Investors in People UK Limited

Company Report
and
Financial Statements 2010

For the eighteen month period
1 April 2009 to 30 September 2010

Company Registration Number 2860079

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Report of the Directors

Introduction

The directors present their final annual report together with the financial statements for the eighteen month period ended 30 September 2010. The financial statements have been prepared in accordance with the Companies Act 2006 and generally accepted accounting practice in the UK (UK GAAP). They also follow the additional accounting and disclosure requirements of the 2009-10 version of the Government Financial Reporting Manual (FReM) issued by HM Treasury, where these do not conflict with the requirements of the Companies Act.

Following the receipt of a ‘closure letter’, in August 2009, from the Department for Business, Innovation and Skills (BIS), Investors in People UK Limited (IIPUK) closed, for trading, on 31 March 2010, when responsibility for the strategic ownership of the Investors in People standard passed to the UK Commission for Employment and Skills (UKCES). We are confident that Investors in People will continue to be the great success it became under the stewardship of IIPUK.

IIPUK was a Non-Departmental Public Body (NDPB) sponsored by BIS. IIPUK was principally engaged in the development, quality assurance and promotion of the Investors in People Standard. The Company, which is limited by guarantee, was incorporated on 1 October 1993. IIPUK licensed nine regional Centres in England and a Centre each in Scotland, Wales and Northern Ireland to deliver the Standard throughout the UK. The Centres are responsible for providing Specialists to deliver advice and assessments to customers in their regions.

The business, its objectives and strategy

Despite this being the company’s final year, we continued to push forward with ambitious plans for the future of Investors in People. In May 2009, we launched our new approach to working with Investors in People, backed by a fresh new brand, new support materials and the opportunity for customers to gain additional forms of recognition at Bronze, Silver and Gold levels. A substantial marketing campaign resulted in 1,200 sales leads from organisations employing over 500,000 people in total. Since introducing this new choice-based offer, the number of organisations working beyond The Standard has increased fourfold. Results from the Tracking Study showed that awareness of Investors in People has risen from 89% to 91%, and the perception of Investors in People as a business improvement tool has risen from 55% to 60%[1]. We also ensured that all the tools and delivery support processes and guidance were revised to reflect the new approach. Our network of Investors in People Centres worked hard to continue upgrading the skills of Specialists to support customers more effectively, and progress was monitored by our delivery team to ensure this was the case.

Throughout the year, a key priority was to ensure that the transfer of ownership would not interrupt the service to customers. The Board and management team worked hard with both our sponsor Department and the UKCES to make sure that this was achieved. This involved substantial effort to keep our customers, stakeholders and partners informed, and what the implications would be for them in the future. This included a very significant exercise to contact all customers seeking their permission to transfer their data from IIPUK to the UKCES. We also ensured that wherever practicable, knowledge was successfully transferred to the UKCES.

During the year we also had further confirmation of the benefits of Investors in People. Cranfield University concluded a piece of research showing that working with Investors in People was a significant contributor to improving management and leadership performance in organisations, and that it facilitated the development of a high performing environment[2]. As the quality of leadership and management is a

[1] Ipsos MORI Social Research Institute: *Investors in People Performance Tracking Research: year 4 Overall Results.* March 2010

[2] Prof. Mike Bourne, Dr Monica Franco-Santos. *Investors in People, managerial capabilities and performance. A study conducted by the Centre for Business Performance, Cranfield School of Management*. January 2010

major factor in organisational success, this was yet more evidence of the power of Investors in People as a business improvement tool, adding to the evidence from previous studies of the benefits that Investors in People can bring to organisations who use it. We further explored the leadership and management issue by conducting in-house research into the feasibility of creating a Leadership and Management Good Practice Award. Feedback from customers and Specialists, together with input from key stakeholders concluded that there was already a significant level of challenge within the framework as it stands. However, there was also some appetite for a form of recognition of good leadership and management practice, leading to the possibility of the future development of a leadership and management ‘theme’ within the existing framework which could offer some form of recognition. This conclusion has been passed over to the UKCES for their consideration.

It was important that we kept a focus on ‘business as usual’ during this final year, and we continued to monitor performance, work with our Investors in People Centres, and carried on building the momentum around the launch of the new approach. Having started the year with the launch of a refreshed brand, we concluded by launching our Health and Wellbeing Good Practice Award. This Award had been under development with financial support from the Department of Health, and represented a significant addition to the Investors in People product portfolio. As with the new approach, the Award was launched with a full back up of materials, recognition options, customer support tools and development support for our delivery network.

Despite the continuing recession in the UK, and the uncertainties caused by the transfer of ownership, customer loyalty remained strong, and 18% of recognised organisations remained with us for 10 years or more – a testament to the continued relevance of Investors in People. Interest in using the framework also remained encouragingly strong, and new commitments covering 459,331 employees were gained during the year.

Inevitably, the year became increasingly dominated by the imperatives of company closure. The management team and staff had to operate with substantial budget cuts and financial restrictions. The legal, contractual and procedural issues were complex and challenging, but all were successfully overcome. The most challenging issues related to managing the transfer or redundancy of our employees. The Department required that the Cabinet Office Statement of Practice (COSOP) process should be followed, and all the appropriate staff consultation arrangements were put in place. Full co-operation was given to the UKCES and the Department in effecting the transfer of those staff associated with the strategic undertaking. The UKCES created 23 posts specific to Investors in People, 14 of which were filled by IIPUK employees – 10 by right of transfer, and a further 4 following an application and selection process. The sponsor Department took over responsibility for the company’s residual financial affairs, supported by four Board Directors who continued as non-Executives until the final accounts were produced. One member of staff was seconded to the UKCES to assist with the transition for a period of three months. Two members of staff were employed by the Closure Team until 20 April and 6 May respectively. A temporary part time staff member was employed by the Closure Team between 18 May and 13 August. The Closure Team also comprised two full time members of staff from BIS. As employees of BIS, their salary costs were met by BIS. All other employees were made redundant on the 31 March 2010.

The commitment and dedication of all our employees during a very difficult year was remarkable. Investors in People continues to generate passion and debate among our customers, our delivery network and our stakeholders, and remains widely recognised as a powerful tool for improving performance in organisations. Investors in People has been transferred to the UKCES in an excellent condition from which to move forward, and to make an even greater contribution to the UK economy.

Register of Directors' interests

The Register of Directors' interests is available at the Company's registered office.

