021)  
Leigh Hopwood DipM Hon FCIM Chartered Marketer (until  
December 2021)  
Derek Milward DipM Hon FCIM (until October 2021)  
Andrew Yuille DipM FCIM Chartered Marketer (from  
October 2021)

## The Appointments and Remuneration Committee

Andrew Yuille DipM FCIM Chartered Marketer – Chair  
(from October 2021)  
Victoria Baker DipM MCIM – Chair (until July 2021)  
Carol Ashton Chartered MCIPD  
Dr June Dennis DipM FCIM Chartered Marketer (from  
December 2021)  
Richard Doe DipM FCIM  
Kate Hamilton Hon FCIM Chartered Marketer (until  
December 2021)  
Dr Dawn Holmes FCIM Chartered Marketer  
Derek Milward DipM Hon FCIM (until October 2021)

## The Audit and Risk Committee

Matilda Crossman DipM MCIM FCCA – Chair  
Elena Grammenou DipM MCIM (until December 2021)  
David Maltby FCIM  
Kevin Smith FCCA

## **The Constitution and Ethics Committee**

Dr Dawn Holmes FCIM Chartered Marketer – Chair

Helen Anderson FCIM Chartered Marketer

Andrew Chalk DipM FCIM

Amanda Noble-Simmons (until February 2022)

Matthew Waters ACIM Chartered Marketer

## **Regional Chairs**

Marie Lake DipM MCIM– East of England

Andrea Snagg FCIM Chartered Marketer – Greater London

Chris Gilroy FCIM – Ireland

Kirsty Ramsey DipM MCIM – North East

John Paul Simpson DipM FCIM Chartered Marketer – North West

Ellie Murphy FCIM – Scotland

Marie Wilcox DipM FCIM – South East

Claire Bryant ACIM – South West & Channel Islands

Dr Gavin Davies FCIM Chartered Marketer – Wales

Rachael Mabe DipM FCIM – Midlands

Claire Pryke DipM FCIM Chartered Marketer - Yorkshire

## **Chief Executive**

Chris Daly FCIM

## **Secretary**

Joanne Saintclair-Abbott

## **Principal Office**

Moor Hall  
Cookham  
Maidenhead  
Berkshire  
SL6 9QH

## **Auditors**

BDO LLP,  
Level 12 Thames Tower  
Reading  
Berkshire  
RG1 1LX

## **Banker**

Santander UK plc  
2 Triton Square  
Regents Place  
London  
NW1 3AN

## **Solicitors**

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

# Independent auditor's report to Members of The Chartered Institute of Marketing

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2022 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Royal Charter.

We have audited the financial statements of The Chartered Institute of Marketing (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise Consolidated profit and loss account and statement of retained earnings, the Consolidated and parent balance sheets, the Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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

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

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

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which we are required to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Directors' Annual Report; or
- adequate accounting records have not been kept by the Parent Company;
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company. These include, but are not limited to, compliance with the Royal Charter, United Kingdom Generally Accepted Accounting Practice and tax legislation.
- Reviewing minutes of the board of directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- Making enquires of other personnel with roles relevant to compliance with laws and regulations.
- Assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
  - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results. Audit procedures performed included:
    - identifying and testing journal entries, in particular any large and unusual journal entries which are not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions.
  - revenue recognition: we performed a review of income deferred to future periods to ensure revenue recognised is accurate.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are

inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Parent Company's members, as a body, in accordance with The Chartered Institute of Marketing's governing charter. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Heather Wheelhouse*

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Heather Wheelhouse (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading

19 October 2022

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

# Consolidated profit and loss account and statement of retained earnings

For the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
<b>Turnover</b>	3	13,600	11,238
Cost of sales		(6,535)	(5,883)
<b>Gross profit</b>		<b>7,065</b>	<b>5,355</b>
Job Retention Scheme grant		-	161
Administrative expenses		(6,248)	(5,393)
<b>Group operating profit before restructuring costs and impairment</b>		<b>817</b>	123
Restructuring costs		-	(234)
Loss on changes in fair value of investment property	10	(350)	-
<b>Operating profit/(loss)</b>		<b>467</b>	<b>(111)</b>
Interest receivable	6	6	9
Interest payable	6	(16)	(20)
<b>Profit/(Loss) on ordinary activities before taxation</b>		<b>457</b>	<b>(122)</b>
Taxation	7	-	2
<b>Profit/(Loss) after taxation</b>		<b>457</b>	<b>(120)</b>
Other comprehensive income for the year:			
Actuarial losses on defined benefit pension scheme	16	-	-
<b>Total comprehensive income/(loss) for year</b>		<b>457</b>	<b>(120)</b>
Retained profits brought forward		4,328	4,448
<b>Retained profits carried forward</b>		<b>4,785</b>	<b>4,328</b>

All income and expenditure was derived solely from continuing activities. The notes on pages 20 to 30 form part of these financial statements.



