

**Registered number: 2198970**  
**Charity number: 1042523**

**EUROPEAN COLLEGE OF BUSINESS  
AND MANAGEMENT**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2020**

**LUBBOCK FINE LLP**  
**Chartered Accountants**  
**Paternoster House**  
**65 St Paul's Churchyard**  
**London EC4M 8AB**

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A company Limited By Guarantee)**

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**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A company Limited By Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Trustees</b>	Dr U Hoppe I Redemann Dr E Thorne
<b>Company registered number</b>	2198970
<b>Charity registered number</b>	1042523
<b>Registered office</b>	69-71 Great Eastern Street London EC2A 3HU
<b>Principal Operating Officer</b>	R Bills
<b>Independent auditors</b>	Lubbock Fine LLP Chartered Accountants Paternoster House 65 St Paul's Churchyard London EC4M 8AB
<b>Bankers</b>	Barclays Bank plc PO Box No 4578 155 Brompton Road London SW3 1XD  Commerzbank 40300 Dusseldorf Germany

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A company Limited By Guarantee)**

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report, which includes the director's report, together with the audited financial statements of the Charity for the year from 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Trustees**

The Trustees who served the charity during the year were as follows:

- Dr U Hoppe
- I Redemann
- Dr E Thorne

**Objectives and Activities**

The aims and objectives for which the Charity is established are the advancement of education, especially in business studies, and training for employment. This increases employability and skills in a future environment where such skills will be at a premium.

The Charity, when pursuing its objectives, also aims to support individuals who, out of lack of financial means or other reasons, potentially might not be able to benefit from the educational activities provided.

The strategies for achieving the college's aims and objectives are to develop programmes of education and vocational training and deliver them in a way that enables them to participate at the same time as gaining experience at work or in further study elsewhere.

Through its connections with the Brokerage and employers such as Commerzbank, Newton Asset Management, Ruffer LLP and State Street Bank the Charity operates the Higher Education Vocational Traineeship scheme. For the forthcoming year the number of young people recruited on to this programme has been 31 students in years one and two of the programme, and 11 continuing onto their top-up Bachelor. This continues the record of healthy recruitment on the programme for this type of programme in recent years, and the scheme is going from strength to strength. This long standing programme opens up the possibility of a career in the financial services sector to local people who otherwise would not necessarily have considered such an option (and increasingly do not have the financial means to embark on a higher education course). It also provides a strong boost to diversity in background of recruitment at the College. Local people, and ethnically diverse staff, are evidently under-represented in the financial services industry in the City of London and this activity aims to address this imbalance. Tuition has been maintained on these programmes during the pandemic through a mixture of on-line and in person sessions.

The Charity also provides subsidised education for students who take part in short courses which enhance their understanding of cross-cultural issues, which is of growing importance for the country as we seek to display an outward-facing image to the world and provide young people with the skills to compete globally. Numbers are down on the previous year for short courses (PDPs [Professional Development Programmes] as they are termed) with activity buoyant until the CoVid pandemic in January 2020, but no activity since then until the end of the financial year, due to the situation that has affected the entire economy. The Charity continues to offer free short courses for the Brokerage, for more than 20 local school pupils, but again this has been held in suspension due to the effects of the pandemic. These are young people who might otherwise not go into careers in the City, and are from local, diverse and underprivileged backgrounds.

In setting the objectives and planning the activities of the Charity, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.



### **Performance**

Demand for the Charity's programmes (HND/CML/DML/Bachelor programmes and DSML/MBA programmes) has been very good, with the Vocational Trainee scheme continuing to achieve good numbers in particular. However, due to the pandemic PDPs have had to be suspended. This is the issue leading to much of the loss in income for the past financial year. Brexit continues to cast a shadow of uncertainty across business and education, but there has not been a significant effect on income. As reported in previous statements, because of the benefits of a lower pound/euro exchange rate, there has actually been a positive financial effect. This is only a short term advantage, because the situation between the EU and the UK with regards to Brexit is still developing. To restate what was known before - the College is prepared for substantial shocks and has had to cope with such an event in the past financial year. Expenditure continues to be monitored and controlled and reserves maintained as a prudent response to this shock. The Charity has undergone an unforeseen loss due to the pandemic especially, but continues to be well placed to rebound when conditions improve and can survive the current conditions due to its very good financial management.

### **Financial Review**

The Charity recorded a deficit of £319,886 in the financial year ending 31 August 2020, as opposed to a surplus of £144,055 in 2019. The losses were in major part due to the pandemic and the suspension of all professional development short courses after January 2020. As these courses are at least 40% of our usual income, the effect has been substantial.

Total funds held by the Charity as of 31 August 2020 are £1,849,437 (2019 - £2,169,323). The charity does not hold any restricted funds.

As mentioned in the previous section and in last year's statements, the exit of the UK from the European Union presents challenges which still cannot be fully seen, but at the moment the immediate effect of lowering the sterling/euro exchange rate has continued to be of benefit to the Charity.

The Charity's reserves policy is to build up (over the next 5 years) reserves which are equivalent to the value (historic costs) of its premises plus half the annual turnover. This will be used if the charity encounters financial difficulties in the future.

### **Plans for Future Periods**

The outlook for 2020/21 is one where the Charity will continue to report a (reduced) loss but maintain its financial stability. The Charity remains confident that it can weather the storms affecting all sectors at the moment. The effects of Brexit and the pandemic especially will be felt in the coming year as well, and the Charity again will expect a loss, though a smaller one than the present reported figures. We do have the intention to maintain a sound financial position in the coming financial year, as the balance sheet and bank balance are expected to remain in a healthy position. The overall aim is to ensure that the services of the Charity continue to be relevant and serve the needs of its beneficiaries.