Board of Directors

The Directors in office during the 18 month period ending 30 September are listed below. Resignation dates are shown in brackets.

Philip Williamson CBE
Chairman
Investors in People UK

Peter Ayliffe
Chief Executive
Visa Europe

Roger A Hoyle TD
Former Chairman
North West of England Learning and Skills Council

Stephen Kingan
Chairman / Chief Executive
Nexor Ltd

Tony Salt (Executive Director) (from 11 May 2010 to date)
Acting Director of Operations
Investors in People UK

Simon Jones (Executive Director) (to 31 December 2009)
Acting Chief Executive
Investors in People UK

Professor Robert Fryer CBE (to 31 March 2010)
Chair
Campaign for Learning

Hans H Rissmann OBE (to 01 August 2009)
Chief Executive
Edinburgh International Conference Centre Ltd

Cyrus Todiwala OBE DL (to 31 March 2010)
Director
Café Spice Ltd

Jennifer Perkins (to 31 March 2010)
Head of Communications and Client Partner
Work Group plc.

With the exception of the Chief Executive and Tony Salt all of the directors are members of the Company.

Observers

Stephen Marston
Director General for Universities and Skills, BIS.

Stephen Hillier
Director, Skills Directorate, BIS.

Aubrey Magill
Sponsorship Manager, Employer Investment and Demand Unit, BIS.

Jane Hall
Deputy Director, Management, Leadership and Skills Unit, BIS.

Stuart Almond
Chair of English Investors In People Centres

Senior management team
The senior management team in office during the period are listed below. All served throughout the period except where stated:

Simon Jones – Acting Chief Executive (to 31 December 2009)
Jane Jones – Director of Policy & Communications (to 31 March 2010)
Tony Salt – Acting Director of Operations (from 11 May 2010 to date)
Liam Findlay – Company Secretary (to 31 March 2010)

Company status

IIPUK is a company limited by guarantee. Under Clause 6 of the Memorandum of Association all members undertake to contribute to the Company such an amount as may be required, not exceeding £1, in the event of it being wound up during the period of membership and one year afterward.

Company Information

Company Registration Number
2860079

Registered office:
Kingsgate House
66 – 74 Victoria Street
LONDON
W1E 6SW

Directors:
P Williamson CBE
P Ayliffe
R A Hoyle TD
S Kingan
T Salt (from 11 May 2010 to date)
S Jones (to 31 December 2009)
Prof R Fryer CBE (to 31 March 2010)
J Perkins (to 31 March 2010)
H Rissmann OBE (to 1 August 2009)
C Todiwala OBE DL (to 31 March 2010)

Secretary:
L Findlay (to 31 March 2010)
P Standing (from 1 April 2010)

Bankers:
Yorkshire Bank PLC
Barclays Bank PLC

Auditor:
Comptroller and Auditor General
National Audit Office
157 - 197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial and operating review

The Company's income from operations is derived from publications and merchandise licensed to the TSO, licence fees, training and also international work licensed to Quality Centres abroad. The Company received Grant-in-Aid funding from BIS of £4,657,000 (2009, £4,694,000). The Company also received funding of £30,000 from the Department of Health relating to discretionary projects, this was treated as income in the financial accounts.

The first twelve months of the financial period were business as usual for IIPUK, until the closure on 31 March 2010. The final six months have been spent on collecting debts, paying down the liabilities, transferring trade assets to UKCES and transferring the residual assets and liabilities to BIS.

Closure costs
The costs associated with the closure, excluding the cost of redundancies, of £522,117, amounted to £326,115, including the cost of lease rentals, of £138,422, paid by IIPUK until the transfer of the lease to BIS in August 2010.

Transfer of the lease
The last day of occupation of the offices at 7-10 Chandos Street by IIPUK was 31 March 2010. The lease was transferred to BIS in August 2010. IIPUK paid lease rentals of £138,422 for the period from 1 April 2010 until August 2010, when the lease was transferred to BIS.

Transfer of assets
The following trade assets were transferred to UKCES on 1 April 2010.

	£
Fixtures and fittings (net book value)	826
Computer systems (net book value)	204,238
Prepayments	12,864
Staff loans	4,605
	222,533

The following assets were transferred to BIS on 1 April 2010

	£
Fixtures and fittings (net book value)	20,822

Write off of assets
The residual balance of computer and office equipment of £9,097 has been disposed of for £nil consideration.

Payment of suppliers
It is the Company's policy to follow the Department for Business, Innovation and Skills (BIS) policy in relation to the payment of suppliers. BIS's policy is to comply with the Institute of Credit Management's Prompt Payment Code. BIS's standard terms and conditions for the supply of goods or services specify payment within 30 days of receipt of valid invoice, the department has, since October 2008, aimed to pay all valid invoices within 10 working days of receipt. This is in line with the commitment made by the Prime Minister on 8 October 2008.

In 2009-10 the Company paid 58% of undisputed invoices within 30 days (98% in 2008-09). In addition, the Company paid 16% of undisputed invoices within 10 working days.

The proportion of the aggregate amount owed to trade creditors at the year-end 31 March 2010, compared with the aggregate amount invoiced by suppliers during the 12 months to 31 March 2010 in terms of days equalled 66 days.

The proportion of the aggregate amount owed to trade creditors at the period end 30 September 2010, compared with the aggregate amount invoiced by suppliers during the 6 months to 30 September 2010 equalled 1.2 days.

Reporting of Personal Data Related Incidents

Investors in People UK reported no incidents of loss of any Personal Protected Data to the Information Commissioners, nor were there any 'Other Protected Personal Data' incidents during the period.

Indemnity for Board Members

In a letter dated 23 November 2009, Stephen Marston, Director General of the BIS Universities and Skills Group wrote to the board members providing an indemnity for board members regarding the closure of IIPUK.

The indemnity, which followed the standard form, as set out in *Managing Public Money annex 5.5*, stated "an individual board member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution or the purported execution of his or her board functions, save where the board member has acted recklessly".

BIS provided assurance that its responsibility for outstanding liabilities are therefore limited to where such liabilities arise from agreed expenditure, legitimately entered into by IIPUK, and in accordance with the closure plan agreed with the Department. BIS would not be liable for any commitments made by the Directors that are outside the agreed remit or responsibilities of IIPUK, or outside the terms of that closure plan.

