Registered number: RC000847

The Chartered Institute of Payroll Professionals

Directors' Report and Financial Statements

For the Year Ended 30 June 2017

DAINS
ACCOUNTANTS

Company Information

Directors	E J Hammond - Chair (appointed 13 July 2016) K Pullar - Chief Executive Officer (appointed 28 September 2016) J Davenport - Vice Chair I Walters I Whyteside R Hendren C O Vidgeon K Thomson (appointed 6 October 2016) L Melvin (resigned 28 September 2016) M M Crook (Deceased 10 November 2016) P Rains (stood down as Chair 13 July 2016)
Company secretary	G J Cresswell
Registered number	RC000847
Registered office	Goldfinger House 245 Cranmore Boulevard Shirley Solihull West Midlands B90 4ZL
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Royal Bank of Scotland Plc 5th Floor 2 St Philips Place Birmingham B3 2RB

Contents

Chief Executive Officer's Statement
For the Year Ended 30 June 2017

The Chief Execuitve Officer presents his statement for the period.

Following the change to our financial year, from December of each year to June, last year's accounts (1 January 2015 to 30 June 2016) reflected an 18-month period, and we have therefore just concluded our first 12-month trading period from 1 July 2016 to 30 June 2017.

As with all activity appertaining to education, qualifications and membership, it has been a particularly busy period, but we are pleased to announce an operating profit of £138,863 (2016: operating loss of £118,193)
During this year, and with the full support of the Board, we have disengaged from non-core activity, such as Global Consultancy (other than where UK education or training required), Professional Careers Academy (PCA), Friends of Auto Enrolment (FoAE), and Credit Union activity. This resulted in a restructure of our administration and management teams, which has resulted in a streamlined organisation focusing on core activities.

Our strategy this year has been on re-establishing our core identity and drivers, such as setting a clear career roadmap in our education and training space, focussing on delivery of a 'best of class' training provision, improving the quality of our public-facing material, more focus on greater use of digital media for both education and training, and on issuing a clearer prospectus, streamlined and easier to understand. All of these activities continue apace with excellent progress, which will be maintained in forthcoming financial years.

During this 12-month period, the Board of Directors has continued to support and provide strategic direction to the CIPP. Paul Rains stood down as Chair on 13 July 2016 and Eira Hammond took over as Chair on the same date. Jason Davenport took on the role of Vice-Chair on 17 November 2016.

It was also a moment of great sadness in the CIPP's history when Board member, Michelle Crook, passed away on 10 November 2016. Michelle was elected to the Board in 2008, became Chair in 2013, as well as holding the role of a Managing Director of a payroll outsourcing organisation. She had a real passion for education and training in payroll and it is most appropriate that she left a legacy to the CIPP in being instrumental in bringing to life the introduction of Individual Chartered Status. Michelle's contribution was also recognised at the CIPP Annual Awards Ceremony on 5 October 2017 where, posthumously, she was awarded, to great acclaim by the audience, the Lifetime Achievement in Payroll.

So we will continue to focus on our key core activities of education, training and membership, and particularly very pleased and proud to be unique in offering Individual Chartered Status (ICS) across our industry.

Name K Pullar
Chief Executive Officer

Date 9 November 2017

Directors' Report
For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the group during the period was that of a professional association for payroll and pension management, the provision of educational courses leading to qualifications in payroll and pensions practice and management and training courses which support payroll and pensions professionals.

Review of business

A full review of the business is given in the Chief Executive Officer's statement on page 1.

Directors

The directors who served during the year were:

E J Hammond - Chair (appointed 13 July 2016)
K Pullar - Chief Executive Officer (appointed 28 September 2016)
J Davenport - Vice Chair
I Walters
I Whyteside
R Hendren
C O Vidgeon
K Thomson (appointed 6 October 2016)
L Melvin (resigned 28 September 2016)
M M Crook (resigned 10 November 2016)
P Rains (resigned 13 July 2016)

Directors' responsibilities statement

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

Byelaw 33 requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Corporate Governance

The Institute supports the concept of an effective board leading and controlling the Institute. The Board meets on a regular basis and is responsible for approving policy and strategy.

The Board consists of the chief executive officer, who holds a key operational position in the company, the current chair, vice chair, past chair and a number of other non-executives, who bring a breadth of experience and knowledge gained at other membership bodies, public and private entities.