# Consolidated balance sheet

At 30 June 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets	9	7,233	6,448
Investments	10	200	550
		<b>7,433</b>	<b>6,998</b>
<b>Current assets</b>			
Stocks		20	16
Debtors - due within one year	11	842	1,092
Cash at bank and in hand		1,831	1,748
		<b>2,693</b>	<b>2,856</b>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	12	(5,114)	(5,073)
		<b>(5,114)</b>	<b>(5,073)</b>
<b>Net current liabilities</b>			
		(2,421)	(2,217)
<b>Total assets less current liabilities</b>			
		<b>5,012</b>	<b>4,781</b>
<b>Creditors</b>			
Amounts falling due after more than one year	13	(227)	(453)
<b>Net assets excluding pension liability</b>			
		<b>4,785</b>	<b>4,328</b>
Defined benefit pension liability	16	-	-
<b>Net assets</b>			
		<b>4,785</b>	<b>4,328</b>
<b>Retained earnings</b>			
- CIM GROUP		4,156	3,697
- CAM – see note 1(j)		629	631
<b>Total retained earnings</b>			
		<b>4,785</b>	<b>4,328</b>

The notes on pages 20 to 30 form part of these financial statements.

These financial statements were approved and authorised by The Board of Directors on 13 October 2022.



**June Dennis**  
Director and Chair

Date: 14<sup>th</sup> October 2022

# Consolidated cash flow statement

For the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
<b>Cash flow from operating activities:</b>			
<b>Profit/(Loss) for the financial year</b>		457	(120)
Adjustments for:			
Depreciation and amortisation of fixed assets	9	353	392
Loss from changes in fair value of investment property	10	350	
Loss on disposal of fixed assets		3	-
Net interest payable	6	10	11
Decrease/(Increase) in:			
Trade and other debtors		250	(318)
Trade and other creditors		(45)	587
(Increase) / decrease in stock		(4)	13
<b>Cash from operations</b>		<b>1,374</b>	<b>565</b>
Interest received		7	9
Interest paid		(16)	(20)
<b>Net cash generated from operating activities</b>		<b>1,365</b>	<b>554</b>
<b>Cash flows from investing activities:</b>			
Purchases of tangible fixed assets		(1,055)	(493)
<b>Net cash generated from/(used in) investing activities</b>		<b>310</b>	<b>(493)</b>
<b>Cash flows from financing activities:</b>			
Loan repayments		(227)	(170)
<b>Net cash used in financing activities</b>		<b>(227)</b>	<b>(170)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>		<b>83</b>	<b>(109)</b>
Cash and cash equivalents at beginning of year		1,748	1,857
<b>Cash and cash equivalents at end of year</b>	15	<b>1,831</b>	<b>1,748</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		1,831	1,748
		<b>1,831</b>	<b>1,748</b>

The notes on pages 20 to 30 form part of these financial statements.

# CIM balance sheet

At 30 June 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets	9	7,233	6,448
Investments	10	200	550
		<b>7,433</b>	<b>6,998</b>
<b>Current assets</b>			
Stocks		20	16
Debtors - due within one year	11	955	1,187
Cash at bank and in hand		1,820	1,746
		<b>2,795</b>	<b>2,949</b>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	12	(5,299)	(5,226)
		<b>(5,299)</b>	<b>(5,226)</b>
<b>Net current liabilities</b>		<b>(2,504)</b>	<b>(2,277)</b>
<b>Total assets less current liabilities</b>		<b>4,929</b>	<b>4,721</b>
<b>Creditors</b>			
Amounts falling due after more than one year	13	(827)	(1,053)
<b>Net assets excluding pension liability</b>		<b>4,102</b>	<b>3,668</b>
Defined benefit pension liability	16	-	-
<b>Net assets</b>		<b>4,102</b>	<b>3,668</b>
<b>Retained earnings</b>			
Profit and loss account		4,102	3,668
<b>Total retained earnings</b>		<b>4,102</b>	<b>3,668</b>

The notes on pages 20 to 30 form part of these financial statements.