Breach of Pay Remit

During the financial period ending 30 September 2010, IIPUK breached its agreed pay remit with BIS. Claire Craig, BIS Director of Skills, gave retrospective approval for the breach.

Auditors

These Financial Statements have been audited by the Comptroller and Auditor General (C&AG) under the Government Resource and Accounts Act 2000 (Audit of Non-profit making Companies Order 2009 (SI 2009/476) whose opinion is expressed on pages 18 -19. The cost of the audit is £59,000.

The National Audit Office also received £5,000, for an assessment of the potential impact of IFRS and attendance at the closure board.

Absence

Absence management polices existed in IIP UK in the period ending 31 March 2010. The average rate of sickness during this period was 3.5%. This is lower that the public sector average of 5%.

Sustainability

One of the Company's objectives was to be recognised as a leading socially responsible organisation. During the year ending 31 March 2010 IIPUK recycled 6,795kg of paper; this is the equivalent of 93 trees and 9,500kg of CO_2.

Between 1 April and 30 September 2010 the IIP UK closure team was located in the Department for Business, Innovation and Skills' (BIS) premises at Kingsgate House in London. BIS has its own recycling procedures.

Going Concern

IIPUK closed, for trading, on 31 March 2010. The responsibility for the strategic ownership of the Investors in People standard transferred to UKCES on the 1 April 2010, consequently, these accounts have been prepared on a non-going concern basis.

After these accounts have been laid before Parliament, the Company Secretary will give notice to Companies House to strike off the company.

The report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Disclosure of Audit Information

As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

P Williamson CBE
Chairman
15th February 2011

Peter W Standing FCCA
Accounting Officer
15th February 2011

Remuneration Report

Remuneration Report

The Remuneration Report is prepared in accordance with the Government Financial Reporting Manual.

Remuneration Committee

The membership of the Remuneration Committee for the Company was as follows:

Hans H Rissmann – Chairman of Remuneration Committee (until 1 August 2009)
Philip Williamson CBE – Chairman of Investors in People UK
Jenny Perkins (until 31 March 2010)

The committee was responsible for the following:

- Ensuring that the remuneration strategy of the Company was regularly updated and enables the company to recruit, retain and motivate staff.
- Approving the remuneration strategy of the Company.
- Appointing external advisors on remuneration for directors.
- Making decisions on the Chief Executive’s and director’s remuneration and to advise the Audit Committee and the Board accordingly.
- To agree criteria for the Company bonus scheme.
- To ensure that bonuses were awarded in compliance with the scheme.

Senior Managers' Contracts

Senior managers' contracts of employment stated the terms and conditions of their role within the Company. This included details of their remuneration package (see below).
In addition details of senior managers' probationary periods and termination of employment were disclosed. The terms for the Chief Executive and the other senior managers were the same except for the terms for termination of employment.

Probationary Period

All senior managers had to serve a probationary period of 6 months. This could be increased by a further 3 months if performance was not satisfactory.

Termination of Employment

During the probationary period, the period of notice required was one month from either side, for all senior management. Thereafter the period was three months written notice from either side, except for the Chief Executive whose period of notice was six months. Where an individual was acting up into a senior management role they were able to keep the termination period as disclosed in their original contract, this was one month for all staff below senior management level.

Details of the senior managers who served during the period are as follows:

NAME	START DATE	END DATE	NOTICE PERIOD	EMPLOYMENT BASIS
Simon Jones Acting Chief Executive	1 December 2006 (21 June 2004)	31 December 2009	6 months	Permanent
Jane Jones Director of Policy & Communications	12 June 2006	31 March 2010	3 months	Secondment (Cabinet Office)
Liam Findlay Acting Director of Finance and Company Secretary	1 April 2009 (18 July 2005)	31 March 2010	1 month	Permanent
Tony Salt Acting Director of Operations	1 January 2009 (1 June 2003)	30 June 2010	1 month	Permanent
Peter Standing Accounting Officer Company Secretary	1 April 2010	N/A	N/A	BIS employee

Start dates shown relate to the date the individual started in the position. Dates shown in brackets relate to when the individual joined the organisation.

Remuneration of Senior Managers

All roles across the organisation were scored using a Job Evaluation Scoring System and put into a grading structure that was created based upon these scores. The criteria used for evaluating all roles were:

- Skills.
- Intellectual demands.
- Judgement.
- Use of resources.
- Communication.
- Physical demands and co-ordination.
- Working conditions and emotional demands.

Employees' objectives, against which their performance was assessed, were agreed with their line manager at the start of the year. These were based upon the organisation's objectives for the coming year as well as those specific to the employee's area of work.

Performance Reviews were held twice a year, one mid-year and the second at the end of year. Employees discussed their performance against their objectives with their line manager and a Performance Review Form was completed as a formal record of assessment. Employees were awarded a box marking from 1 to 5 based on their level of performance. These were categorised as follows:

i Employees will only have partially met their objectives and will have several significant areas for development in connection with the skills and attributes required to perform their role.

ii Employees may have met their objectives but only inconsistently apply adequate levels of skills in relation to the requirements of their role, often demonstrating below adequate levels.

iii Employees will have achieved their objectives and demonstrated a proficient, well-balanced performance in line with the expectations of their role.

iv Employees will have achieved their objectives and consistently demonstrated good levels of skills, often over and above the requirements of their role.

v Employees will have excelled in all of their objectives and regularly and consistently demonstrated outstanding levels of skills over and above the requirements of their role.

The Remuneration Committee approved (subject to BIS's endorsement) the percentage increase that all employees received dependent on the box marking that they received for their performance during 2008-09.

Senior managers who were awarded a box marking of 3 or above were also entitled to a bonus of a maximum of 10% of their salary.

All senior managers were assessed by the Chief Executive who provided his recommendations for salary increases and bonuses to the Remuneration Committee for approval. The Chief Executive in turn was assessed by the Chairman who provided his recommendations to Investors in People UK's sponsor department, BIS, for their approval.

The level of pay awarded to individuals reflected their skills and abilities exercised within the Company and was given without bias on the grounds of age, colour, creed, disability, ethnic origin, gender, marital or parental status, nationality, political belief, race, religion or belief, sexual orientation, or social or economic background. This was in accordance with the provisions of the Company's Policy on Diversity

The following information is subject to audit:

The remuneration of the most senior members of staff for 2009-10 was as follows:

Name	**Salary, including performance pay and benefits in kind 18 months to 30 September 2010**	**Salary, including performance pay and benefits in kind 2008-09**
	£	**£**
Simon Jones* Acting Chief Executive	90,000-95,000 (105,000-110,000)	110,000 – 115,000 (110,000-115,000)
Tony Salt ** Acting Director of Operations	110,000-115,000 (85,000-90,000)	20,000 – 25,000 (80,000 – 85,000)
Liam Findlay*** Acting Finance Director and Company Secretary	65,000-70,000 (60,000-65,000)	-

Full year equivalent salary is shown in brackets.

