



INVESTORS  
IN PEOPLE | UK

IMPROVING BUSINESS PERFORMANCE

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PROVEN  
PROGRESS,  
POSITIVE  
FUTURE

COMPANY REPORT  
2008-09

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**OVER**

**400%**

**OF THE UK WORKFORCE HAS NOW  
WORKED WITH INVESTORS IN PEOPLE.**

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Source: UK workforce is based on the LFS survey, financial year 2007, period 2, excluding sole traders. 'Worked with' includes people in organisations who are in currently committed, recognised and previously recognised organisations as at 31st March 2009.

# INVESTORS IN PEOPLE UK'S ANNUAL REPORT AND ACCOUNTS FOR 2008-09

Presented to Parliament pursuant to Article 6(2)(b)  
of the Government Resources and Accounts Act 2000  
(Audit of Non-profit making Companies) Order 2009  
(SI 2009/476).

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2008/09 HAS MARKED INVESTORS IN PEOPLE AS **A VERSATILE AND HIGHLY EFFECTIVE MANAGEMENT TOOL** WHICH IS AT THE HEART OF BUSINESS. IT HAS A **SUPERB REPUTATION** FOR BEING TRUSTED, RELIABLE, RESPECTED. INVESTORS IN PEOPLE IS PUTTING CUSTOMER'S NEEDS FIRST WITH **A NEW OFFER**, WELL-DELIVERED BY **SPECIALIST ADVISERS AND ASSESSORS WITH DEDICATED TRAINING AND SUPPORT TO HELP CUSTOMERS ACHIEVE THEIR GOALS**. SHOWING IT IS **MORE RELEVANT THAN EVER**.

# CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

It has been, by any measure, a very testing year for the UK and the global economy. It is, however, at times like these where the true mettle of organisations is revealed. There is a 'flight to quality' as people are forced to make decisions about what adds significant value and what is an optional extra for the good times only.

We are delighted to report that Investors in People has maintained a very strong level of support amongst its customers and, indeed, continues to attract new customers. We are now in a position where over 40% of the UK workforce, more than 10 million people, have worked with Investors in People<sup>1</sup>. In many cases their working lives and opportunities will have been enhanced dramatically as a result. Moreover, recent research showed that 19 out of 20 Investor in People organisations surveyed feel that The Standard is relevant to their organisation<sup>2</sup>. Nothing could be a better endorsement of the enduring value that recognised organisations place on the benefits of being an Investor in People and the

increasing awareness amongst employers that people are the key differentiator in achieving business success.

## External validation

Complementing this continued support from our customers, Investors in People has also been put under scrutiny by a number of external organisations - most notably by the Centre for Business Performance, Cranfield School of Management – and come through with flying colours. The Cranfield study established a clear connection between The Standard and improved financial performance. Moreover, Cranfield showed that the more that Investors in People was embedded in an organisation, the bigger the benefits received.

This was very encouraging and provided us with a very strong base for preparing a new offer to customers using the Investors in People framework. This is a major undertaking and represents, perhaps, the biggest development in Investors in People's eighteen year history. The new offer was launched in May 2009 but an immense

amount of effort has been spent over the past twelve months not only in the development but also in training Investors in People advisers and assessors in its use. Very positively, extensive piloting gives us great confidence about its success.

External scrutiny, continuous evaluation and detailed piloting of new approaches are all critical to the way Investors in People operates. We believe it is a missed opportunity not to undergo objective assessment and that there is always something to learn from others' views.

We are delighted that all three instances – the external surveys, customer judgements and piloting of the new approach – demonstrate that we are going in the right direction. They add up to clear support of the abiding strength and value of the Investors in People framework as it continues to evolve and develop.

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1 UK workforce is based on the LFS survey, financial year 2007, period 2, excluding sole traders. 'Worked with' includes people in organisations who are in currently committed, recognised and previously recognised organisations as at 31st March 2009.

2 Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

**“I would urge organisations to revisit Investors in People to learn how it can help you build your skills base, retain talent, keep innovating and effectively manage change, so that you come out of this difficult period stronger and fitter for the future.”**

Lord Tony Young, former Minister for Skills and Apprenticeships

### **New accountability**

Looking ahead, 2009/10 will see the strategic ownership of Investors in People pass to the UK Commission for Employment and Skills (UKCES). This follows a ringing endorsement of the achievements and role of Investors in People by Lord Young, the former Minister for Skills, and will ensure that we are positioned even closer to the heart of business and the employment agenda.

For our customers there will be a seamless transition to the UKCES. We are confident that this will provide a great opportunity to secure the long-term contribution of Investors in People to the success of the UK economy and the high performance of individual enterprises and organisations within it.

Finally, at a time of considerable change for Investors in People, we must pay tribute to the passion of the many people who work with and for us. Their dedication plays a major role in all that we have achieved.



**Philip Williamson CBE**  
Chairman  
Investors in People UK

**Simon Jones**  
Chief Executive  
Investors in People UK

28<sup>th</sup> July 2009

# CASE STUDY: CO-OPERATIVE RETAIL LOGISTICS

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**“Having reviewed a number of business improvement tools, we determined that Investors in People was the perfect fit for our requirements.”**

David Large, Senior Manager

#### **Achievements:**

- Co-operative Retail Logistics re-committed to Investors in People as it believed that it would have ‘bottom line’ business benefits in the shape of reduced costs from absenteeism, labour turnover and recruitment. These are not the only reasons, and they are secondary reasons
- The organisation has experienced a drop in staff sickness, down from 6% in 2006 to 4% in 2007, saving an equivalent of 100,000 hours. Across the Co-operative Retail Logistics network this equated to a saving of £1 million per annum
- Productivity, as measured by the number of cases picked per hour, has increased over the last 12 months by 8.6%
- Since Investors in People was implemented, staff have begun going well beyond their normal role in order to make a positive contribution. For example, staff at Co-operative Retail

Logistics raised over £50,000 last year towards the National Co-operative Charity Fund.

#### **Background:**

- Co-operative Retail Logistics is the distribution business of the Co-operative Group, the world's largest consumer-owned businesses, with over three million members and 85,000 employees across all its businesses
- Co-operative Retail Logistics has been going through a period of significant change after a strategic review in 2004 found that the business was suffering from under investment. The organisation believes that Investors in People has proven its value as a change management tool and that it will help them to meet new challenges and continue to prosper in an competitive and changing market place.

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# 01

## INVESTORS IN PEOPLE IS A VERSATILE AND HIGHLY EFFECTIVE MANAGEMENT TOOL WHICH IS AT THE HEART OF BUSINESS

The arguments for the benefits of being an Investor in People have always been clear. During 2008/09, however, we gained a better understanding of exactly why and how Investors in People makes things happen to produce high performance organisations. The case is now proven.

Investors in People has always been focused on providing management with a smart tool for benchmarking and developing their people policies to achieve high performance. Its hallmark is that it can be used in a versatile and flexible way and as such, be suitable for organisations of all shapes, sizes and sectors.

In recent years a number of studies have demonstrated and quantified the benefits of being an Investor in People organisation. Most notably these have included *People and the Bottom Line* from The Work Foundation and the Institute for Employment Studies<sup>3</sup>. This study showed that organisations which adopt an integrated range of HR practices are likely to perform better on key indicators

such as profit and sales growth. Meanwhile additional analysis of this dataset by the Institute of Employment Studies<sup>4</sup> compared the results of recognised Investors in People organisations and those which were not recognised and established that, all else being equal, the recognised organisations generate higher gross profits per employee.

However, during 2008/09 the strongest evidence yet was published by Cranfield School of Management demonstrating just how effective Investors in People can be. Equally significant, it illustrated in detail for the first time how these benefits are achieved.

**“It’s not about a plaque on the wall; our experience is that Investors in People is a comprehensive management framework that can bring benefits to any business”**

Martin Kay, Managing Director, DTec

<sup>3</sup> Tamkin P, Cowling M, and Hunt W (2008) *People and the Bottom Line*, Report 448 IES and The Work Foundation.

<sup>4</sup> Cowling M (2008) *Does Investors in People add value to businesses?* IES.

# CHAIN OF IMPACT

The impact of Investors in People on people management practices and firm performance<sup>5</sup> revealed that Investors in People organisations set up a 'chain of impact' which leads to improved financial performance. The study established that the deeper an organisation embeds the Investors in People principles, the more profound the impact will be on financial performance.

The Cranfield research also concluded that recognised Investors in People organisations were:

- More likely to have commitment-based Human Resource policies that achieve a high level of trust, commitment and engagement among their employees.
- More likely to have high levels of human capital flexibility (more able to change their behaviour to cope with changing workplace conditions or practices).
- More likely to have high levels of product and service innovation.

- More likely to achieve their strategic objectives.
- More effective in their communication practices which had an indirect impact on profitability
- There was also a positive impact on return on assets.

Overall the Cranfield study showed that Investors in People creates the organisational climate that delivers high performance because the key to improving business achievement is linking business goals to employee objectives.

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<sup>5</sup> Bourne M, Franco-Santos M, Pavlov A & Lucianetti L (2008). The Impact of Investors in People on People Management Practices and Firm Performance, Centre for Business Performance, Cranfield School of Management.

“Before we worked with Investors in People we didn’t have the skills to do the job and we weren’t enjoying running the business. Thanks to Investors in People we are now properly structured, skilled and equipped to meet the challenges.”

Korinna Stiebahl, Managing Director, Rabbit Consulting



**Figure 1**

The researchers found that organisations that adopt the practices embedded in the Investors in People Standard adapt their HR policies. These changes in policy create a positive Organisational Social Climate, creating higher levels of trust, cooperation and people engagement and they increase Human Capital Flexibility – the skills and behaviours needed for the organisation to change. These changes have an impact on non-financial performance.

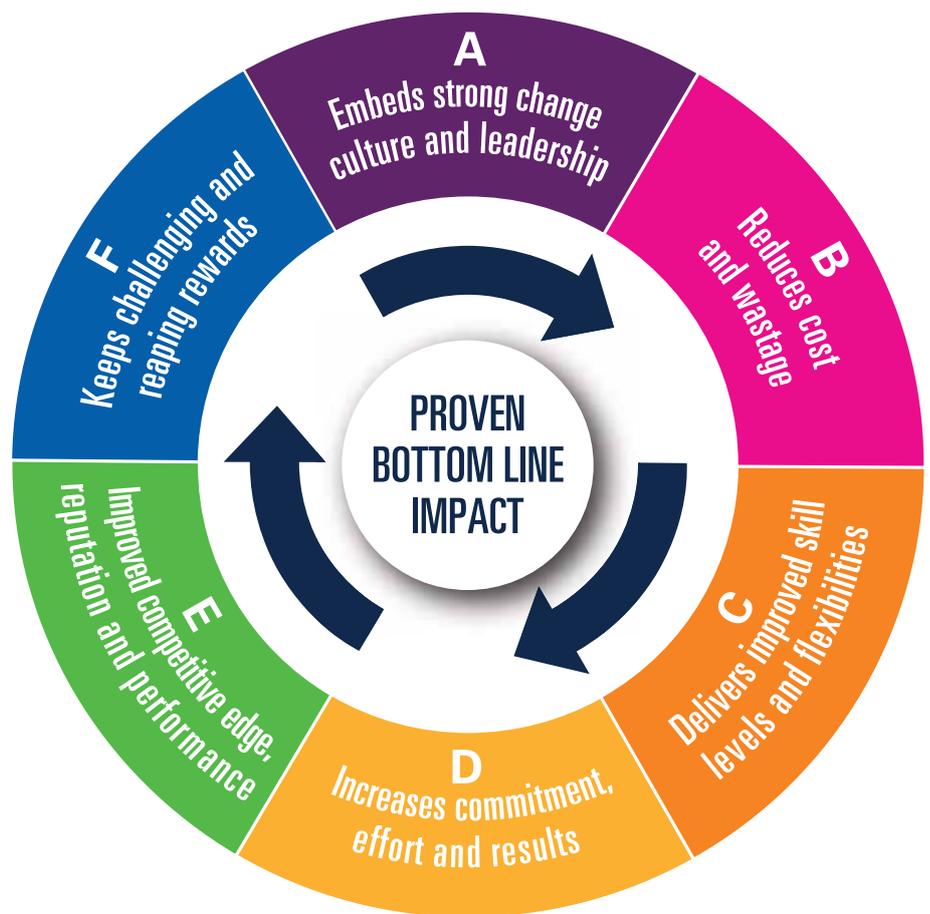
Companies that have better non-financial performance also reported in the survey better financial performance and delivered higher returns on their assets as shown in their published annual reports.