These financial statements were approved and authorised for issue by The Board of Directors on 13 October 2022.



**June Dennis**  
Director and Chair

Date: 14<sup>th</sup> October 2022

# Notes to the financial statements

For the year ended 30 June 2022

## 1. Accounting policies

### a) Basis of accounting

CIM is a company incorporated in England & Wales under Royal Charter. The address of the principal office is given on the Legal and Administration Information page and the nature of the Group's operations and its principal activities are set out in the Directors' Report. The financial statements have been prepared under the historical convention and in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are presented in the currency of the primary economic environment in which CIM operates, which is the Pound Sterling and are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 continues to require the use of certain critical accounting estimates. It also requires Group management to continue exercising judgment in applying the Group's accounting policies.

### b) Going concern

The Group made a profit after tax of £807k during the year (2021: Loss of £120k) and had net current liabilities of £2.4m (2021: £2.2m), with the major components of current liabilities consisting of £2.5m (2021: £2.9m) of Deferred Income, and the first £227k of the £453k Santander loan which is disclosed as due within one year and a further £226k due within 1-5 years at 30 June 2022. The 2022/23 budget reflects investment required by CIM in order for future growth to be achieved, resulting in a breakeven outcome for the year. The Group has a Government backed Coronavirus Business Interruption Loan Scheme (CBILS) facility of £1.5m in place for a further 4 years and this is considered sufficient to allow the Group to operate as a 'Going Concern'. Given the strength of the balance sheet and availability of the bank overdraft, the directors believe that there are no material uncertainties and CIM is able to continue as a going concern and have prepared the accounts on a going concern basis.

### c) Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent entity as their remuneration is included in the totals for the Group as a whole

### d) 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 profit and loss account for CIM itself has not been presented. Intercompany transactions and balances between Group companies are eliminated in full.

## e) Revenue

The main income streams are divided into four areas:

- i. Education services include all examination fees and accreditation fees
- ii. Membership services include professional and student membership fees, members events and advertising income received through *Catalyst* magazine
- iii. Learning & Development, which covers CIM's trading activities including corporate and individual training courses and bookshop sales
- iv. Conference Centre services include corporate events, hotel accommodation, weddings and other social events held at Moor Hall

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 income from examination fees is recognised in the period in which the exams are sat
- ii. Membership income from subscriptions is recognised over the period to which it relates
- iii. Learning & Development income is recognised at the date of delivery of the service / goods apart from corporate training which is recognised over the period to which it relates. E-Learning income is recognised when significant risks and rewards have been transferred to the customer
- iv. Conference Centre services are recognised when the relevant events take place

## f) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation:

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Freehold buildings and improvements	-	50 years
Plant, machinery and vehicles	-	3-15 years
Computer equipment and software	-	3-5 years
Furniture, fixtures and equipment	-	5-10 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Impairment of fixed assets:

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

## **g) Investment property**

Investment property is carried at fair value. The directors consider any changes in fair value on an annual basis, with reference to external data available and the valuation is adjusted if necessary. No depreciation is provided and changes in fair value are recognised in the profit and loss account.

## **h) Foreign currency translation**

Functional and presentation currency:

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pound Sterling, which is CIM's functional and the Group's presentation currency.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date.

Transactions and balances:

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

## **i) Pension costs**

The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting 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.

Contributions to the Group's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

## **j) Fund accounting**

Retained profits held by CIM are unrestricted general funds which can be used in accordance with CIM's objects at the discretion of the Directors and restricted funds which relate to the net funds of the Communication Advertising and Marketing Education Foundation (CAM) which is a charitable subsidiary company whose funds are only available to further that entity's charitable objectives.

## **k) Current and deferred taxation**

The Group suffers taxation on any activity that does not directly benefit the members of CIM or furthers the charitable objectives of CAM. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where CIM and its subsidiaries operate and generate taxable income.

Deferred tax is not currently recognised in the financial statements due to the uncertainty of sufficient future taxable profits being generated against which current losses can be offset.

## **l) Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

## **m) Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

## **n) Grant income**

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expenses incurred.