*The Chief Executive's total emoluments comprised salary and a bonus. The Chief Executive had a personal pension scheme. The employer's contribution to the scheme amounted to the equivalent of 10% of the Chief Executive's salary. Simon Jones resigned from his position as Chief Executive on 31 December 2009.

** Tony Salt was promoted to the position of Interim Director of Operations on 1 January 2009. His salary figures in the period 18 months to 30 September 2010 are for the fifteen month period April 2009 to June

2010. He was on secondment to the UKCES for the period 1 April 2010 to 30 June 2010. The amount recovered from UKCES was £22,378.

***Liam Findlay was promoted to Acting Finance Director on 1 April 2009, hence his salary for 2008-09 is not shown. He resigned from his position on 31 March 2010.

Jane Jones was seconded from the Cabinet Office as the Director of Policy and Communications. The total costs charged to the company were £106k (2009: £98k).

Peter Standing in an employee of BIS, the sponsoring department. His remuneration was paid entirely by BIS, and there was no recharge for his services.

Details of compensation payments made to senior managers for 2009-10:

Name	Compensation Payments £
Simon Jones Acting Chief Executive	106,772
Tony Salt * Acting Director of Operations	47,251
Liam Findlay * Acting Director of Finance	24,512

The payment made to Simon Jones was made following a compromise agreement between Simon Jones and IIPUK dated 23 December 2009. The payment was approved by the HM Treasury.

* The payments to Tony Salt and Liam Findlay were contractual redundancy payments in accordance with their contracts of service.

Details of employer pension contributions to senior manager's personal pension schemes:

Name	Employer Contributions 18 months to 30 September 2010 £	Employer Contributions 2008-09 £
Simon Jones* Acting Chief Executive	7,500 - 10,000 (10,000 – 12,500)	10,000 – 12,500 (10,000-12,500)
Tony Salt ** Acting Director of Operations	10,000 – 12,500 (7,500 – 10,000)	2,000 – 2,500 (7,500 – 10,000)
Liam Findlay*** Acting Finance Director and Company Secretary	2,500-5,000 (2,500-5,000)	-

Full year equivalent pension contributions are shown in brackets.

*The pension contributions shown for Simon Jones are for the period ending 31 December 2009.

**The pension contributions shown for Tony Salt are for the fifteen month period April 2009 to June 2010

***Liam Findlay was promoted to Acting Finance Director on 1 April 2009, hence his pension contributions salary for 2008-09 are not shown. He resigned from his position on 31 March 2010.

P Williamson CBE
Chairman
15th February 2011

Peter W Standing FCCA
Accounting Officer
15th February 2011

Statement of Directors' and Accounting Officer's responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting polices 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 the going concern basis unless it is inappropriate to presume that the company will continue in business. As Investors in People UK Ltd has ceased trading, the 2009-10 financial statements have been prepared on a basis other than that of a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditor's are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Secretary of State has appointed Peter Standing, Accounting Officer and Company Secretary of Investors in People UK Ltd. The responsibilities of an Accounting Officer include the responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out by HM Treasury and published in *Managing Public Money.*

Statement on Internal Control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Investors in People UK's (IIPUK) policies aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money.*

I have been in post from 1 April 2010, and not for all the eighteen month accounting period for 2009-10. In the absence of assurance from the previous Accounting Officer, I have been advised by the Audit Committee and PKF, a firm of accountants and business advisors who carry out the IIPUK's internal audit function, about the control environment that operated within IIPUK.

IIPUK was a company limited by guarantee and an NDPB sponsored by the Department for Business Innovation and Skills (BIS) and as such was accountable to the Secretary of State for Business, Innovation, and Skills. The annual plan for the year ended 31 March 2010 was confirmed by the Department and the Key Performance Indicators (KPIs) agreed with the previous Accounting Officer. IIPUK ceased trading on the 31 March 2010.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of IIPUK's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in IIPUK up until 31 March 2010. For the six month period ended 30 September 2010, and up to the date of approval of the annual accounts, the IIP UK Closure Team operated a system of internal control. This was based upon guidance provided by both the BIS Internal Audit team and the BIS Fraud Officer, and provided practical guidance on the separation of duties and safeguarding the assets against fraud, as well as the requirements of maintaining an effective system of internal control in a period of closure. Both systems accord with HM Treasury guidance.

The period to 31 March 2010, was business as usual for IIPUK, however, the period from 1 April to 30 September 2010, was a period of closure with the transferring of assets to UKCES and BIS, together with the settlement of liabilities.

Capacity to handle risk

The IIPUK Board recognised that the responsibility of risk management should be driven from the top and, as a result the previous Accounting Officer and his senior management team had taken the lead on this until he resigned on 31 December 2009. Between 1 January until the close of the business on 31 March 2010 the lead was taken by the Director of Policy and Communications, the Closure Board and the Audit Committee. From this date I have taken the lead with the assistance of the IIPUK Audit Committee.

IIPUK had sought to adopt best practices in the identification, evaluation and control of risks to ensure that risks were well managed and either eliminated or reduced to an acceptable level. The main processes that were in place for the period ended 31 March 2010, for identifying, evaluating and managing risk were:

- A risk management policy based on promoting a 'risk aware' culture throughout the organisation. At the start of each year each team would profile their activities for the year and identify the associated risks in the following way:

  - Assessing the risk type(s) i.e. delivery, resources, skills and reputational;
  - The implications of the risk occurring i.e. trigger point, impact, likelihood, cost;
  - Preventing the risk or implementing a recovery plan.

- The organisation's risk register which provided information on critical, major, moderate and minor risks, the management control arrangements and views on their current effectiveness. This would include an assessment of risks associated with information and records security and data handling. The risk register had been reviewed and updated with any specific actions for management to complete. The risk exposure was monitored throughout the year.

- Risk monitoring was done through the IIPUK Audit Committee, which at each of its five meetings a year received reports on the development and implementation of IIPUK's risk management arrangements.