Source: Bourne M, Franco-Santos M, Pavlov A & Lucianetti L (2008). The Impact of Investors in People on People Management Practices and Firm Performance, Centre for Business Performance, Cranfield School of Management

# ADAPTABILITY

Another major report produced by the COI<sup>6</sup>, provided compelling evidence that committing to the Investors in People framework helps organisations to step up and embrace new challenges for the longer term. It also enables them to secure stronger competitive advantage and reap substantial bottom line rewards during times of economic downturn (as illustrated in the diagram).

## INVESTORS IN PEOPLE HELPS ORGANISATIONS REAP SUBSTANTIAL BOTTOM LINE REWARDS DURING TIMES OF ECONOMIC DOWNTURN.



Source: Martin L and Elwes R (2008) Investors in People Realising Business Ambitions through People in Times of Change, COI Strategic Consultancy.

# “Even after seven years as a recognised organisation, Investors in People is still adding real value for us.”

Alex Green, Head Teacher, Abington High School

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The COI research demonstrated that Investors in People can assist employers to:

- Embed a strong change and innovation culture.
- Develop leadership skills which achieve business ambitions more effectively.
- Reduce costs and wastage through focussing people development where there will be the best return on investment.
- Improve skills levels and flexibilities to meet new challenges.
- Increase commitment, effort and results by matching people development to business goals leading to increased staff retention and a reduction in recruitment costs.
- Improve competitive edge, reputation and performance (especially for organisations retaining The Standard).

Finally, the 2008/09 results from our on-going Ipsos MORI ‘Performance Tracking’ research<sup>7</sup> show that 95% of recognised Investor in People organisations agree that The Standard is relevant to them – at Investors in People UK we feel this is an impressive endorsement of how adaptable Investors in People is in supporting organisations’ diverse and individual goals.

<sup>7</sup> Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

## RESEARCH PROVES PROGRESS

Research undertaken during 2008/09 and in the previous two years has demonstrated that Investors in People can:

- Improve financial performance and increase profitability by setting up a chain of impact resulting in improved financial performance. Also, the more an organisation embraces Investors in People principles, the more profound the impact on financial performance
- Add real value to the performance of an organisation right across the business agenda by linking individual employee objectives to business achievements
- Meet strategic objectives by cascading the vision and direction of the organisation to generate improved performance
- Increase the likelihood of achieving organisational goals and meeting strategic objectives
- Create a virtuous circle which helps organisations to become highly adaptable and manage change, including in a recession, by embedding a strong change culture and encouraging people to be innovative, embrace new challenges and secure competitive advantage.

(Sources: The Work Foundation, Institute for Employment Studies, COI Strategic Consultancy and Cranfield School of Management).

# 96%

**OF RECOGNISED ORGANISATIONS AGREE  
THAT BEING AN INVESTOR IN PEOPLE  
ORGANISATION IS 'SOMETHING TO BE  
PROUD OF'.**

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Source: Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

# CASE STUDY: THE DEPARTMENT FOR BUSINESS, ENTERPRISE AND REGULATORY REFORM (BERR)<sup>8</sup>

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**“The way we use Investors in People in BERR means it’s totally embedded and part of our culture. We don’t have to dramatically increase our effort every three years in order to achieve reaccreditation as the emphasis is always on continuous improvement.”**

Rachel Sandby-Thomas, Director-General, Legal Services and Investors in People Champion

#### **Achievements:**

- The Department has made excellent progress on embedding their new values, ‘Making a difference’, ‘Working together’ and ‘It starts with me’. Evidence showed that staff had a good understanding of the values and were able to relate these to their roles; in particular in the delivery of service and policy making
- The strategic value of investing in learning and development is well appreciated at senior level as confirmed both in the recent assessment and staff survey, where 82% of staff indicated that they and their teams had the skills to deliver their business objectives
- The Department has forged a culture in which employees feel involved in decision making and trusted to take responsibility for their area of work

#### **Background:**

- BERR’s purpose is to help ensure business success in an increasingly competitive world
- Since 2006 the Department has been going through a period of significant change, including a reduction in size from 3500 to 2226 employees. Despite this, they have been recognised four times since 1999
- In 2009, BERR achieved Investors in People Silver status under the new offer available with Investors in People
- The Department also undertakes an Investors in People Health Check every two years.

<sup>8</sup> The Department for Business, Enterprise and Regulatory Reform is now the Department for Business, Innovation and Skills.

- At every level, manager and staff were able to describe performance improvements achieved as a result of learning and development.

**BERR** | Department for Business  
Enterprise & Regulatory Reform

**82%** OF STAFF INDICATED THAT  
THEY HAD THE SKILLS TO  
DELIVER BUSINESS OBJECTIVES



# 02

## INVESTORS IN PEOPLE HAS A SUPERB REPUTATION FOR BEING TRUSTED, RELIABLE, RESPECTED

**In a diverse society with varied opinions on most matters there are very few business institutions which have trust and respect from all quarters. Fortunately Investors in People is one of them.**

The reputation of Investors in People is solidly based on continuous achievement over many years. This has been confirmed through research; through what leading business and other figures say publicly about Investors in People; and anecdotally in comments from managers, employees and others about how Investors in People is perceived.

In 2008/09 this was reflected in Investors in People's position in the Top 500 'Business Superbrand' ratings which covers the UK's strongest B2B brands.

Investors in People put in a top performance rising an incredible 185 places to sit at 210, making it the biggest year on year riser.

According to the Centre for Brand Analysis, "A Superbrand has established the finest reputation in its field. It offers customers significant emotional and tangible advantages over other brands which customers want or recognise. All Superbrands must represent quality, reliability and distinction".

# BROAD BASED RECOGNITION

A key element in Investors in People's Business Superbrand status is the high level of awareness of The Standard. According to the 2008/9 Ipsos MORI survey<sup>9</sup>, awareness of Investors in People is 'high across all industries'. This ranges from 95% in the Education sector, 89% in Retail, and 88% in Engineering, Manufacturing and IT. When asked to define what Investors in People is, over half of organisations (55%) give a response linked to The Standard as a business improvement tool.

Encouragingly, the Ipsos MORI survey showed that amongst recognised Investors in People organisations there is a high level of satisfaction with The Standard's assessment processes. Over 95% of recognised organisations surveyed found the assessment 'fair', and their assessor 'professional'. Almost two thirds of organisations (63%) – whether recognised or not – regard Investors in People as a 'prestigious, world class standard,' representing a 12

percentage point increase on the previous year. This figure is 75% amongst recognised Investors in People. Most tellingly of all, 96% of recognised organisations agree that being an Investor in People organisation is 'something to be proud of'.

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9 Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

# CUSTOMER AND EMPLOYEE PERCEPTIONS

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This is backed up by the Ipsos MORI research where 98% of Investors in People organisations surveyed agree that achieving The Standard is 'recognition of a company's commitment to its employees'<sup>10</sup>. Meanwhile Mark Weston, who manages a SME, All Clean Ltd, commented that, *"Investors in People is well-recognised – we're proud to have it."*

We also value enormously the trust placed in us by Government as evidenced, for example, at a Civil Service Conference in the Autumn 2008 when Lord Tony Young of Norwood Green, the former Minister for Skills and Apprenticeships, said, *"Government values Investors in People and we believe it has a very important role for UK plc. I believe strongly that if we all used Investors in People to facilitate and communicate change, it would improve our effectiveness and get better results."*

As well as the internal, management benefits of being an Investor in People, the Ipsos MORI survey found that 62% of recognised organisations believe that Investor in People status 'helps to attract new customers.'

According to Sue Round, Head of Learning and Development at Sainsbury's, *"Investors in People is well-respected in retail and we know it has credibility with colleagues. It has also proved to be a useful recruitment tool. Those who work in stores particularly value working for an organisation which has Investors in People."*

Peer-to-peer recommendation, the support of independent Investors in People Ambassadors and positive media coverage all help secure the position of Investors in People. But the best advertisement is the direct experience of being an Investor in People and the benefits it brings.

Sue Payne, Head of Operations, People Development, Fujitsu, comments that, *"One of the many benefits of being an Investor in People is that it provides an endorsement of the company's commitment to supporting and developing people when outsourcing or a 'transfer of undertakings' takes place."*

Trade Unions trust it too. In promoting the benefits of Investors in People, a Unison representative commented that, *"Investors in People broke down the 'them and us' syndrome. We now have joint performance management for all staff."*

<sup>10</sup> Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

# 95%

**OF RECOGNISED ORGANISATIONS SURVEYED  
FOUND THE ASSESSMENT 'FAIR', AND THEIR  
ASSESSOR 'PROFESSIONAL'.**

## A TRUSTED PARTNER

The respect in which Investors in People UK is held is reflected in the numerous partnerships and collaborative projects with which we are involved.

During 2008/09 we:

- Signed a memorandum of understanding with the Trades Union Congress to work together to promote Investors in People, emphasising the importance of the role of trades unions in workplace learning and unionlearn.
- Became a member of the advisory panel supporting the development of the UK Talent Map project.
- Co-operated with a number of Sector Skills Councils in the development of their skills strategies.

# CASE STUDY: CASTLEOAK

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**“Our Investors in People journey was very simple thanks to the work we had already done developing our systems, and the excellent Investors in People adviser we had who understood exactly what was required.”**

Amanda Knight, Head of Human Resources

**Achievements:**

- Castleoak’s performance has been extremely strong since its recognition as an Investor in People organisation in 2005. The company is now projecting £50 million turnover to March 2010, up from £23 million to March 2005 with staffing levels up from 52 in 2005 to 135
- The Investors in People framework has helped to embed the concept of ‘individual development’ as a shared responsibility between the employer and employee
- Castleoak’s work with the Leadership and Management model has helped them to identify the knowledge, skills and behaviours needed of managers operating at executive, middle and operational areas
- The assessment reports have been used to identify both priority development areas as well as issues that may, if left unaddressed, be sources of dissatisfaction amongst staff.

**Background:**

- Castleoak is a group of companies specialising in the development, design and construction of care homes and other supported accommodation for older people
- Castleoak recognised that while the company had a number of well established systems for developing people, the Investors in People Standard offered a comprehensive framework of good people development practices
- Castleoak was first recognised as an Investor in People in 2005 and was successfully re-recognised in 2007. The company is also accredited with the Investors in People Leadership and Management model.

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# 03

## INVESTORS IN PEOPLE IS PUTTING CUSTOMERS NEEDS FIRST WITH A NEW OFFER.

**2008/09 saw Investors in People UK preparing the ground for the launch of a new approach to delivering flexible, practical and personal support for customers. This represents, probably, the most significant development for Investors in People since The Standard was first launched.**

Investors in People UK's prime mission is to serve the needs of our customers by helping them become more effective and productive. So at the heart of the new offer are two major changes in the way we work with employers. These are designed to enhance the impact that Investors in People will make on customers' performance.

First, taking advantage of the enriched and extended Investors in People framework, the scope of an assessment will be determined by the individual customer with their assessor. Although the content of The Standard remains the same, the ability to maximise the benefits of an Investors in People assessment using the extended framework will shift to the customer.

This is to ensure that the assessment focuses on the issues and concerns which are of principal concern to the management. Priorities will be set by the customer as to where they want to improve or stretch their performance (for example, relating to their business plan or sales targets). This will lead to an assessment which is much more tailored to the needs of the specific organisation.