Relations with Members

The Institute values the views of its members and recognises their interest in the strategy and performance of the Institute. An annual membership survey is conducted to ensure that strategies are geared to providing excellent member services. The Annual General Meeting and conference is used to communicate with members, at which they are encouraged to participate and the Board will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and financial statements.

Internal control and Risk Management

The Board is responsible for maintaining a strong system of internal control to safeguard the Institute's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

An audit and risk management committee has been established which currently comprises J Davenport, E J Hammond, I Whyteside and K Pullar who meet at least twice a year and are responsible for ensuring that the financial performance of the Institute is properly monitored and reported on, as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems.

The Board has considered the need for an internal audit function but has decided the size of the Institute does not justify it at present. However, it will keep the decision under annual review.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

A resolution to appoint Haines Watts as auditors will be proposed at the annual general meeting in accordance with byelaw 18 (b).

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 9 November 2017 and signed on its behalf.

K Pullar
Chief Executive Officer

Independent Auditor's Report to the Members, As A Body of The Chartered Institute of Payroll Professionals

Opinion

We have audited the financial statements of The Chartered Institute of Payroll Professionals (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2017, which comprise the consolidated statement of income and retained earnings, the consolidated and company balance sheets and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Institute's byelaws.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Institute's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the byelaws requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

Dains LLP

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

9 November 2017

The Chartered Institute of Payroll Professionals
(A Company Limited by Guarantee)

Consolidated Statement of Income and Retained Earnings
For the Year Ended 30 June 2017

	Note	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Turnover		**5,850,390**	7,613,385
Cost of sales		**(1,952,604)**	(2,546,820)
Gross profit		**3,897,786**	5,066,565
Administrative expenses		**(3,758,923)**	(5,184,758)
Operating profit/(loss)	3	**138,863**	(118,193)
Interest receivable and similar income		**484**	533
Interest payable and expenses		**(36,923)**	(21,253)
Profit/(loss) before tax		**102,424**	(138,913)
Tax on profit/(loss)		**(3,673)**	15,681
Profit/(loss) after tax		**98,751**	(123,232)
Retained earnings at the beginning of the year		**(27,013)**	96,219
Profit/(loss) for the year attributable to the owners of the parent		**98,751**	(123,232)
Retained earnings at the end of the year		**71,738**	(27,013)

The notes on pages 11 to 27 form part of these financial statements.

The Chartered Institute of Payroll Professionals
(A Company Limited by Guarantee)
Registered number:RC000847

Consolidated Balance Sheet
As at 30 June 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	9		**1,211,793**		1,185,025
Investments	10		**50**		50
			1,211,843		1,185,075
Current assets					
Debtors: amounts falling due within one year	11	**940,230**		1,275,215	
Cash at bank and in hand	12	**654,525**		108,616	
		1,594,755		1,383,831	
Creditors: amounts falling due within one year	13	**(2,086,939)**		(2,100,413)	
Net current liabilities			**(492,184)**		(716,582)
Total assets less current liabilities			**719,659**		468,493
Creditors: amounts falling due after more than one year	14		**(647,921)**		(495,506)
Provisions for liabilities					
Deferred taxation	18		**-**		-
Net assets/(liabilities)			**71,738**		(27,013)
Capital and reserves					
Profit and loss account			**71,738**		(27,013)
			71,738		(27,013)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2017.

K Pullar
Chief Executive Officer
The notes on pages 11 to 27 form part of these financial statements.

The Chartered Institute of Payroll Professionals
(A Company Limited by Guarantee)
Registered number:RC000847

Company Balance Sheet
As at 30 June 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	9		**883,028**		895,458
Investments	10		**45,000**		45,000
			928,028		940,458
Current assets					
Debtors: amounts falling due within one year	11	**655**		-	
Cash at bank and in hand	12	**217,066**		6,952	
		217,721		6,952	
Creditors: amounts falling due within one year	13	**(556,443)**		(335,866)	
Net current liabilities			**(338,722)**		(328,914)
Total assets less current liabilities			**589,306**		611,544
Creditors: amounts falling due after more than one year	14		**(470,320)**		(495,506)
Net assets			**118,986**		116,038
Capital and reserves					
Accumulated fund			**118,986**		116,038
			118,986		116,038

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2017.

K Pullar
Chief Executive Officer

1. General information

The Chartered Institute of Payroll Professionals is a company limited by guarantee and was incorporated under Royal Charter. The address of the registered office is given on the Company Information page.