- Internal audit reviews of the risk management processes.

- Embedding risk management into the objectives of senior managers and their effectiveness was monitored through their performance assessments.

The most significant risk during the period ended 31 March 2010, was the closure of IIPUK and the transfer of the strategic ownership of Investors in People to the UK Commission for Employment and Skills (UKCES). A Closure Board was set up following the receipt, in August 2009, of a 'closure letter' from BIS instructing IIPUK to cease trading as at 31 March 2010 and complete the formal winding up of the entity.

The purpose of the IIPUK Closure Board was to ensure that the key objectives were achieved on time and in the most efficient and effective way, complying with statutory and other relevant requirements for the closure of IIPUK, and to ensure that the risks associated with the closure were managed effectively.

The membership of the Closure Board comprised the members of the IIPUK Audit Committee. In attendance were IIPUK senior managers and the externally appointed Change Manager, plus observers from the BIS sponsor team and the National Audit Office.

After IIPUK ceased trading on 31 March 2010, continued closure support and risk management has been provided to me by the IIPUK Audit Committee members and the BIS sponsor team up to the date of the approval of the annual report and accounts.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee.

IIPUK's internal audit function until 31 March 2010 was carried out by PKF, a firm of accountants and business advisors, to the Government Internal Audit Standards. The work of internal audit was informed by an analysis of the risk to which the Company was exposed and the annual internal audit plans were based on that analysis. During the year the previous Accounting Officer received a number of reports covering the financial, operational and governance activities of IIPUK. PKF did not issue an annual internal audit report; however, they did issue the following final reports during the period.

- International Review – issued November 2009.
- Monitoring of Action on Audit Recommendations – issued January 2010.
- Financial Systems – issued January 2010.
- Customer Relationship Management System Transition Review – issued March 2010.

- Corporate Governance and Risk Management - issued March 2010.

With regard to their final report on the International Review, PKF did not state an opinion, but were concerned with the lack of clarity for the future of international activity being provided by BIS. However, by the close of business on 31 March 2010 the future had been determined and the responsibility for the management of international business was transferred to IQC2 Ltd., under licence of the UK Commission for Employment and Skills.

PKF did not provide an opinion on their final report Monitoring of Action on Audit Recommendations. For their final reports on Financial Systems, Customer Relationship Management System Transition Review and Corporate Governance and Risk Management, PKF concluded that the system of internal control was adequate.

Prior to the cessation of trading at 31 March 2010, the presence of the Closure Board added to the effectiveness of the system of internal control.
Following the cessation of trading at 31 March 2010 and during the closure process I have sought the advice of the BIS Internal Audit function to provide guidance on maintaining an effective system of internal control given the limited number of persons within the closure team. I was also given assistance by the BIS sponsor team and the IIPUK Board of Directors.

In addition, I have also sought the advice of the BIS Fraud Officer to provide guidance in relation to ensuring the risks associated with the settlement of liabilities were minimised.

While there were some weaknesses in procedure in ensuring proper documentation for some small items of expenditure and IT system back ups were not successfully created for a part of the year, there are no significant control issues that need to be reported during the period from 1 April 2009 to 30 September 2010. The exception is that IIPUK exceeded its agreed pay remit with BIS. Claire Craig, BIS Director of Skills, gave retrospective approval for the breach.

P Williamson CBE
Chairman
15th February 2011

Peter W Standing FCCA
Accounting Officer

15th February 2011

The Certificate and Report of the Comptroller and Auditor General to the Members of Investors in People UK.

I certify that I have audited the financial statements of Investors in People UK for the period ended 30 September 2010 under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Directors' and Accounting Officer's responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its loss for the period 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 Companies Act 2006.

Emphasis of Matter – Financial Statements not Prepared on a Going Concern Basis

Without qualifying my opinion, I draw attention to note 1 to the financial statements. The receipt of a 'closure letter' from the company's sponsor Department (the Department for Business, Innovation and Skills) in August 2009 confirmed that the company would close on 31 March 2010 and the 'Investor in People' business would transfer to UK Commission for Employment and Skills on 1 April 2010. Trading ceased on 31 March 2010 and the period to 30 Sept 2010 has focused on the wind-up of the company. As a consequence, the Directors do not consider the company to be a going concern and the financial statements have not been prepared on a going concern basis. Details of the impact of this on the financial statements are provided in Note 1 to the financial statements.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

28th February 2011

Income and expenditure account
For the period ended 30 September 2010

	Note	18 months ending 30 September 2010 £	18 months ending 30 September 2010 £	Year ending 31 March 2009 £	Year ending 31 March 2009 £
Gross income					
Additional grant funding from OGD's		30,000		29,401	
Transfer from deferred income	12	327,496		98,360	
Income relating to staff on loan		22,378		-	
Income from operations	3	550,467		543,075	
Other income		7,157		-	
		937,498		670,836	
			937,498		**670,836**
Gross expenditure					
Skills for Life		136,212		237,458	
Cost of sales	4	165,642		147,700	
Strategic planning of developments		134,539		168,869	
Marketing & management information		1,136,958		1,272,802	
Development		414,223		812,411	
LSC funded activity		-		14,401	
Innovation		25,414		27,590	
Staff costs	6	2,489,407		1,893,329	
Administration		819,597		545,629	
Provision for bad debts		15,000		-	
Depreciation	8	92,514		96,242	
Notional cost of capital		16,000		16,935	
Costs relating to the termination of operations					
Closure Costs		326,115		-	
(Profit)/Loss on disposal of fixed assets	24	9,097		2,118	
(Profit)/Loss on transfer of fixed assets	24	225,886		-	

(Profit)/Loss on transfer of current assets	24	17,469		-	
		6,024,073		5,235,484	
			6,024,073		**5,235,484**
Operating deficit			**(5,086,575)**		(4,564,648)
Interest receivable			**-**		5,779
Interest repayable to BIS			**-**		(5,779)
Deficit before taxation			**(5,086,575)**		**(4,564,648)**
Tax charge for the period	7		**-**		(1,824)
Deficit for the period			**-** **(5,086,575)**		**(4,566,472)**
Reversal of notional cost of capital			16,000		16,935
Retained deficit	13		**(5,070,575)**		**(4,549,537)**
Reserves brought forward	13		549,805		485,223
Grant In Aid revenue financing	2		4,554,345		4,614,119
Reserves carried forward	13		**33,575**		**549,805**