Secondly, assessors will adopt a more flexible role, acting as a 'critical friend' in addition to their role as objective assessor. The assessor's feedback will be targeted on those issues which have been prioritised by management and expressed in terms which are directly relevant to the customer. Assessors will be much more consultative in the way they engage with customers to identify the critical issues

facing the organisation. They will then adjust the assessment process to reflect these priorities and provide feedback which will point the way towards future improvements.

The outcome and benefits of this new approach have already been seen in the pilot assessments where organisations such as Beard Construction were able to focus on improving profitability and Fujitsu addressed issues of talent management. The evidence gained by the assessors in these cases provided management with invaluable insights for future development and investment.

The new offer is, in essence, a big opportunity. It provides the chance for individual organisations to maximise the potential of the Investors in People framework by customising and fashioning it to meet their needs.

# HOW THE NEW OFFER WILL WORK

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To make the most of these changes, the Investors in People framework has been enriched and extended further to provide much more insightful data on organisational performance. As a result the level of detail in the assessor's report will be greater and more useful as a basis for further development. In addition, report and feedback will be structured around the agreed objectives. The expectation is that organisations will still wish to be assessed against The Standard. However, they will also gain formal recognition for their performance in relation to the aspects of the extended framework through the achievement of Gold, Silver or Bronze Investors in People recognition, which are designed to celebrate success and provide extra stretch for those who want it.

Depending on how many evidence requirements are satisfied over and above the demands of The Standard (which still consists of 39 set evidence requirements) organisations will be able to reach either Bronze (The Standard plus 26 evidence requirements), Silver (The Standard plus 76 requirements) or Gold (The Standard plus 126 requirements) recognition. These different levels will recognise continuous achievement and the scale of the assessment.

By offering choice which is targeted on an organisation's needs and providing more detailed assessor feedback, this new approach takes Investors in People into a new era as a flexible and versatile business tool.

# “Investors in People has developed beyond my expectations The sky’s the limit! The new choices are fantastic!”

Fiona Irvine, Human Resources Director, First ScotRail

## THE INVESTORS IN PEOPLE FRAMEWORK: A SUMMARY OF ITS CONTENTS

PLAN				DO				REVIEW	
01: BUSINESS STRATEGY	02: LEARNING & DEVELOPMENT STRATEGY	03: PEOPLE MANAGEMENT STRATEGY	04: LEADERSHIP & MANAGEMENT STRATEGY	05: MANAGEMENT EFFECTIVENESS	06: RECOGNITION & REWARD	07: INVOLVEMENT & EMPOWERMENT	08: LEARNING & DEVELOPMENT	09: PERFORMANCE MEASUREMENT	10: CONTINUOUS IMPROVEMENT
<b>THE STANDARD TOP MANAGERS SHOULD MAKE SURE (AND THEIR PEOPLE SHOULD CONFIRM) THAT:</b>									
The organisation has a vision/purpose, strategy and plan  People are involved in planning  Representative groups (where appropriate) are consulted when developing the plan	Learning priorities are clear and linked to the plan  Resources for learning and development are made available  The impact will be evaluated	People are encouraged to contribute ideas  There is equality of opportunity for development and support	Managers are clear about the capabilities they need to lead, manage and develop people  People know what effective managers should be doing	Managers are effective and can describe how they lead, manage and develop their people	People believe they make a difference  People believe their contribution is valued	Ownership and responsibility are encouraged  People are involved in decision-making	People's learning and development needs are met	Investment in learning can be quantified  Impact can be demonstrated	Evaluation results in improvements to people strategies and management
<b>YOUR CHOICE TOP MANAGERS SHOULD MAKE SURE (AND THEIR PEOPLE SHOULD CONFIRM) THAT:</b>									
Clear core values relate to vision and strategy  Key performance indicators are used to improve performance  Social responsibility is taken into account in the strategy  People and stakeholders are involved in strategy development	The learning and development strategy builds capability  Plans take account of learning styles  People help make decisions about their own learning  Learning and development is innovative and flexible  There is a culture of continuous learning	The recruitment process is fair, efficient and effective  A diverse, talented workforce is created  A work-life balance strategy meets the needs of its people  Constructive feedback is valued  The structure makes the most of people's talents	Leadership and management capabilities for now and the future are defined  Managers are helped to acquire these capabilities  Leadership and management strategy link to business strategy, taking account of external good practice  Everyone is encouraged to develop leadership capabilities	Managers are role models of leadership, teamwork and knowledge sharing  Coaching is part of the culture  People are helped to develop their careers  There is a culture of openness and trust	Reward and recognition strategies link to business strategy and are externally benchmarked  Representative groups are consulted (where appropriate)  What motivates people is understood  Success is celebrated  Benefits strategy goes beyond legal requirements  Colleagues' achievements are recognised	Effective consultation and involvement is part of the culture  People are supported and trusted to make decisions  Knowledge and information are shared  People are committed to success  There is a culture of continuous improvement  People can challenge the way things work  There is a sense of ownership and pride in working for the organisation	Learning and development resources are used effectively  Learning is an everyday activity  Innovative and flexible approaches to learning and development are used  People are given the opportunity to achieve their full potential  All learning is valued and celebrated and is an everyday activity  Mentoring is used  Personal development is supported	The contribution of people strategies is measured and evaluated  Impact on key performance indicators can be described  Performance improves as a result  Career prospects improve  Flexible and effective approaches to measuring return on investment are used  Return on investment in people is reported to stakeholders	Self review and information from external review are used  Effective feedback methods are used to understand people's views on how they are managed  Internal and external benchmarking are used  People's views on how they are managed improves  People believe it's a great place to work

# NEW OFFER GETS BACKING FROM CUSTOMERS

**“This new approach means Investors in People is right back at the heart of our business strategy and will remain so indefinitely.”**

Howard Elliott, Regional Manager, Care Solutions

Prior to its launch this year the new approach has been piloted with a range of customers in different parts of the UK. The independent feedback was very encouraging and supportive<sup>11</sup>. In particular 96% of respondents rated the ability to be flexible

around the needs of the organisation as important and 91% felt the ability to link their organisations’ objectives to the Investors in People framework was important. Over half found the contribution of the assessor more valuable.

This consistently high level of support has given us the confidence that the new offer is the right move in the continuous improvement of Investors in People to meet our customers’ needs more effectively.

## THE NEW OFFER IN A NUTSHELL

Investors in People invites customers to take full advantage of the extended and enriched Investors in People framework in a way that:

- Puts the focus on the customer’s needs and priorities.
- Puts the power in the hands of the individual organisation to select where they want the assessment to go.
- Retains The Standard as the foundation for the framework as a whole.
- Gives additional recognition for additional achievement – Gold, Silver and Bronze – depending on the scale of the assessment.
- Strengthens the relationship between the organisation and the assessor.



<sup>11</sup> Hollinshead D (2008) Investors in People New Choices Topline, Jigsaw Research.

# 96%

**OF CUSTOMERS RATED THE ABILITY TO  
BE FLEXIBLE AROUND THE NEEDS OF  
THE ORGANISATION AS IMPORTANT.**

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Source: Hollinshead D (2008) Investors in People New Choices Topline, Jigsaw Research.

# CASE STUDY: NORTH EDINBURGH CHILDCARE

**“Other organisations like ours should definitely seriously consider working with Investors in People. It will help any business find out both what it’s doing well and where it could do better. We found the benefits of working with Investors in People were more than ten-fold the value we invested.”**

Theresa Allison, General Manager

#### **Achievements:**

- By implementing more robust systems and better communication channels, North Edinburgh Childcare are in better shape to meet challenges, which have included sizeable cuts in public funding
- Staff absenteeism improved significantly; the total number of days absence has fallen by an average of 20 per month since 2007. “Managers now have the skills and the organisation has the policies in place to effectively tackle staff absence issues” says Theresa
- Staff turnover has also reduced, with advertising vacancies falling from 25 in 2005 to just 12 in 2007. This saved the organisation thousands of pounds in recruitment and training costs
- Working with The Standard has helped the organisation clarify its short, medium and long term business objectives.

#### **Background:**

- North Edinburgh Childcare was first recognised as an Investor in People organisation in 1999 and has been successfully reassessed three times; with its most recent assessment conducted using Investors in People’s new choice based approach
- The organisation provides care for approximately 80 nursery children and 280 school age children daily. It has an annual turnover of around £1.7 million and employs 57 permanent staff, and 25 sessional staff
- In recent years, North Edinburgh Childcare has become a significant provider of childcare training, with up to 50 students gaining level 2 or 3 qualifications at any one time.

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# 04

## INVESTORS IN PEOPLE IS WELL-DELIVERED BY SPECIALIST ADVISERS AND ASSESSORS WITH DEDICATED TRAINING AND SUPPORT

**Bigger demands are being made of advisers and assessors – but more support is given – as they meet the changing needs of customers.**

The relationship between Investors in People advisers, assessors and their customers has always been important. It is vital that advisers and assessors are able to develop a rapport with client organisations to gain a deep understanding of their dynamics and gain access to the most significant evidence about their processes and performance.

With the launch of the new offer to our customers and the introduction of the extended Investors in People framework, the significance of this relationship has become even greater. Working together, the three elements – the customer, the framework, the assessor – will produce a major advance in the understanding of the organisation including where and how it needs to improve and develop.

**Figure 2**



# BIGGER ROLE

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The result is that more is being asked of advisers and assessors than in the past. They are the public face of Investors in People and the key to maximising the potential of the Investors in People framework.

To do this effectively they must have a vivid appreciation of the extended framework and be able to counsel and negotiate with customers within a more

complex context. Therefore, during 2008/09 considerable resources have been put into the training and development of advisers and assessors as well as the production of support materials and tools to enable them to undertake their enhanced role.

**“The key to making a success is the time you put in explaining to an assessor beforehand what the main business drivers you are looking to improve on. The best feature is that it is customer-friendly. You can tailor what the assessment is about for your own business needs.”**

*Mark Beard, Managing Director, Beard*

# HIGHER DEMANDS

Our aim is to ensure that there is an absolutely consistent level of high quality services to our customers. All assessors and advisers must be members of the Institute of Business as well as pass the specialist competency tests required of Investors in People assessors.

The support given to organisations themselves has also been enhanced significantly,

for example, through the availability of free staff survey material and the new business issues scoping tool. Never has so much support, information and guidance been made available to committed and recognised Investor in People organisations.

# CASE STUDY: MUNTERS

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**“For us, Investors in People is like an essential MOT test. It confirms whether we are fit to operate.”**

Alasdair Phillips, MCS Divisions Area President

#### **Achievements:**

- Customer satisfaction has improved since Investors in People recognition was achieved; last year 97% of Munters' customers rated themselves as being satisfied or very satisfied
- Munters' performance has been extremely strong since it became recognised as an Investor in People organisation; sales grew by 67% between 2003 and 2008, and profitability also increased substantially over the same period
- Employee turnover has declined, down from 12% in 2003 to 7.5% in 2008, saving the business many thousands of pounds in recruitment and training costs
- Munters believes Investors in People demonstrates to stakeholders, suppliers and both current and potential employees that the company takes employee engagement and development seriously.

#### **Background:**

- Munters Ltd is one of the UK's leading players in property restoration services and air treatment solutions. Based in Huntingdon, Cambridgeshire, the company employs approximately 360 staff at eight sites across the UK
- The UK branch of this international company has grown rapidly over the last decade, with annual turnover having risen from around £7 million in 1998 to more than £36 million in 2008
- Munters first committed to Investors in People in 2001 and was recognised in 2002. Since then the company has been reassessed twice, including its most recent assessment which was against the new choice-based Investors in People framework.





# 05

## INVESTORS IN PEOPLE MEANS THAT CUSTOMERS ACHIEVE THEIR GOALS MAKING IT MORE RELEVANT THAN EVER

### The goals achieved through Investors in People are as diverse as the organisations we work with.

Investors in People does not prescribe goals for organisations. Its purpose is to support organisations to achieve their goals through effective use of the Investors in People framework.