The nature of the Group's principal activities are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

2.3 Going concern

The group has recorded a profit for the year of £98,751 and at the year end has net current liabilities of £492,184 (2016 - £716,582).

The directors have prepared cash flow forecasts and projections to 31 December 2018, making certain assumptions regarding prudent possible changes in trading performance, level of demand for the group's products and services and the significant cost reduction and efficiency measures recently implemented.

The cashflow forecasts demonstrate that the group can continue to trade within its available facilities for a period of at least 12 months from the date of approval of the financial statements and therefore the directors have concluded that it is reasonable to continue to adopt the going concern basis in preparing the group's financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Fixtures, fittings and equipment	- 20% - 30% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Income and Retained Earnings.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow

2. Accounting policies (continued)

2.10 Financial instruments (continued)

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Holiday pay accrual

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

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Income and Retained Earnings using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Income and Retained Earnings in the year in which they are incurred.

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Depreciation of tangible fixed assets	**75,297**	96,304
Defined contribution pension cost	**171,308**	239,295

4. Auditor's remuneration

Fees payable to the Group's auditor for the audit of the Group's annual financial statements totalled £ *(2016 -)*.

5. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 30 June 2017 No.	18 months ended 30 June 2016 No.
Staff	**63**	68
Tutors	**70**	85
	133	153

6. Directors' remuneration

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Directors' emoluments	**154,643**	36,899
Company contributions to defined contribution pension schemes	**19,717**	7,205
	174,360	44,104

7. Taxation

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Corporation tax		
Current tax on profits for the year	**3,673**	-
Adjustments in respect of previous periods	**-**	(802)
	3,673	(802)
Total current tax	**3,673**	(802)
Deferred tax		
Origination and reversal of timing differences	**-**	(14,879)
Total deferred tax	**-**	(14,879)
Taxation on profit/(loss) on ordinary activities	**3,673**	(15,681)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20.16%). The differences are explained below:

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Profit/(loss) on ordinary activities before tax	**102,424**	(138,913)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20.16%)	**20,229**	(28,005)
Effects of:		
Expenses not deductible for tax purposes	**6,135**	5,775
Other timing differences leading to an increase (decrease) in taxation	**(22,691)**	6,549
Total tax charge for the year/period	**3,673**	(15,681)

8. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 July 2016	**89,996**
At 30 June 2017	**89,996**
Amortisation	
At 1 July 2016	**89,996**
At 30 June 2017	**89,996**
Net book value	
At 30 June 2017	**-**
At 30 June 2016	-

9. Tangible fixed assets

Group

	Freehold property £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 July 2016	**918,148**	**475,174**	**1,393,322**
Additions	**-**	**102,065**	**102,065**
Disposals	**-**	**(341)**	**(341)**
At 30 June 2017	**918,148**	**576,898**	**1,495,046**
Depreciation			
At 1 July 2016	**22,690**	**185,607**	**208,297**
Charge for the year on owned assets	**12,430**	**62,867**	**75,297**
Disposals	**-**	**(341)**	**(341)**
At 30 June 2017	**35,120**	**248,133**	**283,253**
Net book value			
At 30 June 2017	**883,028**	**328,765**	**1,211,793**
At 30 June 2016	895,458	289,567	1,185,025

9. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
At 1 July 2016	**918,148**
At 30 June 2017	**918,148**
Depreciation	
At 1 July 2016	**22,690**
Charge for the year on owned assets	**12,430**
At 30 June 2017	**35,120**
Net book value	
At 30 June 2017	**883,028**
At 30 June 2016	895,458

10. Fixed asset investments

Group

	Investment in joint arrangement that is not an entity £
Cost or valuation	
At 1 July 2016	**50**
At 30 June 2017	**50**
Net book value	
At 30 June 2017	**50**
At 30 June 2016	50

Company

	Investments in subsidiary undertakings £
Cost or valuation	
At 1 July 2016	**45,000**
At 30 June 2017	**45,000**
Net book value	
At 30 June 2017	**45,000**
At 30 June 2016	45,000

The group owns 50% of the ordinary issued share capital of IPPFHE Limited ("IPPFHE"). IPPFHE has no activity of its own and acts merely as an agent for the shareholders, in order to procure and distribute certain government funding. The group therefore accounts directly for its own share of the results of IPPFHE as if they were directly attributable to the company, in accordance with Financial Reporting Standard 102.

11. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	**425,415**	464,186	**-**	-
Other debtors	**1,732**	2,235	**-**	-
Prepayments and accrued income	**513,083**	808,794	**655**	-
	940,230	1,275,215	**655**	-

12. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	**654,525**	108,616	**217,066**	6,952
	654,525	108,616	**217,066**	6,952

13. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	**34,889**	33,090	**34,889**	33,090
Other loans	**44,931**	-	**-**	-
Trade creditors	**529,401**	436,863	**6,117**	-
Amounts owed to group undertakings	**-**	-	**233,484**	12,974
Corporation tax	**3,673**	-	**3,673**	-
Other taxation and social security	**198,863**	205,228	**5,239**	-
Obligations under finance lease and hire purchase contracts	**5,370**	-	**-**	-
Other creditors	**555,778**	843,372	**273,041**	289,802
Accruals and deferred income	**714,034**	581,860	**-**	-
	2,086,939	2,100,413	**556,443**	335,866

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	**470,320**	495,506	**470,320**	495,506
Other loans	**155,394**	-	**-**	-
Net obligations under finance leases and hire purchase contracts	**22,207**	-	**-**	-
	647,921	495,506	**470,320**	495,506

The bank loan is secured by debentures over the group's assets.

The bank loan comprise a loan of £505,209 (2016 - £585,000) with interest, at a rate of base rate plus 2% per annum, which is repayable by monthly repayment of £3,899.

Other loans are secured against certain assets owned by the company.

Net obligations under finance leases and hire purchases contracts are secured against the assets to which they relate.

15. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Bank loans	**34,889**	33,090	**34,889**	33,090
Other loans	**44,931**	-	**-**	-
	79,820	33,090	**34,889**	33,090
Amounts falling due 1-2 years				
Bank loans	**38,809**	-	**38,809**	-
Other loans	**48,262**	-	**-**	-
Amounts falling due 2-5 years				
Bank loans	**109,806**	145,183	**109,806**	145,183
Other loans	**107,132**	-	**-**	-
	216,938	145,183	**109,806**	145,183
Amounts falling due after more than 5 years				
Bank loans	**321,705**	350,323	**321,705**	350,323
	321,705	350,323	**321,705**	350,323
	705,534	528,596	**505,209**	528,596

16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Within one year	**5,370**	-	**-**	-
Between 1-2 years	**5,712**	-	**-**	-
Between 2-5 years	**16,495**	-	**-**	-
	27,577	-	**-**	-

17. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**425,092**	466,421	**(2,055)**	-
	425,092	466,421	**(2,055)**	-
Financial liabilities				
Financial liabilities measured at amortised cost	**2,772,386**	2,403,666	**1,017,851**	831,372
	2,772,386	2,403,666	**1,017,851**	831,372

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans, accruals, trade creditors, obligations under finance lease and hire purchases contracts and other creditors.

18. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	-	(14,879)
Charged to profit or loss	-	14,879
At end of year	-	-

19. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £2 towards the assets of the company in the event of liquidation.

20. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £146,148 (2016 - £190,487). Contributions totalling £14,370 (2016 - £15,689) were payable to the fund at the balance sheet date

21. Commitments under operating leases

At 30 June 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Land and buildings		
Not later than 1 year	**45,000**	45,000
Later than 1 year and not later than 5 years	**22,500**	67,500
	67,500	112,500

22. Related party transactions

The Group has taken advantage of the exemption conferred by FRS 102 Section 33.5 not to disclose transactions with members of the group headed by The Chartered Institute of Payroll Professionals.

23. First time adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

	Note	Group £	Company £
Equity at 1 January 2015 under previous UK GAAP		96,217	108,249
Equity shareholders funds at 1 January 2015 under FRS 102		96,217	108,249

Reconciliation of equity at 30 June 2016

	Note	Group £	Company £
Equity at 30 June 2016 under previous UK GAAP		5,536	116,038
Holiday pay accrual	1	(32,549)	-
Equity shareholders funds at 30 June 2016 under FRS 102		(27,013)	116,038

Reconciliation of profit and loss account for the period ended 30 June 2016

		Group £	Company £
Loss/profit for the year under previous UK GAAP		(90,683)	7,789
Holiday pay accrual	1	(32,549)	-
Loss/profit for the year ended 30 June 2016 under FRS 102		(123,232)	7,789

The following were changes in accounting policies arising from the transition to FRS 102:

1 Inclusion of holiday pay accrual