Statement of total recognised gains and losses
For the period ended 30 September 2010

	Note	**30 September 2010**	**31 March 2009**
		£	**£**
Deficit for the period	13	(5,070,575)	(4,549,537)

The notes on pages 24 to 37 form part of these accounts

The financial statements are prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies

Balance sheet
As at 30 September 2010

	Note	30 September 2010 £	30 September 2010 £	31 March 2009 £	31 March 2009 £
Fixed Assets					
Tangible fixed assets	8		-		224,841
Current Assets					
Debtors	9	592		837,980	
Cash at bank and in hand	16	99,623		56,989	
		100,215		894,969	
Creditors: amounts falling due within one year	10	(66,640)		(431,539)	
Net current assets			33,575		463,430
Total assets less current liabilities			**33,575**		**688,271**
Creditors: amounts falling due after more than one year	11		-		(138,466)
Net assets			**33,575**		**549,805**
Reserves	13		33,575		549,805
			33,575		**549,805**

Philip Williamson CBE
Chairman

15th February 2011

Peter Standing FCCA
Accounting Officer

15th February 2011

The notes on pages 24 to 37 form part of these accounts

Cash flow statement
For the period ended 30 September 2010

	Note	30 September 2010 £	31 March 2009 £
Net cash (outflow) / inflow from operating activities	14	**(4,510,555)**	**(4,668,121)**
Interest Received		**-**	5,779
Taxation		(1,156)	(3,168)
Capital expenditure			
Purchase of tangible fixed assets		(102,655)	(79,881)
Net cash outflow from capital expenditure		**(102,655)**	**(79,881)**
Net cash outflow before financing		**(4,614,366)**	**(4,745,391)**
Financing			
Grant-in-Aid	2	4,657,000	4,694,000
Net cash inflow from financing		**4,657,000**	**4,694,000**
(Decrease) / increase in cash	15	**42,634**	**(51,391)**

The notes on pages 24 to 37 form part of these accounts

Notes to the Accounts
for the period ended 30 September 2010

1. Principal accounting policies

1.1 **Basis of preparation**
The financial statements are prepared in accordance with generally accepted accounting practice in the United Kingdom (UK GAAP) the Companies Act 2006 and the accounting and disclosure requirements given in Managing Public Money and the 2009-10 version of the Government Financial Reporting manual (FReM), where these do not conflict with the requirements of the Companies Act. The financial statements are prepared under the historical cost convention modified by the inclusion of fixed assets at their value to the business by reference to current costs.

1.2. **Going concern**
As disclosed in the Directors' report, the receipt of a 'closure letter' from BIS in August 2009 confirmed that IIPUK would close on 31 March 2010 and that the Investor in People business would transfer to UKCES on 1 April 2010. Trading ceased on 31 March 2010 and the period to 30 Sept 2010 has focused on the wind-up of the company. The Directors, therefore, have prepared these financial statements on a basis other than that of a going concern in accordance with FRS 18 (paragraph 21) and SI 2008/420 Schedule 1 (10) (2) which includes, where appropriate, writing down the organisation's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the operations of the organisation except to the extent that such costs were committed at the balance sheet date.

1.3 **Basis of accounting**
The financial statements are prepared in accordance with the modified historic cost convention. These accounts have been prepared primarily under the Companies Act 2006 on a basis other than that of a going concern rather than using merger accounting as required by the FReM, which would conflict with the requirements of the Companies Act given the circumstances of IIPUK. The consequence is that where assets and liabilities have been transferred to UKCES or BIS, which has occurred for nil consideration, these have not been transferred out of the accounts at existing net book value, but written down to a net realisable value of nil with the opposite entry taken to the Income and Expenditure account. These costs have been identified separately as "costs relating to the termination of operations" within the Income and Expenditure account.

The lease for IIPUK's accommodation at 7-10 Chandos Street was legally transferred to BIS in August 2010. As a result no onerous lease exists at the balance sheet date and no provision has been made for it in these or previous periods' financial statements.

All assets and liabilities due to be transferred to UKCES or BIS were transferred by the balance sheet date and all liabilities that remain in these financial statements are to be settled by IIPUK.

1.4. **Grant-in-Aid**
Grant-in-Aid and grants received used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

Grant relating to capital expenditure is released to the Income and Expenditure account to match the in-year expenditure (e.g. depreciation and loss on disposal) recorded in the Income and Expenditure account of the asset it has been used to acquire.

Grant funding from Other Government Departments (OGDs) relating to discretionary projects is credited to income.

1.5. **Other income**

Income from operations relates to income received from conferences, licence fees, fees for advisory and assessment work, international development and licences and sales of publications and merchandise.

Income is credited to the income and expenditure account in the year to which it relates. Any income received in respect of future periods is credited to and included within deferred income.

1.6. **Operating leases**

Amounts in respect of operating leases are charged to the income and expenditure account in the year in which they become payable.

1.7. **Tangible fixed assets**

Tangible fixed assets have been stated at cost less depreciation. The minimum cost threshold for capitalising an asset is £100. Assets were revalued annually using indices provided by the Office for National Statistics. Given their nature and low value, tangible fixed assets have been carried at depreciated cost as a proxy for fair value prior to their transfer or disposal. Where an asset is impaired the charge is taken to the Income and Expenditure account. There are no remaining fixed assets at the period end date.

Depreciation is provided to write off the cost of fixed assets over their estimated useful economic lives on a straight line basis over the following periods:

Fixtures and fittings	5 years
Office equipment	4 years
Computer systems	4 years
Web interactive tools	6 years
Compare and Learn software	6 years

A full year's depreciation charge is provided for in the year of acquisition. Depreciation ceased to be charged after 31 March 2010. Normally, no depreciation is provided for in the year of disposal. However, in the year 2009-10 items have been depreciated to 31 March 2010, prior to their disposal or transfer to BIS or the UKCES. This has not resulted in a net change to the income and expenditure account. The Compare and Learn software has not been depreciated as it was not in full use at any point during the reporting period.

As per note 1.3, fixed assets transferred to UKCES and BIS, for nil consideration, have been written down to a net realisable value of nil with an expense entry taken to the Income and Expenditure account. All other fixed assets have been physically disposed of by the balance sheet date.

1.8. **Computer software**

Expenditure on computer software is capitalised when deemed that it directly enables staff to carry out their roles in fulfilling the principle objectives of the organisation. All other expenditure is written off in the period in which it is incurred.