This applies to organisations of all sizes, sectors and location. Goals may be very varied and change over time. The organisation which is trying to maximise productivity one year may, because of a change in global economic circumstances, be aiming to cut costs a couple of years later.

Over the past eighteen years, Investors in People has seen it all - from the tough times of the early 1990s, when Investors in People was first conceived and launched, through the dot.com boom and bust of 2000 and on to today's challenging business environment. So while Investors in People was born as part of the fight against recession, it went on to enable organisations to grow. And it is now helping them to adapt to new realities.

**“It’s not about a kitemark. It’s about promoting continuous improvement and using the standard to achieve your goals.”**

*Bernadette Best, General Manager,  
Action Mental Health*

**“Investors in People have continually demonstrated the benefits for the company, keeping us focused on client care and staff motivation, which is paramount at all times. The extended framework allows us as a business to put ourselves to the test and not be complacent. It has also been instrumental in helping us through some difficult decisions due to the recent tough economic climate.”**

**Cynthia Jackson, Practice Manager, Rollasons**

### **Specific goals**

During 2008/09 we gained further evidence that Investors in People provides the highway to specific goals. As well as being recognised as an effective business improvement tool, research carried out by Ipsos MORI<sup>12</sup> indicated specifically that among recognised Investors in People there was agreement by the majority that The Standard:

- Helps attract new customers (62%)
  - Improves customer service (71%)
  - Improves staff commitment and motivation (81%)
  - Improves productivity (56%)
  - Helps to raise employee skill levels (79%).
- Improves business planning (76%)
  - Helps organisations adapt to change and growth (82%)

# 92%

**OF INVESTORS IN PEOPLE ORGANISATIONS  
AGREE THAT INVESTORS IN PEOPLE  
PRODUCES BUSINESS IMPROVEMENT  
THROUGH PEOPLE.**

---

Source: Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note at the end of this report for full survey details.

# CASE STUDY: NATWEST NORTH

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**“NatWest North have sought to use the Investors in People framework to create a truly world-class business unit which develops and empowers staff.”**

Chris Brindley, Managing Director, North Region, Retail

#### **Achievements:**

- NatWest North has seen a great improvement in the retention of new recruits since committing to Investors in People. In January 2003, 27% of new recruits left within their first 12 months, whereas the rate currently is just 8.6%
- This improved retention rate is largely attributed to the new and improved induction procedures brought about through re-engagement with Investors in People
- They have found that positive engagement with Investors in People has helped to deliver cultural change across their extensive branch network
- The organisation has created a shared vision of the future in which people at all levels in the business know what the company's four-year goals are and are inspired to perform the best they can to achieve them.

#### **Background:**

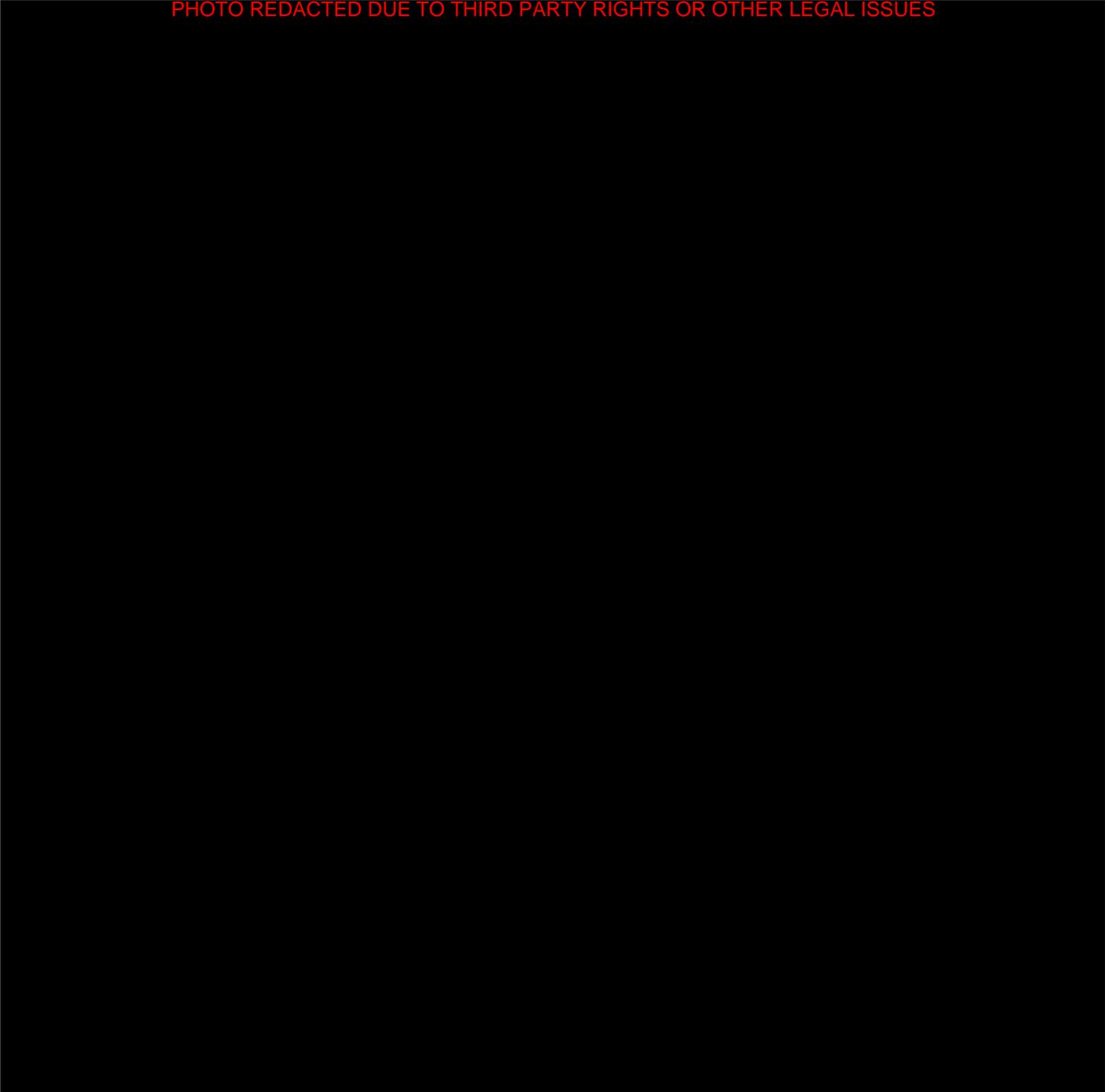
- NatWest North is responsible for all of the Bank's retail banking operation from Chester to Scotland. The region comprises of over 400 local branches
- They formally gained recognition as an Investors in People over fifteen years ago and have been consistently re-recognised every three years since then
- The organisation has used the Investors in People framework to underpin a change programme throughout the region, focussing on developing a shared vision, improving communication and developing and maximising the potential of all staff.

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# BOARD MEMBERS

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## Board of directors

### 01 Philip Williamson CBE

Chairman  
Investors in People UK

### 02 Simon Jones

Chief Executive  
Investors in People UK

### 03 Peter Ayliffe

Chief Executive  
VISA Europe

### 04 Professor Robert Fryer CBE

Chair  
Campaign for Learning

### 05 Hans H Rissmann OBE

Chief Executive  
Edinburgh International  
Conference Centre Ltd

### 06 Roger A Hoyle TD

Chairman  
North West of England  
Learning & Skills Council

### 07 Cyrus Todiwala MBE

Director  
Café Spice Ltd and  
Namaste of London

### 08 Stephen Kingan

Chairman/Chief Executive  
Nexor Ltd

### 09 Jennifer Perkins

Head of Client Service  
Work Communications plc

## Observers

### Claire Chaubert

Deputy Director  
Raising employer  
demand for skills  
BIS

### Jane Hall

Deputy Director  
Management, Leadership  
and Skills Unit  
BIS

### John Gracie

Chair of English Investors  
In People Centres

## Company information

### Company registration number:

2860079

### Registered office:

7-10 Chandos Street  
LONDON  
W1G 9DQ

### Directors:

P Williamson CBE  
S Jones  
P Ayliffe  
Prof R Fryer CBE  
R A Hoyle TD  
J Ibison  
S Kingan  
H H Rissmann OBE  
C Todiwala MBE

### Secretary:

L Findlay

### Bankers:

Yorkshire Bank PLC  
Barclays Bank PLC

### Auditor:

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS



# 06

## FINANCIAL STATEMENTS INDEX TO THE FINANCIAL STATEMENTS

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# REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 March 2009. The financial statements have been prepared in accordance with the Companies Act 1985 and follow the principles of the Government Financial Reporting Manual issued by HM Treasury.

## Principal activities

Investors in People UK Ltd (IIPUK), which is a Non-Departmental Public Body (NDPB) sponsored by the Department for Business, Innovation and Skills (BIS, formerly the Department for Innovation, Universities and Skills (DIUS)), is 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 licences 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.

## Management commentary

The Company's income from operations is derived from publications and merchandise licensed to TSO, licence fees, training and also our international work licensed to Quality Centres abroad. The Company also received Grant-in-Aid from DIUS

as well as funding of £50,000 from the Department of Health to undertake a project on Healthy Organisations. DIUS also contributed £100,000 for the Skills for Life initiative. The Company received additional funding of £14,401 from the Learning and Skills Council for Quality Assurance, Monitoring and Evaluation Service for Skills Broker Standards Assessment as well as a contribution of £15,000 from the Department for Business Enterprise & Regulatory Reform (BERR, now BIS) towards the potential development of an Innovation Capability Standard.

As part of the Government's Efficiency Review, IIPUK are committed to reducing administrative costs by at least 5% in real terms year on year over the three year Comprehensive Spending Review (CSR) period from 2008-09 to 2010-11. During the year we managed to find savings of £59,000, as agreed with our sponsor department. We plan to save a further £91,000 in 2009-10.

At the end of the year the company held a cash balance of £56,989. This balance is within the limit on cumulative Grant in Aid recommended by BIS.

As set out in the remit letter agreed with DIUS at the start of the year, the Company focused the majority of its resources on the following activities:

**To continue to deliver increased workforce penetration through the attainment of new customers and the retention of existing customers while demonstrating the qualitative and quantitative benefits of Investors in People by researching, sharing knowledge and producing evidence of the relationship between the Investors In People framework and business success.**

£327,000 was spent on the development of the new choices approach, providing customers with a new and more flexible way of working with Investors in People. This ensured that the Company was able to complete and evaluate a major pilot, build the capacity of our network to deliver the new approach, develop on-line tools to support it, implement new guidance to enhance quality of service, research and devise additional recognition and revisions to the brand and prepare to launch.

£98,000 was spent testing out a range of options for the presentation of the new approach. Over 1,000 customers and specialists responded to a survey which sought feedback on a range of issues, including logos and the additional recognition for additional achievement. These results have been used to develop the updated recognition and promotional materials.

The Delivery Team utilised £79,000 of the budget to update Quality Manager licensing interview situational exercises, Investors In People Specialist and Engaging with Investors In People training courses in line with the new choices approach. Part of this budget was also spent on improving our communication channels for the delivery network. This included launching the online Specialist Learning Portal on our website, distributing our e-zine 'Connect' and we are in the process of implementing an online facility to search, find and promote approved training programmes.

The cost of communicating with our customers and the delivery network during the year, including production of the 'Raising the Standard' publication and the fortnightly e-newsletter, was £168,000.

We ran four marketing campaigns targeted at sectors with the most potential to attract new customers. The themes of these campaigns were 'reducing cost and wastage'; 'delivering change successfully', 'improving competitive edge' and 'involving your people'.

A total of £180,000 was spent on this activity and all the leads generated were entered into our Customer Relationship Management database and distributed to the relevant Investors in People Centre. A total of £96,000 was spent

on managing public relations during the year. This activity generated 145 articles with an Advertising Value Equivalent of £585,000. During the year Investors in People was revealed as the highest rising Business Superbrand in the annual review of the UK's strongest, most trusted and respected business to business brands.