## **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Directors have made the following judgments:

- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit
- Determine whether appropriate assumptions have been made to value the assets and liabilities of the defined benefit pension scheme
- Consider the appropriateness of non-recognition of a deferred tax asset in respect of unutilised cumulative tax losses

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 9)
- Valuation of investment property (see note 10)
- Recoverability of debtors (see note 11)

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The valuation of investment property is carried out at fair value in consultation with external valuers.

Provision is made for non-recoverability of trade debtors where they remain unpaid beyond the average time to collect, generally 90 days.

### 3. Analysis of turnover

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Analysis by class of business:		
Education	3,420	3,691
Membership	3,890	3,615
Learning & Development	4,747	3,681
Conference Centre	1,543	251
	<b>13,600</b>	<b>11,238</b>

### 4. Operating profit

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	353	392
Fees payable to CIM's auditors for the audit of the CIM's annual accounts	40	40
Fees payable to the Group's auditors for other services to the Group:		
Taxation compliance services	6	6
Defined contribution pension cost	221	198
Restructuring – costs incurred in accordance with the Recovery Plan	-	234
Government grant - furlough	-	(161)

### 5. Employees

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Staff costs (including senior management) consist of:		
Wages and salaries	5,707	5,282
Social security costs	607	525
Defined contribution pension cost	221	198
	<b>6,535</b>	<b>6,005</b>

	<b>2022</b> <b>Number</b>	<b>2021</b> <b>Number</b>
The average number of employees (including senior management) during the year was:		
Education services	15	19
Membership services	55	54
Learning & Development	22	22
Conference Centre	16	13
Administration	44	37
	<b>152</b>	<b>145</b>



<b>The number of higher paid employees was:</b>	<b>2022 Number</b>	<b>2021 Number</b>
£80,001 - £110,000	4	8
£110,001 - £140,000	5	-
£140,001 - £170,000	1	1

The above remuneration bands include benefits-in-kind, bonuses and employers pension contributions.

No Directors received any remuneration or benefits from the Group.

Key management personnel include a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation including employers pension contributions paid to key management personnel for services provided to the Group was £995k (2021: £910k).

## 6. Interest receivable and interest payable

	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Interest receivable</b>		
Interest receivable on short term deposits	6	9
<b>Interest payable</b>		
Loans and overdrafts	(16)	(20)
<b>Net interest payable</b>	<b>(10)</b>	<b>(11)</b>

## 7. Taxation

There is no taxation payable for the current year. An analysis is shown below to reconcile the result for the year to the tax charge:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Profit/(Loss) on ordinary activities before taxation	457	(122)
Tax on profit on ordinary activities at standard CT rate of 19.00%	87	(23)
Expenses not deductible for tax purposes	1,274	1,224
Income not taxable for tax purposes	(1,389)	(1,381)
Adjustments to tax charge in respect of previous periods	-	(2)
Fixed asset differences	(14)	19
Remeasurement of deferred tax for change in tax rates	(13)	-
Deferred tax not recognised	55	161
<b>Current tax charge/(credit)</b>	<b>-</b>	<b>(2)</b>

No deferred tax assets are currently recognised on the balance sheet. CIM has unutilised cumulative tax losses of £8,403,000 available to carry forward against future profits from commercial activities.

## 8. Parent company profit for the year

In accordance with permitted exemptions CIM has not presented its own profit and loss account in these financial statements. The profit after tax of CIM itself for the year was £423k (2021: £120k - loss).

## 9. Tangible fixed assets

	Freehold land and buildings £'000	Plant, machinery and vehicles £'000	Computer equipment and software £'000	Furniture, fixtures and equipment £'000	Total £'000
<b>Cost or valuation</b>					
At 1 July 2021	5,734	1,282	1,750	398	9,164
Additions	30	533	574	4	1,141
Disposals	-	(36)	(109)	-	(145)
<b>At 30 June 2022</b>	<b>5,764</b>	<b>1,779</b>	<b>2,215</b>	<b>402</b>	<b>10,160</b>
<b>Depreciation</b>					
At 1 July 2021	371	857	1,213	275	2,716
Charge for the year	99	58	162	34	353
Disposals	-	(36)	(106)	-	(142)
<b>At 30 June 2022</b>	<b>470</b>	<b>879</b>	<b>1,269</b>	<b>309</b>	<b>2,927</b>
<b>Net book value</b>					
<b>At 30 June 2022</b>	<b>5,294</b>	<b>900</b>	<b>946</b>	<b>93</b>	<b>7,233</b>
At 30 June 2021	5,363	425	537	123	6,448

The freehold land and buildings are subject to a fixed charge as security for the Santander loan. All tangible fixed assets are owned by CIM. On transition to FRS 102, CIM took the option of treating the previously revalued amount (at 30 June 2014) of freehold land and buildings as deemed cost.