1.9. **Research and development**

Expenditure on research and development is written off in the period in which it is incurred.

1.10 **Contributions to pension funds**

The pension costs charged represent the amount of contributions payable to employees' personal pension schemes in respect of the accounting period.

1.11. **Foreign currencies**
Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Exchange differences are dealt with through the income and expenditure account.

1.12. **Cost of capital**
A notional cost of capital is charged in the income and expenditure account based on the average capital employed using the HM Treasury discount rate of 3.5%. In this final period the charge has been calculated as the average of the capital employed between 1 April and 31 March 2010 and in turn the weighted average of the above figure with the average for the period 1 April 2010 to 30 September 2010. The charge is then credited to the income and expenditure account after the deficit for the period.

1.13. **Value added tax**
IIPUK have been registered for the purposes of value added tax (VAT) since 1st October 1993, registration no. 600 2978 63. The company applies the standard rate of VAT against all supplies it makes within the UK and the appropriate rate of VAT to all overseas customers dependent on their location and VAT status within their own country. The company reclaims the VAT on all expenditure incurred where this is clearly evidenced. Where output tax is charged or input tax is recoverable, the amounts stated are net of VAT. Any irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.14. **Financial instruments**
Assets and liabilities that meet the definition of financial instruments are accounted for in accordance with Financial Reporting Standards 25, 26 and 29. IIPUK does not hold any complex financial instruments. The only financial instruments included in the accounts are debtors and creditors (Notes 9 and 10). Trade debtors are recognised initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that IIPUK will be unable to collect an amount due in accordance with agreed terms.

Notes to the Accounts

2 Grant-in-Aid

		30 September 2010 £	31 March 2009 £
Grant-in-Aid		4,657,000	4,694,000
Allocated to fixed assets - deferred income (note 12)	12	(102,655)	(79,881)
Financing credited direct to reserves	13	**4,554,345**	**4,614,119**

3 Income from operations

INCOME FROM OPERATIONS IS CATEGORISED AS FOLLOWS:

	2010 £	2009 £
Income from licensing and training	337,740	350,809
Income from publications licence	100,000	110,833
Income from international licence	112,727	81,433
	550,467	**543,075**

4 Cost of sales

COST OF SALES ATTRIBUTABLE TO OPERATIONS:

	30 September 2010	**31 March 2009**
	£	**£**
Quality Assurance	71,377	76,082
International sources	94,265	71,618
	165,642	**147,700**

5 Operating deficit before taxation

THE OPERATING DEFICIT BEFORE TAXATION IS STATED AFTER CHARGING:

	30 September 2010	**31 March 2009**
	£	**£**
Depreciation, owned assets	92,514	96,242
Auditor's remuneration		
Internal audit	33,723	32,664
External audit		
- audit services	64,000	24,500
- taxation services	-	-
Lease of building	239,519	230,000

The auditors have not received any remuneration for non-audit work.

6 Directors and employees

STAFF COSTS DURING THE PERIOD WERE AS FOLLOWS:

	30 September 2010	31 March 2009
	£	£
Wages and salaries	1,601,983	1,476,174
Redundancy Pay	522,117	-
Social security costs	189,644	165,405
Other pension costs (note 20)	65,356	78,957
Seconded, loaned and temporary staff	105,598	169,287
Group life assurance premiums	4,709	3,506
	2,489,407	**1,893,329**
Income received for staff seconded out	(22,378)	-
	2,467,029	**1,893,329**

Staff costs of £136,732, for 3 members of staff have been included in the costs for Skills for Life and Cost of Sales (International) and are excluded from staff costs above. A similar figure had been included in the prior year.

THE AVERAGE NUMBER OF EMPLOYEES IN THE COMPANY
DURING THE YEAR TO 31 MARCH 2010 WAS 43 (2009: 41) INCLUDING SECONDED CIVIL SERVANTS:

	2010*	2009
	Number	Number
Directors (Executive)	1	2
Permanent employees	41	37
Secondments	1	2
	43	**41**

*This relates to the period ending 31 March 2010.
The only statutory executive directors to receive remuneration from the Company were the Chief Executive and Tony Salt. Their salary information is included in the remuneration report.

Two members of staff were employed by the Closure Team until 20 April 2010 and 6 May 2010 respectively. A temporary part time staff member was employed by the Closure Team between 18 May 2010 and 13 August 2010. The Closure Team also comprised two full time members of staff from BIS. As employees of BIS, their salary costs were met by BIS

7 Taxation

ANALYSIS OF CHARGE IN THE PERIOD

The tax charge is based on the bank interest received in the year and represents:

	30 September 2010	31 March 2009
	£	£
Under / (over) provision for the prior year	-	668
UK corporation tax based on the bank interest received in the year at 20%	-	1,156
	-	**1,824**

There was no tax charged in the period

8 Tangible fixed assets

	Fixtures, Fittings and Equipment	Computer Systems	Total
	£	£	£
Cost			
At 1 April 2009	556,665	456,200	1,012,865
Additions	-	102,655	102,655
Disposals	(556,665)	(558,855)	(1,115,520)
At 30 September 2010	-	-	-
Depreciation			
At 1 April 2009	523,527	264,497	788,024
Provided in the year	13,787	78,727	92,514
Eliminated on disposal	(537,314)	(343,224)	(880,538)
At 30 September 2010	-	-	-
Net book amount at 30 September 2010	**-**	**-**	**-**
Net book amount at 31 March 2009	33,138	191,703	224,841

Fixed Assets with a net book value of £205,064 were transferred to UKCES effective as of 1 April 2010
Fixed assets with a net book value of £20,822 were transferred to BIS effective as of 1 April 2010.