Performance tracking research was undertaken by Ipsos MORI during the year. This tracks awareness, understanding and attitudes towards Investors in People, including the assessment process. It is used within IIPUK and the Investors in People Centres to monitor performance and promote Investors in People to organisations. The process involved interviewing 1,828 organisations in two six monthly waves.

The results of this research enables us to measure our performance against our corporate objectives, act as an independent benchmark for reviewing the performance of the delivery network, develop marketing and PR strategies, monitor the work we do to support the skills agenda and monitor the effectiveness of tools such as Investors in People Interactive. £96,000 was spent on this activity during the year.

ABDI Ltd and The Assessment Centre were commissioned to develop and pilot a draft Investors in People scorecard during the year. This initial pilot has

completed and a report received. Whilst the project has not resulted in a scorecard ready to roll out more widely it has developed our understanding of the issues associated with measuring the impact of Investors in People and we will look at how we can feed this learning into our new approach. The associated cost for this work was £26,000.

Following on the success of the report '*The Impact of Investors in People on People Management Practices and Firm Performance*' by Cranfield School of Management we have appointed the team to investigate the impact of Investors in People specifically on the development and performance of managers. To date they have completed a literature review and have started to recruit case study organisations for the next stage of the work. So far £19,500 has been committed to this activity.

We continued to develop the Health and Wellbeing framework, providing strategic partners and customers with the ability to focus more explicitly on health and wellbeing in the workplace. £96,000 was spent in this area during the year, ensuring that the fourth pilot was completed and evaluated, introducing how the framework can be assessed using the new choices approach and building good practice around case studies and workplace health issues.

# REPORT OF THE DIRECTORS

Partner activity during the year included continued sponsorship and presence at awards and events to maintain Investor in People's profile. Throughout the year we continued to seek and progress partner and communications opportunities. We were also involved in a range of collaborative working groups including the UK Commission for Employment and Skills (UKCES) stakeholder group for skills utilisation project, BERR Employee Engagement project and Innovation Steering Group and are a partner for Talentmap, the UK-wide collaboration of employers, governments and brokers working together to create a simple view of the education employment & skills systems in the UK.

We currently have 92% of Sector Skills Councils (SSCs) working with Investors in People. £46,000 was spent on activity in this area. This included sponsoring and attending key conferences within each sector, enabling us to align Investors in People with key influencing bodies, helping us to raise our profile and deliver new business. We have been able to utilise a number of the SSCs media to promote Investors in People i.e. on their websites, in their publications – we have secured the inclusion of focused articles in eleven SSC publications, with a circulation of approximately 180,000 on a regular basis. In order to help drive up the number

of organisations who are interested in pursuing Investors in People we have provided information on Investors in People Interactive to all SSCs, trained SSC staff and regional advisers on the 'Engaging with Investors in People' programme. Regional SSC advisers have also worked alongside IIP Centres and Specialists to offer further support to customers. We are currently working with a number of SSCs with a view to effectively positioning Investors in People within their sectors e.g. working with OFSTED to increase inspector's knowledge of Investors in People to help them know what to look for when assessing an Investors in People accredited school and working with Skills for Justice on how Investors in People can support cross agency working.

£52,000 was spent on customer engagement activities. This included generating 90 appointments for engaging employers with over 250,000 staff. Visits were made to each Investors in People Centre to ensure retention strategies are in place – these are vitally important in the current economic climate.

**To maintain an effective Management Information System (MIS) and Customer Relationship Management Solution (CRMS) system that provides the accurate**

**management information necessary to both support the new delivery network to achieve objectives and report progress against key indicators and targets. Particular attention should be paid to the performance management relationship between IIPUK and the Investors in People Centres as reflected within the Investors in People Centre Licence.**

During the year the Company utilised a budget of £200,000 to licence and maintain the CRMS. This system captures information from customers' journeys through the Investors in People experience, enabling IIPUK to report to the Board, our sponsor department (BIS) and to the Investors in People Centres against agreed 'new business' and retention targets.

Information from this system also enables the Company's marketing team to tailor campaigns and our research team to commission relevant work i.e. *'The benefits of Investors in People during the economic downturn'*. In previous years the Company's internal auditors conducted reviews of the Investors in People Centres – how they were performing against the licence requirements and also of their financial viability. During 2008-09 in-house resource was utilised to undertake these reviews.

The delivery team conducted the 'licence performance' reviews for each centre and the finance team conducted the 'financial viability' reviews. Reports were produced for each Centre and the findings shared and discussed with their Chief Executives and Chairmen. All of the Centres met our licence requirements. Also during the year Investors in People Centres achieved an average customer satisfaction rating of 96.7%, exceeding the target of 90%.

We maintain a customer helpline which received over 4,000 requests for further information about Investors in People and responded with a customer information pack. During the year the printed book was replaced with an electronic version which has been well received by the network and customers. It is estimated that the shift from a printed version will save the organisation in the region of £60,000 per annum.

### Financial risk

#### Exchange Rate

The Company processes a minimal number of foreign currency transactions relating to International activity. Where these transactions are necessary the Company

ensures that the amount invoiced or paid out is sufficient to cover any differences that may arise from the exchange rate. Where charges are incurred or debts underpaid these are covered by income generated from International activity.

#### Liquidity

The Company is funded primarily by BIS. At the start of each year IIPUK is notified of the amount of Grant in Aid to which we are entitled. This is claimed on a monthly basis to fund our activities. The company has an established relationship with the Department and has regular communications with it including reporting financial performance on a monthly basis.

#### Diversity and equal opportunities

Investors in People UK is committed to the active pursuit of a Diversity and Equal Opportunities Policy which addresses the need and right of everyone in the organisation to be treated with respect and dignity. As a good employer, the Company seeks to be just and equitable to all employees and the wider community.

As part of this Policy, the Company intends that no prospective or existing employee

will receive less favourable treatment on any 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, or any other criterion accepted as unjustifiable.

Achievement of the Company's business objectives depends on the quality of its products and services. This can best be maintained and developed by fully utilising the skills and potential of all employees. It is therefore crucial that the Company's employment climate is free from the damaging barriers of discrimination and stereotyping.

The principles of this Policy cover all aspects of employment, from advertising vacancies, recruitment and selection, opportunities for training, transfer and promotion to terms and conditions of service and reasons for termination of employment. It also covers the Company's aims on a wider basis. The Company believes that it is the right of every employee to be able to work in an environment free from bullying, harassment and victimisation.

# REPORT OF THE DIRECTORS

In accordance with all relevant legislation, the Company will promote racial equality, sexual orientation and religious diversity as a central part of all its activities (e.g. planning, policy making, service delivery, regulation, inspection, enforcement and employment). To ensure that this Diversity and Equal Opportunities Policy is operating effectively the Company maintains records of employees' and applicants' racial origins, gender and disability. The information collected is treated confidentially and is processed in accordance with the provisions of the Data Protection Act 1998. This information is monitored and analysed in order that appropriate action can be taken to eliminate unlawful direct and indirect discrimination and to promote equality of opportunity.

Everyone in the Company must read and comply with the provisions of this Diversity and Equal Opportunities Policy which reflect legal requirements. Ignorance of the law is no defence and behaviour or actions against the laws on which this Policy is based will be considered a serious disciplinary matter and may, in some cases, lead to dismissal. Any employee who believes they have been treated in a manner which contravenes the laws and provisions of this Policy should use the Company's Grievance Procedure or Anti Bullying and Harassment Policy to pursue their complaint.

In 2008-09 no grievances were raised.

## **Disabled employees**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them and adjustments made to work and or facilities where reasonably practicable and as appropriate in order that their employment with the Company can continue.

It is the policy of the Company that training, career development and promotion opportunities should be available to all employees.

## **Provision of information and consultation of employees**

The Company considers good communication with its employees to be very important and communicates through regular meetings on an individual, team and company-wide level, know-how sessions and accessible information through the provision of shared areas.

The Company also complies with the Freedom of Information Act 2000.

## **Payment policy and practice**

It is the Company's policy to follow the Government Departments Payment Performance Policy, in relation to the payment of its suppliers for the forthcoming

year. For the year to 30 November 2008 the Company had standard payment terms of 30 days for all authorised invoices. As of 1 December 2008 this has decreased to 15 days. During the year 98% of all authorised invoices were paid within these terms.

## **Pension liabilities**

Please refer to the Remuneration Report and note 19 of the accounts for details of the Company's pension liabilities.

## **Staff sickness absence**

The average of staff absence due to sickness throughout the year was 3.5% of full staff attendance.

## **Personal data**

The Company is registered as a Data Controller under the Data Protection Act and adheres to the principles and guidelines set out by the Information Commissioner.

IIPUK has a Data Protection Policy that has been promoted throughout the organisation. This policy discloses the guidelines on the processing of personal data to enable employees to meet the legal requirements as employees of an NDPB.

During 2008-09 there were no personal data related incidents reported.

### Sustainability

One of the Company's objectives is to be recognised as a leading socially responsible organisation. During 2008 IIPUK recycled 6,795kg of paper; this is the equivalent of 93 trees and 9,500kg of CO<sub>2</sub>. Moving forward into 2009-10 IIPUK are seeking to enter into a partnership with Business in the Community (BiTC) to develop ways of working that benefit the local community and staff development.

### Auditors

The Comptroller and Auditor General is appointed auditor of Investors in People UK under the Government Resources and Accounts Act 2000 (Audit of Non-profit making Companies) order 2009. The auditors did not receive any remuneration for non-audit work.

### Future developments

Following the Government announcement in December 2008 that the strategic ownership for Investors in People will transfer to UKCES, DIUS and UKCES have commissioned work on a due diligence exercise to be undertaken on IIPUK to help inform what functions need to be transferred as well as an options appraisal for Investors in People to agree the most appropriate delivery model for England and the devolved nations.

Following on from this announcement our draft remit letter for 2009-10 has identified

the following key priorities for the Company in the forthcoming year:

- To fully cooperate with the Department, its agents, the Commission and its co-sponsors in ensuring an effective due diligence and options appraisal exercise is delivered on time and is fit for purpose;
- To offer support at Board level to the Chief Executive and his team in ensuring this happens, and offering constructive guidance on the implications of any recommendations resulting from the due diligence and options appraisal exercise;
- To continue to meet its 5% year on year efficiency savings target as detailed in IIPUK's 2007-08 remit letter. This relates to target savings of 5% on the baseline administration and programme budgets of 2007-08, over the CSR period. This is regardless of the outcome of the recommendations made on the transfer of strategic ownership of the Investors in People Standard to the commission and the future of IIPUK;
- To continue to develop workforce penetration through the retention of existing customers and attracting new customers. Key to this will be the successful launch and employers take up of New Choices;
- To continue to produce quantitative and qualitative evidence of the bottom line benefits to organisations and their employees of working Toward Investors in People accreditation;
- To continue to maintain and develop an effective Management Information System (MIS) and Customer Relationship Management Solution (CRMS) system that will provide evidence of the impact of Investors in People across the UK;
- To continue to manage the licensing arrangements for Investors in People delivery centres, monitor their performance and ensure that the centres deliver against their contractual obligations and provide a quality service to the end user;
- To continue to promote (in England, through the Investors in People network) the availability and business benefits of free literacy and numeracy classes, available through Skills for Life, taking into account the strategy refresh document recently published;
- To provide acceptable options regarding the future of IIPUK's international work based on the recommendation within the 2002 Quinquennial review that this activity should cease, and subsequent discussions with DIUS Officials.

# REPORT OF THE DIRECTORS

## Register of Directors' Interests

The Register of Directors' Interests is available at the company's registered offices.