## 10. Fixed asset investments

The Directors have considered the market value of the investment property at 30 June 2022 and following the valuation received in February 2022 have impaired the investment property to a value of £200,000. The loss on this impairment of £350,000 has been charged to the profit and loss account.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	Group and CIM 2022 £'000	Group and CIM 2021 £'000
Historic cost	350	350
Accumulated depreciation	(56)	(49)
<b>Net book value</b>	<b>294</b>	<b>301</b>

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

- Communication Advertising & Marketing Education Foundation (CAM), incorporated in England
- The Chartered Institute of Marketing Hong Kong Limited, incorporated in Hong Kong
- CIM Enterprises Limited, incorporated in England

## 11. Debtors: Due within one year

	2022		2021	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Trade debtors	569	569	676	676
Owed by Group companies	-	113	-	101
Other debtors	27	27	35	30
Prepayments	228	228	331	331
Accrued income	18	18	50	49
	<b>842</b>	<b>955</b>	<b>1,092</b>	<b>1,187</b>

## 12. Creditors: Amounts falling due within one year

	2022		2021	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Loan (see note 14)	227	227	227	227
Trade creditors	916	916	584	584
Owed to Group companies	-	10	-	-
Taxation and social security	242	242	239	239
Other creditors	62	62	61	61
Accruals	1,145	1,320	976	1,130
Deferred income	2,522	2,522	2,986	2,985
	<b>5,114</b>	<b>5,299</b>	<b>5,073</b>	<b>5,226</b>

## 13. Creditors: Amounts falling due after more than one year

	2022		2021	
	Group £'000	CIM £'000	Group £'000	CIM £'000
CAM Loan (see note 14)	-	600	-	600
Loans (see note 14)	227	227	453	453
	<b>227</b>	<b>827</b>	<b>453</b>	<b>1,053</b>

The maturity of sources of debt finance was:

Within one year or on demand	227	227	227	227
In 1-2 years	226	827	227	227
In 2-5 years	-	-	226	826
	<b>453</b>	<b>1,054</b>	<b>680</b>	<b>1,280</b>

## 14. Loans and Overdraft Facility

On 5 May 2019 CIM took out a £1.0m loan from Santander, which is secured on the freehold land and buildings at Moor Hall and repayable by instalments over a term of 60 months. This term loan bears interest at 2.5% above the Bank of England base rate.

On 26 August 2020 CIM took out a three-year £1,500,000 overdraft facility with Santander under the Government backed Coronavirus Business Interruption Loan Scheme (CBIL Scheme), payable on demand with interest chargeable at 2.95% (0% for the first 12 months) above the Bank of England base rate. This facility has not yet been utilised.

On 31 July 2020 the £600,000 loan from CAM was extended from 31 July 2020 to 31 July 2022. This loan bears interest at 4% per annum. £100,000 was repaid in July 2022 and a loan of £500,000 was renewed with CAM on 31 July 2022 for 2 years to 31 July 2024, with the same terms as the previous loan.

## 15. Reconciliation of net cash flow to movement in net debt

Analysis of changes in net debt - Group	At 1 July 2021 £'000	Cashflow £'000	At 30 June 2022 £'000
Santander Loan	(680)	227	(453)
Cash at bank and in hand	1,748	83	1,831
<b>Total</b>	<b>1,068</b>	<b>310</b>	<b>1,378</b>

Net debt is defined as the net of cash and cash equivalents, other financial assets, bank overdrafts, loan notes and bank loans.

Reconciliation of net cash flow to movement in net debt - Group	2022 £'000	2021 £'000
Increase in cash in the year	310	61
Net position at the beginning of the year	1,068	1,007
<b>Net position at the end of the year</b>	<b>1,378</b>	<b>1,068</b>

## 16. Pensions

CIM (the "Employer") operates a closed defined benefit pension arrangement called the CIM Holdings Limited Retirement Benefits Scheme (the "Scheme"). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The Employer also operates a defined contribution scheme but this is not included in these disclosures.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process CIM must agree with the Directors of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 30 June 2020 and the next valuation of the Scheme is due as at 30 June 2023. The Employer expects to pay no contributions in the year to June 2023 as all contributions agreed under the existing Schedule of Contributions have been paid. In the event that the 30 June 2023 actuarial valuation reveals a deficit, the Employer will be required to agree a new Schedule of Contributions with the Trustees.