9 Debtors

	30 September 2010	**31 March 2009**
	£	**£**
Trade debtors	**-**	92,994
Other debtors	**592**	197,699
Prepayments and accrued income	**-**	547,287
	592	**837,980**

Trade Debtors are stated net of a provision for doubtful debt of £15,000

Intra-government debtors

	30 September 2010	**31 March 2009**
	£	**£**
Other central government bodies	**592**	247,471
Local authorities	**-**	77,914
Balances with bodies external to the government		512,595
	592	**837,980**

10 Creditors: amounts falling due within one year

	30 September 2010 £	31 March 2009 £
Trade Creditors	-	133,246
Corporation Tax	-	1,156
Other Creditors	-	-
Accruals and Deferred Income	**66,640**	295,812
Other Taxation and Social Security	-	1,325
	66,640	**431,539**

Intra-government creditors

	30 September 2010 £	31 March 2009 £
Other central government bodies	-	107,826
Local authorities	-	8,893
Balances with bodies external to the government	66,640	314,820
	66,640	**431,539**

11 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Deferred Income	-	**138,466**

	30 September 2010 £	31 March 2009 £
Other central government bodies	-	-
Local authorities	-	-
Balances with bodies external to the government	-	138,466
	-	**138,466**

12 Deferred Income (included in Creditors notes 10 and 11)

	Fixed assets 30 September 2010 £	Fixed assets 31 March 2009 £
At 1 April	**224,841**	243,320
Allocated from Grant in Aid (note 2)	102,655	79,881
Transfer (to) / from income and expenditure account	(327,496)	(98,360)
At 30 September	-	224,841

13 Reserves

	Accumulated fund 30 September 2010 £	Accumulated fund 31 March 2009 £
At 1 April	**549,805**	**485,223**
Deficit for year	(5,070,575)	(4,549,537)
Grant in Aid financing	4,554,345	4,614,119
At 30 September	**33,575**	**549,805**

14 Net cash outflow from operating activities

	30 September 2010	31 March 2009
	£	£
Operating deficit	**(5,086,575)**	**(4,564,648)**
Notional cost of capital	16,000	16,935
	(5,070,575)	**(4,547,713)**
Depreciation	92,514	96,242
(Profit)/Loss on disposal of fixed assets	9,097	2,118
(Profit)/Loss on transfer of fixed assets	225,886	-
(Profit)/Loss on transfer of current assets	17,469	-
Provision for bad debts	15,000	-
Net grant transferred to/(from) income and expenditure	(327,496)	(98,360)
(Increase)/decrease in debtors	804,918	(185,506)
Increase/(decrease) in creditors (excluding deferred income)	(277,368)	65,098
Net cash (outflow) / inflow from operating activities	**(4,510,555)**	**(4,668,121)**

15 Reconciliation of net cash flow to movement in net funds

	30 September 2010	31 March 2009
	£	£
Increase / (decrease) in cash in the year	42,634	(51,391)
Net funds at 1 April	56,989	108,380
Net funds at 30 September	**99,623**	**56,989**

16 Analysis of changes in net funds

	At 1 April 2009	Cash flow	At 30 September 2010
	£		£
Cash at bank and in hand	56,989	42,634	**99,623**

17 Commitments

The company had no capital commitments at 30 September 2010 (2009: £Nil)

18 Contingent liabilities

The company had no contingent liabilities at 30 September 2010 (2009: £Nil)

19 Pension contributions

The Company made contributions to employees' personal pension schemes. The benefits were available to all employees.

20 Insurance

The Company is indemnified by the Department for Business, Innovation and Skills in respect of the Employer's Liability insurance.

21 Financial instruments

As the cash requirements of IIPUK are almost wholly funded by BIS, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with IIPUK's expected purchase and usage requirements and the organisation is therefore exposed to little credit, liquidity or market risk.

22 Liabilities of members

Under Clause 6 of the Memorandum of Association all members undertake to contribute to the assets of the Company such an amount as may be required, not exceeding £1, in the event of it being wound up during the period of membership and within one year afterwards. No contribution has been made by members.

23 Transactions with related parties

During the period Investors in People UK had transactions with the following Government Bodies and Central Government Departments:

Department for Business, Innovation and Skills (the sponsoring department and ultimate controlling party)

Ministry of Justice

Cabinet Office

The Learning & Skills Council

Department for Children, Schools & Families

Department of Health

Department for Work & Pensions

Department for International Development

House of Commons

Northern Ireland Office

Scotland Office

Welsh Assembly Government

UK Commission for Employment and Skills

The Company provided services to, or received services from; companies with which the following directors were connected during the period ended 30 September 2010:
Cyrus Todiwala, Director of Spice Mania/Café Spice who supplied the venue for hospitality trade association meetings for Investors in People UK totalling £1,081 (2009: nil). There were no balances owing to Spice Mania/Café Spice at 30 September 2010 (31 March 2009: nil)

Hans Rissmann, Chair of Investors in People Scotland. Various expenses were charged by Investors in People Scotland to Investors in People UK totalling £46,925 (2009:£13,676). At the period ending 30 September 2010 there was no balance owing to Investors in People Scotland (2009: £604). Investors in People UK charged out costs for various activities including royalty licence fees totalling £32,106 (2009: £35,627). At the period ending 30 September 2010 there was no balance owed by Investors in People Scotland of (2009: £1,636).

Hans Rissmann, Chief Executive of EICC Ltd. Various expenses were charged by EICC Ltd to Investors in People UK totalling £1,180 (2009: £1,442). At the period ending 30 September 2010, there was no balance owing to EICC Ltd (2009: £425).

24 (Profit)/loss on disposal of assets

The charge for the disposal of assets recorded in the income and expenditure account includes both the transfer of assets and liabilities to UKCES and BIS and the disposal of residual assets. Analysis of the charge is as follows:

	30 September 2010 £	31 March 2009 £
Transfer of fixed assets to UKCES	205,064	
Transfer of current assets to UKCES	17,469	
Transfer of fixed assets to BIS	20,822	
Loss on disposal of fixed assets	9,097	2,118
	252,452	**2,118**

25 Losses

The company had entered into a lease that expired March 2013. It had not been able to negotiate a break, in the lease, at the break clause date of June 2008 as the future premises requirements of IIP UK had not been finalised. The potential loss due to the cessation of the lease at 31 March 2010 was £1.4 million. IIPUK remained responsible for the lease from the cessation as at 31 March 2010 until August 2010, when the lease was transferred to BIS. The cost of the lease rental payments from 1 April until the transfer was £138,422. This is a constructive loss to the Company, as defined by Managing Public Money, and has been included in the value of closure costs.

26 Post Balance Sheet Events

After the balance sheet date of 30 September 2010, the Company recovered the VAT debtor of £592 from HM Revenue and Customs, discharged its liability for other expenses of £1,960 and will discharge its liability to the National Audit Office of £64,000 for audit fees and the directors expenses of £680.

The residual cash balance will be repaid to BIS as a return of Grant-in-Aid.

The accounts were authorised for issue by the Accounting officer on 28th February 2011.

The financial statements do not reflect consideration of events after this date.

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