## Directors

The directors in office during the year are listed below. All served throughout the year:

**Philip Williamson CBE (Chairman)**

**Simon Jones**

**Peter Ayliffe**

**Prof Robert Fryer CBE**

**Roger A Hoyle TD**

**Jennifer Perkins**

**Stephen Kingan**

**Hans H Rissmann OBE**

**Cyrus Todiwala MBE**

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

## Senior management team

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

**Simon Jones** – Acting Chief Executive

**Mark Duly** – Director of Corporate Services (appointed on 9 June 2008 and left the organisation on 27 March 2009)

**Jane Jones** – Director of Policy & Communications

**Graeme Etheridge** – Director of Operations (left the organisation on 31 December 2008)

**Tony Salt** – Acting Director of Operations (appointed to position on 1 January 2009)

## 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.

## Going concern

As part of the strategic transfer of Investors in People to UKCES and the due diligence work undertaken, BIS' officials have indicated to IIPUK that they foresee the Company ceasing to trade as an NDPB of BIS at the end of 2009-10. It has not yet been decided which of IIPUK's assets and liabilities would transfer to UKCES. This being the case the directors are of the opinion that it is appropriate to prepare the accounts on a going concern basis.

In the mean time a 'Repositioning Board' has been set-up to supervise the transfer of IIPUK functions to either UKCES or other appropriate bodies. Representation on this Board comprises officials from BIS, UKCES and IIPUK and the devolved nations. This Board will decide upon the assets / liabilities that need to be transferred. At this point in time no such decisions have been made. Accordingly, no adjustments have been made to assets and liabilities in the 2008-09 accounts.

**P Williamson CBE**

Chairman

Investors in People UK

**S Jones**

Acting Chief Executive

Investors in People UK

28<sup>th</sup> July 2009

# 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 is as follows:

**Hans H Rissmann** – Chairman of Remuneration Committee

**Philip Williamson CBE** – Chairman of Investors in People UK

**Jennifer Perkins** – Investors in People UK Board Member

The committee is responsible for the following:

- Ensuring that the remuneration strategy of the Company is 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 are awarded in compliance with the scheme.

## Senior Managers' Contracts

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

## Probationary Period

All senior managers must serve a probationary period of 6 months. This can be increased by a further 3 months if performance has not been satisfactory.

# REMUNERATION REPORT

## Termination of Employment

During the probationary period the period of notice required is 1 month from either side, for all senior management. Thereafter the period will be 3 months written notice from either side, except for the Chief Executive whose period of notice is 6 months. Where an individual is acting up into a senior management role they may keep the termination period as disclosed in their original contract. This is 1 month for all staff below senior management level.

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

NAME	START DATE	END DATE	NOTICE PERIOD	EMPLOYMENT BASIS
<b>Simon Jones</b> Acting Chief Executive	<b>1 December 2006</b> <b>(21 June 2004)</b>	Ongoing	<b>6 mths</b>	Permanent
<b>Mark Duly</b> Director of Corporate Services	<b>9 June 2008</b>	27 March 2009	<b>1 mth</b>	Fixed Term Contract
<b>Graeme Etheridge</b> Director of Operations	<b>1 January 2007</b>	31 December 2008	<b>3 mths</b>	Secondment (Ministry of Justice)
<b>Jane Jones</b> Director of Policy & Communications	<b>12 June 2006</b>	4 September 2009	<b>3 mths</b>	Secondment (Cabinet Office)
<b>Tony Salt</b> Acting Director of Operations	<b>1 January 2009</b> <b>(1 June 2003)</b>	Ongoing	<b>1 mth</b>	Permanent

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 have been scored using a Job Evaluation Scoring System and put into a grading structure that has been created based upon these scores. The criteria used for evaluating all roles are:

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

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

Performance Reviews are held twice a year, one mid-year and the second at the end of year. Employees discuss their performance against their objectives with their line manager and a Performance Review Form is completed as a formal record of assessment. Employees are

awarded a box marking from 1 to 5 based on their level of performance. These are 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 approves (subject to the sponsor department's endorsement) the percentage increase that all employees will receive dependent on the box marking that they receive for their performance during 2008-09. These are to be agreed.

Senior managers who are awarded a box marking of 3 or above are also entitled to a bonus of a maximum of 10% of their salary. All senior managers are assessed by the Chief Executive who provides his recommendations for salary increases and bonuses to the Remuneration Committee for approval. The Chief Executive in turn is assessed by the Chairman who provides his recommendations to Investors in People UK's sponsor department, for their approval.

The level of pay awarded to individuals reflects their skills and abilities exercised within the Company and is 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 is in accordance with the provisions of the Company's Policy on Diversity.

# REMUNERATION REPORT

The following information is audited:

The remuneration of the most senior members of staff for 2008-09 was as follows:

NAME	SALARY, INCLUDING PERFORMANCE PAY AND BENEFITS IN KIND 2008-09 £	SALARY, INCLUDING PERFORMANCE PAY AND BENEFITS IN KIND 2007-08 £
<b>Simon Jones</b> Acting Chief Executive	<b>110,000 - 115,000</b>	105,000 – 110,000
<b>Mark Duly</b> Director of Corporate Services (Appointed on 9 June 2008 and left the Company on 27 March 2009)	<b>60,000 - 65,000</b> <b>(75,000 – 80,000)</b>	–
<b>Tony Salt*</b> Acting Director of Operations	<b>20,000 - 25,000</b> <b>(80,000 – 85,000)</b>	–

Where staff have not been in post for the entire year their full year equivalent salary is shown in brackets.

\* Tony Salt was promoted to the position of Interim Director of Operations on 1 January 2009.

Graeme Etheridge was seconded from the Ministry of Justice as the Director of Operations up to 31 December 2008. The total costs charged to the company were £76k (2008: £100k), not including the compensation payment detailed overleaf.

Jane Jones was seconded from the Cabinet Office as the Director of Policy and Communications. The total costs charged to the company were £98k (2008: £74k).

**Details of compensation payments made to senior managers for 2008-09:**

NAME	COMPENSATION PAYMENTS £
<b>Graeme Etheridge</b> Director of Operations	15,579
<b>Mark Duly</b> Director of Corporate Services	6,667

The payment made to Graeme Etheridge is inclusive of Employer's National Insurance costs and employer's pension contributions, and relates to discretionary leave awarded for the period from 7 November 2008 to 31 December 2008.

The payment made to Mark Duly relates to gross pay and is for one month's pay for April 2009 when Mark had left the organisation but whose services could be called upon if required.

The compensation payments above are deemed to be ex-gratia payments and retrospective Treasury approval has been received for them.

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

NAME	EMPLOYER CONTRIBUTIONS 2008-09 £	EMPLOYER CONTRIBUTIONS 2007-08 £
<b>Simon Jones</b> Acting Chief Executive	10,000 – 12,500	7,500 – 10,000
<b>Mark Duly</b> Director of Corporate Services	5,000 – 7,500 (7,500 – 10,000)	–
<b>Tony Salt*</b> Acting Director of Operations	2,000 – 2,500 (7,500 – 10,000)	–

Where staff have not been in post for the entire year their full year equivalent pension contributions is shown in brackets.

The Chief Executive's total emoluments comprise salary

and a bonus. The Chief Executive has a personal pension scheme. The employer's contribution to the scheme amounted to the equivalent of 10% of the Chief Executive's salary.

**On behalf of the board**



**S Jones**  
Acting Chief Executive

28<sup>th</sup> July 2009

## Statement of Directors' and Chief Executives 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 have 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 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 1985. 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 auditors 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 Simon Jones, Acting Chief Executive, Accounting Officer 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*.

IIPUK is a company limited by guarantee and an NDPB sponsored by the Department for Business, Innovation and Skills (BIS) and as such is accountable to the Secretary of State for Innovation, Business and Skills. The annual plan is confirmed by the Department and KPIs agreed with me. I meet with the Department to review progress, report on performance and seek advice if appropriate. The Board comprises non executives and meets regularly to review the performance of Investors in People UK against the targets set by the Department and to review business plan objectives. The Board also advises me on the management of our major risks and programmes.

### 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 for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to handle risk

The IIPUK Board recognises that the responsibility of risk management should be driven from the top and, as a result, I, together with my senior management team, have taken the lead on this.

Training has been provided to senior management in the identification, assessment and management of risk during 2008-09 in order to build the risk management skills and further training is planned during 2009-10.

### The risk and control framework

IIPUK seeks to adopt best practices in the identification, evaluation and control of risks to ensure that risks are well managed and either eliminated or reduced to an acceptable level. The main processes which we have in place for identifying, evaluating and managing risk are:

- A risk management policy based on promoting a 'risk aware' culture throughout the organisation. At the start of each year each team will 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 provides information on critical, major, moderate and minor risks, their management control arrangements and views on their current effectiveness. This will include an assessment of risks associated with information and records security and data handling. The risk register has been reviewed and updated every six weeks and specific actions identified for management to complete. The risk exposure has been monitored regularly throughout the year and additional controls introduced where appropriate.
- Risk monitoring through the Audit Committee, which at each of its five meetings a year receives 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 is monitored through their performance assessments.

IIPUK determines risk appetite by identifying whether activities have one or several of the following risk types:

- Delivery risk – barriers preventing achievement of objectives;
- Resource and budget risk – whether the appropriate resources are available to deliver this activity;
- Skills risk – does a skills or knowledge gap exist that may prevent the achievement of objectives; does the success of a project depend on any change management or ‘step’ change in the way we or our partners operate;
- Reputational risk – does the activity contain elements that if not achieved, or they are delivered wrong, could have an adverse impact on IIPUK’s or Investors in People’s reputation.

Senior management will evaluate activities and if they feature any of the above risks assess the potential impact of the risk(s) arising, score these based on their likelihood of occurrence and rank them in importance for the organisation, the Board and the sponsor department to monitor. The company recognises that some unavoidable risks exist and has implemented contingency plans in case these arise.

During the year the Cabinet Office introduced new Data Security Handling Guidelines to ensure that all public data handled by public bodies is secure, introducing mandatory protective measures and control, to reinforce efforts to ensure the working culture supports the proper use of information, to standardise and enhance processes by which organisations understand and manage their information risk and to overall enhance transparency of arrangements. IIPUK has worked closely with BIS to implement these guidelines. Our internal auditors reviewed the progress made in November 2008 finding that good progress had been made whilst agreeing appropriate actions with management for implementing remaining requirements.

The most significant risks during 2008/09 arose from the potential outcome(s) of the review of Investors in People. It was announced in December 2008 that the strategic ownership of Investors in People will be transferring to the UK Commission for Employment and Skills (UKCES). Whilst the implications of this are being agreed IIPUK has introduced operational controls (as agreed with BIS) to ensure that all future activities undertaken are in line with BIS and UKCES plans for Investors in People; this includes financial and staff recruitment commitments. IIPUK, BIS and UKCES meet on a regular basis to manage this process and to ensure that communications to staff are consistent across all organisations. IIPUK’s senior management team

comprises the Chief Executive and three director posts. Currently the Chief Executive role is being acted into (present incumbent acting into post since 1st December 2006), as is the Director of Operations role, while a secondee is performing the role of Director of Policy and Communications and the Director of Corporate Service’s post is vacant. As this presents a potential risk to business continuity the company has been providing coaching and training to all Deputy Directors and Team Heads, whilst extending Director Team meetings to include them and inviting them to attend Board meetings, ensuring that they are well abreast of all business developments.

### 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 the executive managers within IIPUK who have responsibility for the development and maintenance of the internal control framework, 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 Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board monitors the strategic performance of IIPUK and the associated strategic risks. The senior management team reviews the day to day business performance of Investors in People UK, including the achievement of our business plan objectives, key performance indicators and the associated operational risks.

The Audit Committee meets five times each year. Its purpose is to advise the Board on the discharge of its duties with regard to the Company's financial statements and the maintenance of proper financial records and controls. It is appointed by the Board.

During the year IIPUK made two severance payments to outgoing directors and two payments in advance to suppliers for which HM Treasury approval was required, but was not sought prior to the payments being made. IIPUK has since obtained retrospective approval from HM Treasury in respect of these payments. Moving forward from 2009-10

onwards IIPUK has agreed additional authorisation levels with our sponsor department (BIS) in relation to procurement, staff recruitment and staff related payments. This measure should ensure that where approval is required from HM Treasury for any transactions that this is gained in advance.