There were no plan amendments, curtailments or settlement during the period.

<b>The assumptions used for calculating the liabilities were:</b>	<b>2022</b>	<b>2021</b>
Discount rate	3.7%	1.9%
Inflation assumption (RPI)	3.4%	3.2%
Inflation assumption (CPI)	2.7%	2.5%
Pre-1995 pension increases	5.0%	5.0%
Post 1995 pension increases	3.3%	3.1%
Post 1 July 2007 pension increases	2.3%	2.2%
Salary increases	2.8%	2.6%
Commutation - No allowance has been made for members to take tax free cash		
Expenses - CIM meets expenses directly		

<b>Mortality assumptions</b>	<b>2022</b>	<b>2021</b>
Mortality tables	S3NA CMI 2019 projections LTR 1.25%	S3NA CMI 2019 projections LTR 1.25%
Life expectancy of pensioners at age 65		
Males:	22.3 years	22.3 years
Females:	24.7 years	24.7 years

<b>Amounts recognised in the Balance Sheet</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Fair value of assets	25,911	31,617
Present value of funded obligations	(20,206)	(26,276)
<b>Surplus</b>	<b>5,705</b>	<b>5,341</b>
Effect of asset ceiling	(5,705)	(5,341)
<b>Net defined benefit liability</b>	<b>-</b>	<b>-</b>

<b>Amounts recognised in the Profit &amp; Loss Account</b>		
Current service cost	-	-
Interest on liabilities	492	483
Interest on assets	(594)	(495)
Past service cost	-	-
Settlement cost	-	-
Interest on effect of asset ceiling	102	12
<b>Total</b>	<b>-</b>	<b>-</b>

<b>Re-measurements over the year</b>		
Loss/(Gain) on scheme assets in excess of interest	5,564	(561)
Experience losses/(gains) on liabilities	-	(1,430)
Losses/(Gains) from changes to demographic assumptions	-	(2,295)
(Gains) from changes to financial assumptions	(5,826)	(252)
Losses from change in effect of asset ceiling	262	4,538
<b>Total re-measurements</b>	<b>-</b>	<b>-</b>

### Change in assets over the period

Beginning balance	31,617	31,358
Interest on assets	594	495
CIM contributions	-	-
Benefits paid	(736)	(797)
Actuarial (loss)/gain	(5,564)	561
<b>Closing balance</b>	<b>25,911</b>	<b>31,617</b>

### Change in obligations over the period

Beginning balance	26,276	30,567
Interest cost	492	483
Benefits paid	(736)	(797)
Experience gain on liabilities	-	(1,430)
Actuarial gain due to changes in demographic assumptions	-	(2,295)
Actuarial (gain)/loss due to changes in financial assumptions	(5,826)	(252)
<b>Closing balance</b>	<b>20,206</b>	<b>26,276</b>

### Assets - the major categories of assets as a percentage of total Scheme assets were as follows:

	2022	2021
Equities / growth assets	38%	59%
Swaps	15%	15%
Cash	47%	26%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The actual return on the Scheme's assets, net of expenses, over the period was -19.2%.

### 17. Contingent liabilities

There are no contingent liabilities.

### 18. Post balance sheet events

There were no post balance sheet events at the time of signing these accounts.

### 19. Capital commitments

	2022		2021	
	Group £'000	CIM £'000	Group £'000	CIM £'000
Capital: contracted, but not provided for	-	-	263	263

The contracted capital relates to the development and replacement of the commercial IT systems.

### 20. Related party disclosures

The ultimate controlling party of the Group is CIM. As at 30 June 2022, CIM owed (a) CAM £600,000 (2021: £600,000), £20,000 of transactions during the year were solely interest receivable from CIM, in addition CIM owed CAM £180,000 of accrued interest and conversely CAM owed CIM £113,000 and (b) £8,000 (2021: £14,000) to The Chartered Institute of Marketing Hong Kong Limited (CIM HK), with £1,000 of subventions paid to CIM HK during the year, (c) CIM Enterprises Limited owe CIM £7,000. There were no transactions with any senior member of the management team this year (2021: £0).