IIPUK's internal audit function was carried out through the year by PKF, a firm of accountants and business advisors, to the Government Internal Audit Standards. The work of internal audit is informed by an analysis of the risk to which the Company is exposed and the annual internal audit plans are based on this analysis. During the year I received a number of reports covering the financial, operational and governance activities of IIPUK. The annual internal audit report for 2008-09 concluded that:

"Based on the audit work carried out we have concluded that the system of internal control

is adequate for the purposes of IIPUK and is operating effectively in most key areas. There is a robust framework of financial and operational procedures that operates effectively in all key areas and effective handling of the major risks and developments. In particular we noted that the arrangements for working with Investors in People Centres have continued to be strengthened and that appropriate action is being taken to address the new requirements in respect of data management. Internal governance arrangements have continued to be strong."

**On behalf of the board**



**S Jones**

Acting Chief Executive

28<sup>th</sup> July 2009

# 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 year ended 31 March 2009 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. These financial statements have been prepared under the accounting policies set out within them. 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**

The Directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Directors' and Chief Executive's Responsibilities. My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland). I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the part of the

Remuneration Report to be audited has been properly prepared in accordance with the *Government Financial Reporting Manual*. I report to you whether, in my opinion, the information given in the Report of the Directors is consistent with the financial statements. I also report whether 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.

In addition, I report to you if, in my opinion, Investors in People UK has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Investors in People UK's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Investors in People UK's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Company Report, and consider whether it is consistent with the audited financial statements. This other

information comprises the Chairman and Chief Executive's Statement, A Versatile and Highly Effective Management Tool, Superb Reputation, A New Offer, Specialist Advisers and Assessors with Dedicated Training, Help Customers Achieve their Goals, and the unaudited part of the Remuneration Report. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

## **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to Investors in People UK's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of Investors in People UK's affairs as at 31 March 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and 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 is consistent with the financial statements.

### 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.

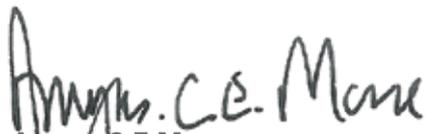
### Emphasis of matter - Going concern

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 1.15 to the financial statements concerning the company's ability to continue as a going concern. The Government announced in December 2008 that strategic ownership of the Investors in People Standard would transfer to the UK Commission for Employment and Skills and the Department for Business, Innovation and Skills has indicated that Investors in People UK will cease trading as a non-departmental public body at the end of 2009-10. These conditions, along with the other matters explained in note 1.15 to the financial statements, indicate the existence of a material uncertainty

which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### Report

I have no observations to make on these financial statements.

  
Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS

31<sup>st</sup> July 2009

# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	NOTE	2009 £	2009 £	2008 (RESTATED) £	2008 (RESTATED) £
<b>Gross income</b>					
Additional grant funding		29,401		111,376	
Transfer from deferred income		98,360		129,330	
Income from operations	3	543,075		666,627	
		<b>670,836</b>		907,333	
			<b>670,836</b>		907,333
<b>Gross expenditure</b>					
Skills for Life		237,458		165,647	
Cost of sales	4	147,700		468,600	
Strategic planning of developments		168,869		616,442	
Marketing & management information		1,272,802		1,722,690	
Development		812,411		920,039	
LSC funded activity		14,401		110,166	
Innovation		27,590		-	
Staff costs	6	1,893,329		1,973,777	
Administration		545,629		432,939	
Loss on sale of assets		2,118		-	
Depreciation		96,242		129,330	
Notional cost of capital		16,935		17,225	
		<b>5,235,484</b>		6,556,855	
			<b>5,235,484</b>		6,556,855
<b>Operating deficit</b>			<b>(4,564,648)</b>		(5,649,522)
<b>Interest receivable</b>			<b>5,779</b>		15,842
<b>Interest repayable to BIS</b>			<b>(5,779)</b>		(15,842)
<b>Deficit before taxation</b>			<b>(4,564,648)</b>		(5,649,522)
<b>Tax charge for the year</b>	7		<b>(1,824)</b>		(3,410)
<b>Deficit for the year</b>			<b>(4,566,472)</b>		(5,652,932)
<b>Reversal of notional cost of capital</b>			<b>16,935</b>		17,225
<b>Retained deficit</b>	13		<b>(4,549,537)</b>		(5,635,707)
<b>Reserves brought forward (restated)</b>			<b>485,223</b>		474,666
<b>Grant-in-Aid revenue financing</b>			<b>4,614,119</b>		5,646,264
<b>Reserves carried forward</b>			<b>549,805</b>		485,223

All activities relate to continuing operations.

The notes on pages 70 to 81 form part of these accounts.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2009

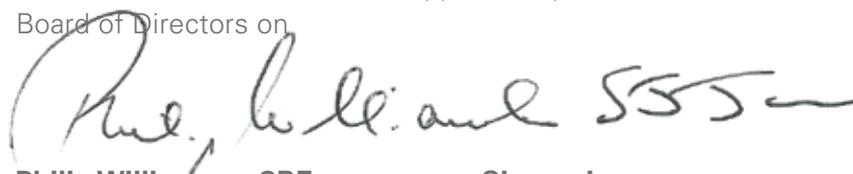
	NOTE	2009 £	2008 £
<b>Deficit for the year</b>	13	<b>(4,549,537)</b>	(5,635,707)

The notes on pages 70 to 81 form part of these accounts.

# BALANCE SHEET AS AT 31 MARCH 2009

	NOTE	2009 £	2009 £	2008 (RESTATED) £	2008 (RESTATED) £
<b>Fixed Assets</b>					
Tangible fixed assets	8		<b>224,841</b>		243,320
<b>Current Assets</b>					
Debtors	9	<b>837,980</b>		652,474	
Cash at bank and in hand		<b>56,989</b>		108,380	
		<b>894,969</b>		760,854	
<b>Creditors: amounts falling due within one year</b>	10	<b>(431,539)</b>		(355,698)	
<b>Net current assets</b>			<b>463,430</b>		405,156
<b>Total assets less current liabilities</b>			<b>688,271</b>		648,476
<b>Creditors: amounts falling due after more than one year</b>	11		<b>(138,466)</b>		(163,253)
<b>Net assets</b>			<b>549,805</b>		485,223
<b>Reserves</b>	13		<b>549,805</b>		485,223
			<b>549,805</b>		485,223

The financial statements were approved by the Board of Directors on



**Philip Williamson CBE**  
Chairman  
Investors in People UK

**Simon Jones**  
Acting Chief Executive  
Investors in People UK

The notes on pages 70 to 81 form part of these accounts.

28<sup>th</sup> July 2009

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	NOTE	2009 £	2008 (RESTATED) £
<b>Net cash (outflow)/inflow from operating activities</b>	14	<b>(4,668,121)</b>	(5,617,381)
<b>Interest Received</b>		<b>5,779</b>	15,842
<b>Taxation</b>		<b>(3,168)</b>	(3,410)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		<b>(79,881)</b>	(126,736)
<b>Net cash outflow from capital expenditure</b>		<b>(79,881)</b>	(126,736)
<b>Net cash outflow before financing</b>		<b>(4,745,391)</b>	(5,731,685)
<b>Financing</b>			
<b>Financing Grant-in-Aid</b>	2	<b>4,694,000</b>	5,773,000
<b>Net cash outflow from financing</b>		<b>4,694,000</b>	5,773,000
<b>(Decrease)/increase in cash</b>	15	<b>(51,391)</b>	41,315

The notes on pages 70 to 81 form part of these accounts.

# 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) and the Companies Act requirements, and the accounting and disclosure requirements given in Managing Public Money and in the *Financial Reporting Manual (FReM)*, in so far as these are appropriate to the Investors in People UK and are in force for the financial year for which the statements are prepared. 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 Change of accounting policy – prior period adjustment

A website diagnostic tool called 'Investors in People Interactive' was developed in 2006-07 and 2007-08 and launched in the 2007-08 period. Investors in People Interactive is an online advisory tool that focuses on the Investors in People Standard, providing

employers with a diagnosis of where they are now (the diagnostic) and development advice on what they need to improve their performance based on the gaps identified by the diagnostic. As the objectives of this online tool contribute to the achievement of our principal objectives we have capitalised the development costs in line with the guidance provided in UITF 29 for not for profit entities. This is a change in accounting policy from earlier periods when this item was recorded as revenue expenditure. The effect of the change on the certified 2007-08 accounts is shown opposite:

	AT 31 MARCH 2008 (AS PREVIOUSLY STATED) £	IMPACT OF ADOPTING NEW POLICY £	AT 31 MARCH (RESTATED) £
<b>Income</b>			
Transfer from deferred income	<b>101,951</b>	27,379	129,330
Grant-in-Aid revenue financing	<b>5,709,633</b>	(63,369)	5,646,264
<b>Expenditure</b>			
Development	<b>983,408</b>	(63,369)	920,039
Depreciation	<b>101,951</b>	27,379	129,330
<b>Assets</b>			
Tangible fixed assets	<b>106,426</b>	136,894	243,320
<b>Liabilities</b>			
Deferred income	<b>(106,426)</b>	(136,894)	(243,320)

The impact on the current year's results has been an increase to the depreciation charge and an increase to income of £27,379. This in turn has resulted in a reduction to deferred income of the same amount.

In making this change, the directors confirm their expectation that the asset will continue to provide economic benefit following the strategic transfer of the Investors in People Standard to UKCES.

# PRINCIPAL ACCOUNTING POLICIES

## 1.3 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.

## 1.4 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 from additional funding relates to discretionary project funding received from other government bodies during the year. 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.

## 1.5 International activity

The full cost of International operations is recovered. International activity for the year is reporting a surplus of £9,815.

## 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 are stated at cost less depreciation. The minimum cost threshold for capitalising an asset is £100. Assets are revalued annually using indices provided by the Office for National Statistics. Given their nature and low value, tangible fixed assets are carried at depreciated cost as a proxy for fair value. Where an asset is impaired the charge is taken to the Income and Expenditure account.

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

A full year's depreciation charge is provided for in the year of acquisition and none in the year of disposal.

## 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 year in which it is incurred.

### 1.10 Contributions to pension fund

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%. The charge is then credited to the income and expenditure account after the deficit for the year.

### 1.13 Value added tax

Investors in People UK have been registered for the purposes of value added tax (VAT) since 1 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.

### 1.15 Going concern

As disclosed in the directors' report, following the Government announcement in December 2008 that strategic ownership of the Investors in People Standard would transfer to the UK Commission

for Employment and Skills, there are material uncertainties that may cast doubt about the ability of IIPUK to continue as a going concern. Our sponsor department, the Department for Business, Innovation and Skills has indicated that it expects IIPUK to cease trading as an NDPB of BIS on 31 March 2010. However, the directors consider that the going concern basis remains appropriate for the preparation of the financial statements as the implications of the decision have not been finalised and it has not been decided which of IIPUK's assets and liabilities would transfer to UKCES. Accordingly, no adjustments have been made to assets and liabilities in the 2008-09 accounts.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

<b>2 GRANT-IN-AID</b>	<b>2009</b>	<b>2008 (RESTATED)</b>
	£	£
Grant-in-Aid	<b>4,694,000</b>	5,773,000
Allocated to fixed assets - deferred income (note 12)	<b>(79,881)</b>	(126,736)
Financing credited direct to reserves	<b>4,614,119</b>	5,646,264

<b>3 INCOME FROM OPERATIONS</b>	<b>2009</b>	<b>2008</b>
Income from operations is categorised as follows:	£	£
Income from licensing and training	<b>350,809</b>	340,674
Income from publications licence	<b>110,833</b>	230,000
Income from international licence	<b>81,433</b>	93,410
Income from champions recharge	-	2,543
	<b>543,075</b>	666,627

All turnover relates to UK sales.

<b>4 COST OF SALES</b>	<b>2009</b>	<b>2008</b>
Cost of sales attributable to operations:	£	£
Quality Assurance	<b>76,082</b>	375,477
International sources	<b>71,618</b>	93,123
	<b>147,700</b>	468,600

<b>5 OPERATING DEFICIT BEFORE TAXATION</b>	<b>2009</b>	<b>2008 (RESTATED)</b>
The operating deficit before taxation is stated after charging:	£	£
Depreciation, owned assets	<b>96,242</b>	129,330
<b>Auditor's remuneration</b>		
Internal audit	<b>32,664</b>	17,928
External audit *		
- audit services	<b>24,500</b>	8,500
- taxation services	-	550
Operating lease rentals	<b>230,000</b>	221,700

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

<b>6 DIRECTORS AND EMPLOYEES</b>	<b>2009</b>	<b>2008 (RESTATED)</b>
Staff costs during the year were as follows:	£	£
Wages and salaries	<b>1,476,174</b>	1,576,343
Social security costs	<b>165,405</b>	169,412
Other pension costs (note 19)	<b>78,957</b>	88,819
Seconded, loaned and temporary staff	<b>169,287</b>	134,092
Group life assurance premiums	<b>3,506</b>	5,111
	<b>1,893,329</b>	1,973,777

Where staff time has been spent on activities not funded by the Grant-in-Aid financing from DIUS, the associated cost has been apportioned to this activity. These costs were as follows:	<b>2009</b>	<b>2008</b>
	£	£
Health and wellbeing (Development)	<b>3,074</b>	2,663
Skills for life	<b>38,446</b>	32,927
International	<b>3,020</b>	3,061
	<b>44,540</b>	38,651

The average number of employees in the company during the year was 41 (2008: 39) including seconded civil servants:	<b>2009</b>	<b>2008</b>
	<b>NUMBER</b>	<b>NUMBER</b>
Directors	<b>2</b>	4
Permanent employees	<b>37</b>	33
Temporary employees	-	-
Secondments	<b>2</b>	2
	<b>41</b>	39

The only statutory director to receive remuneration from the Company was the Chief Executive whose salary information is included in the remuneration report.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

<b>7 TAXATION</b>	<b>2009</b>	<b>2008</b>
Analysis of charge in the period	£	£
The tax charge is based on the bank interest received in the year and represents:		
Under / (over) provision for the prior year	<b>668</b>	910
UK corporation tax based on the bank interest received in the year at 20%	<b>1,156</b>	2,500
	<b>1,824</b>	3,410

<b>8 TANGIBLE FIXED ASSETS</b>	<b>FIXTURES, FITTINGS AND EQUIPMENT</b>	<b>COMPUTER SYSTEMS</b>	<b>TOTAL</b>
	£	£	£
<b>Cost</b>			
At 1 April 2008 – restated	532,113	573,503	1,105,616
Additions	26,670	53,211	79,881
Disposals	(2,118)	(170,514)	(172,632)
At 31 March 2009	556,665	456,200	1,012,865
<b>Depreciation</b>			
At 1 April 2008 – restated	507,877	354,419	862,296
Provided in the year	15,650	80,592	96,242
Eliminated on disposal	-	(170,514)	(170,514)
At 31 March 2009	523,527	264,497	788,024
Net book amount at 31 March 2009	<b>33,138</b>	<b>191,703</b>	<b>224,841</b>
Net book amount at 31 March 2008	24,236	219,084	243,320

The opening balances have been restated to include fully depreciated assets still in use at 1 April 2008 and for the prior period adjustment due to change in accounting policy (see note 1.2).

<b>9 DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>92,994</b>	308,383
Other debtors	<b>197,699</b>	179,386
Prepayments and accrued income	<b>547,287</b>	164,705
	<b>837,980</b>	652,474
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other central government bodies	<b>247,471</b>	207,533
Local authorities	<b>77,914</b>	73,458
Balances with bodies external to the government	<b>512,595</b>	371,483
	<b>837,980</b>	652,474

<b>10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2009</b>	<b>2008 (RESTATED)</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>133,246</b>	112,928
Corporation Tax	<b>1,156</b>	2,500
Other creditors	-	20,175
Accruals and Deferred Income	<b>295,812</b>	219,832
Other Taxation and Social Security	<b>1,325</b>	263
	<b>431,539</b>	355,698
	<b>2009</b>	<b>2008 (RESTATED)</b>
	<b>£</b>	<b>£</b>
Other central government bodies	<b>107,826</b>	101,362
Local authorities	<b>8,893</b>	-
Balances with bodies external to the government	<b>314,820</b>	254,336
	<b>431,539</b>	355,698

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2009 £	2008 (RESTATED) £
Accruals and Deferred Income	<b>138,466</b>	163,253
	2009 £	2008 (RESTATED) £
Other central government bodies	-	-
Local authorities	-	-
Balances with bodies external to the government	<b>138,466</b>	163,253
	<b>138,466</b>	163,253

12 DEFERRED INCOME (INCLUDED IN CREDITORS NOTES 10 AND 11)	FIXED ASSETS 2009 £	FIXED ASSETS 2008 (RESTATED) £
At 1 April	<b>243,320</b>	245,914
Allocated from Grant in Aid (note 2)	<b>79,881</b>	126,736
Transfer (to) / from income and expenditure account	<b>(98,360)</b>	(129,330)
At 31 March	<b>224,841</b>	243,320

13 RESERVES	ACCUMULATED FUND 2009 £	ACCUMULATED FUND 2008 (RESTATED) £
At 1 April	<b>485,223</b>	474,666
Deficit for year	<b>(4,549,537)</b>	(5,635,707)
Grant in Aid financing	<b>4,614,119</b>	5,646,264
<b>At 31 March</b>	<b>549,805</b>	485,223

Due to the capitalisation of expenditure relating to the development of Investors in People Interactive in 2006-07 and 2007-08 there has been a reduction to Development expenditure and an increase to the value of fixed assets, together with an increase to the Depreciation charge and to the Transfer from deferred income. This has resulted in a reduction to the deficit and a reduction in Grant-in-Aid financing for 2006-07 and 2007-08, although the overall effect on Reserves is nil.

Clause 4 of the Memorandum of Association of the Company requires that the income of the Company be applied solely towards the promotion of the objectives of the Company and prohibits its distribution directly or indirectly, by way of a dividend, bonus or otherwise by way of profit to the members of the Company.

<b>14 NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2009</b>	<b>2008 (RESTATED)</b>
	<b>£</b>	<b>£</b>
Operating deficit	<b>(4,564,648)</b>	(5,649,522)
Notional cost of capital	<b>16,935</b>	17,225
	<b>(4,547,713)</b>	(5,632,297)
Depreciation	<b>96,242</b>	129,330
Loss on disposal of assets	<b>2,118</b>	-
Net grant transferred to / (from) income and expenditure	<b>(98,360)</b>	(129,330)
(Increase) / decrease in debtors	<b>(185,506)</b>	880,088
Increase / (decrease) in creditors (excluding deferred income)	<b>65,098</b>	(865,172)
Net cash (outflow) / inflow from operating activities	<b>(4,668,121)</b>	(5,617,381)

<b>15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Increase / (decrease) in cash in the year	<b>(51,391)</b>	41,315
Net funds at 1 April	<b>108,380</b>	67,065
Net funds at 31 March	<b>56,989</b>	108,380

<b>16 ANALYSIS OF CHANGES IN NET FUNDS</b>	<b>AT 1 APRIL 2008</b>	<b>CASH FLOW</b>	<b>AT 31 MARCH 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	108,380	(51,391)	<b>56,989</b>

#### 17 COMMITMENTS

The company had no capital commitments at 31 March 2008 or 31 March 2009.

There are significant other commercial contracts that the company is party to that give rise to a commitment of £33,000 in the coming year.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

## 18 CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31 March 2009 other than those that would be required if the Company was unable to continue as a going concern; any such liabilities cannot currently be quantified. The Company had no contingent liabilities at 31 March 2008.

## 19 PENSION CONTRIBUTIONS

The Company makes contributions to employees' personal pension schemes. The benefit is available to all employees.

## 20 INSURANCE

Under the terms of the financial memorandum, with the exception of third party insurance required by the Road Traffic Acts and any other which are statutory obligations, the Company follows the usual rules for public bodies of non-insurance.

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

## 21 FINANCIAL INSTRUMENTS

As the cash requirements of IIPUK are almost wholly funded by DIUS, 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 LEASING OBLIGATIONS

Operating lease payments amounting to £245,000 (2008: £221,700) are due within one year.

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table analysed according to the period in which the lease expires.

	2009 LAND AND BUILDINGS £	2009 OTHER £	2008 LAND AND BUILDINGS £	2008 OTHER £
Between one and five years.	<b>235,000</b>	<b>10,000</b>	215,000	6,700

**23 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.

**24 TRANSACTIONS WITH RELATED PARTIES**

Investors in People UK is sponsored by the Department for Innovation, Universities and Skills (DIUS). During the year transactions with DIUS, the controlling body, related to receipt of Grant-in-Aid (see note 2).

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

Ministry of Justice  
Cabinet Office  
The Learning & Skills Council  
Department for Business Enterprise & Regulatory Reform  
Department for Children, Schools & Families  
Department of Health  
Department for Work & Pensions  
Department of International Development  
House of Commons  
Northern Ireland Office  
Scotland Office  
Welsh Assembly Government

The Company provided services to, or received services from, companies with which the following directors were connected during the year ended 31 March 2009:

Cyrus Todiwala, Director of Spice Mania who supplied the venue for hospitality trade association meetings for Investors in People UK totalling nil (2008: £3,290). There were no balances owing to Spice Mania at 31 March 2009.

Hans Rissman, Chair of Investors in People Scotland. Various expenses were charged by Investors in People Scotland to Investors in People UK totalling £13,676 (2008: £133,457). At the year end there was a balance owing to Investors in People Scotland of £604 (2008: nil). Investors in People UK charged out costs for various activities including royalty licence fees totalling £35,627 (2008: £30,828). At the year end there was a balance owed by Investors in People Scotland of £1,636 (2008: nil).

Hans Rissman, Chief Executive of EICC Ltd. Various expenses were charged by EICC Ltd to Investors in People UK totalling £1,442 (2008: £637). At the year end there was a balance owing to EICC Ltd of £425 (2008: nil).

**25 POST BALANCE SHEET EVENTS**

On 5 June 2009, the Government announced the creation of a new Department for Business, Innovation and Skills (BIS) whose key role will be to build Britain's capabilities to compete in the global economy. The Department was created by merging the Department for Business Enterprise and Regulatory Reform (BERR) and the Department for Innovation, Universities and Skills (DIUS). The sponsorship responsibility for the Company passed to BIS on that date.

There is no reason to believe the expected Government funding will be affected by this change.

The accounts were authorised for issue by the Chief Executive on **31 July 2009.**

The financial statements do not reflect events after this date.

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**Ipsos MORI Survey Note**

Survey results quoted throughout this report are from the 2008-9 Performance Tracking research, conducted by Ipsos MORI between July-September 2008, and December 2008-February 2009. A total of 1,828 senior people responsible for the development and training of employees were interviewed by telephone. The sample of organisations is purchased from an Ipsos MORI approved supplier

according to an Investors in People specified quota frame. Quotas are set on organisation size and sector, as well as UK region. All data have been weighted to an Investors in People specified quota frame.

Results from specific sub-groups are highlighted in this report. The base sizes for these groups are: Organisations aware of Investors in People and with some knowledge of it (1,265);

Recognised Investors in People organisations (450); Education (116); Retail (152); and Engineering, Manufacturing and IT (401).

More details about the survey or copies of the questionnaire are available on request from the research team at Investors in People UK. Please contact Kirsty Yates or Tania Menegatti on 020 7467 1900.

# 980%

**OF INVESTORS IN PEOPLE ORGANISATIONS  
AGREE THAT ACHIEVING THE STANDARD  
IS RECOGNITION OF A COMPANY'S  
COMMITMENT TO ITS EMPLOYEES.**

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Source: Ipsos MORI (2009) Investors in People Performance Tracking Research. Please see the note on page 84 of this report for full survey details.



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