The UK left the European Union in January 2020, and it remains the case that this will adversely affect the ability of the Charity to attract numbers on PDP courses (a mainstay of the College's activities). It is for this reason that the Charity needs to hold a sizeable bank balance as the prospects of a 'hard Brexit' could be fundamentally damaging to the Charity in the future.

In order to ensure the future running of the PDP courses post-Brexit, a separate but similar organisation (ECBM CLG) has been established in the Republic of Ireland. This required the use of time by staff employed by the Charity, and since this new organisation has similar aims to the Charity, these activities were carried out pro bono.

### **Structure, Governance and Management**

The European College of Business and Management incorporated as a company limited by guarantee on 26 November 1987 and registered as a charity on 1 December 1994.

It is governed by its memorandum and articles of association. There is a strong bond between the charity and the German British Chamber of Industry and Commerce. The Chamber is one of the main supporters of the Charity and has common board members.

The appointment of trustees is regulated by the Charity's Memorandum and Articles of Association. The power of appointment of new trustees lies with the members and existing Board of Trustees. New trustees are recruited based on their attributes and the requirements of the Charity, and are familiarised with the work that the Charity undertakes through meetings and discussions with the Board of Trustees and other employees of the Charity.

The Board of Trustees meets regularly during the year but delegates the day-to-day running and management of the Charity to the Principal Operating Officer (who is the Director and CEO), who meets with the Chairman of the Board every month. Arrangements for setting pay and remuneration of key management personnel are decided upon by the Chairman and the Principal Operating Officer, and general policy is to increase staff remuneration to compensate for inflation plus a small incentive increase across the board.

The Board of Trustees regularly conducts a full review of the major risks to which the Charity is exposed and has established appropriate systems to mitigate these risks. These risks and the related systems are reviewed regularly by the Board of Trustees, alongside any new risks to which the Charity is exposed.

### **Statement of Trustees' Responsibilities**

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A company Limited By Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Disclosure of Information to Auditors**

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

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:



Dr U Hoppe  
Trustee  
Date: 12/05/2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Opinion**

We have audited the financial statements of European College of Business and Management (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

**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 charitable company 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN COLLEGE OF BUSINESS AND  
MANAGEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Other information**

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

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 prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees 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 Trustees' Report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*David Chandra*

**David Chandra (Senior Statutory Auditor)**

for and on behalf of

**Lubbock Fine LLP**

Chartered Accountants

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 24 May 2021

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A Company Limited by Guarantee)**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>INCOME</b>			
Tuition fees and education contracts	2	1,304,594	2,030,444
Investment income	3	1,878	2,879
<b>TOTAL INCOME</b>		<b>1,306,472</b>	<b>2,033,323</b>
<b>EXPENDITURE</b>			
Charitable activities:			
Staff costs	4	791,801	765,489
Other operating expenses	5	767,108	1,077,585
Depreciation	7	43,767	43,556
Interest and other finance costs	6	23,682	2,638
<b>TOTAL EXPENDITURE</b>		<b>1,626,358</b>	<b>1,889,268</b>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(319,886)</b>	<b>144,055</b>
<b>RECONCILIATION OF RESERVES:</b>			
Total reserves brought forward		2,169,323	2,025,268
Net movement in reserves		(319,886)	144,055
<b>TOTAL RESERVES CARRIED FORWARD</b>		<b>1,849,437</b>	<b>2,169,323</b>

The Statement of Comprehensive Income includes all gains and losses recognised in the year.

All income and expenditure in 2020 and 2019 related to unrestricted reserves.

All items of income and expenditure related to continuing activities.

The notes on pages 12 to 21 form part of these financial statements.

**BALANCE SHEET**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets	8	1,091,010	1,132,408
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	410,556	575,023
Cash and cash equivalents		1,183,090	1,407,719
		<u>1,593,646</u>	<u>1,982,742</u>
Creditors: amounts falling due within one year	10	(832,039)	(945,107)
<b>NET CURRENT ASSETS</b>		761,607	1,037,635
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,852,617</u>	<u>2,170,043</u>
Creditors: amounts falling due after more than one year	11	(3,180)	(720)
<b>NET ASSETS</b>		<u><u>1,849,437</u></u>	<u><u>2,169,323</u></u>
<b>CHARITY RESERVES</b>			
Unrestricted reserves	14	1,849,437	2,169,323
<b>TOTAL RESERVES</b>		<u><u>1,849,437</u></u>	<u><u>2,169,323</u></u>

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

  
I Redemann  
Trustee

  
Dr U Hoppe  
Trustee

Date:

12/05/21

The notes on pages 12 to 21 form part of these financial statements.



**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/produced by operating activities	17	(222,259)	292,266
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,370)	(22,006)
<b>Net cash used in investing activities</b>		(2,370)	(22,006)
<b>Change in cash and cash equivalents in the year</b>		(224,629)	270,260
Cash and cash equivalents at the beginning of the year		1,407,719	1,137,459
<b>Cash and cash equivalents at the end of the year</b>	18	1,183,090	1,407,719

The notes on pages 12 to 21 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice Accounting for Further and Higher Education (effective 1 January 2019) (FE/HE SORP 2019) and the Companies Act 2006. Where differences arise between the Charities SORP (FRS 102) and the FE/HE SORP 2019 the FE/HE SORP takes precedence.

European College of Business and Management meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The Charity is a company limited by guarantee. The members of the charitable company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The registered office address and principal place of business is 69-71 Great Eastern Street, London, EC2A 3HU.

**1.3 Reserves accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Course fees and related income, net of direct costs, are recognised in the period in which the course takes place.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Charitable activity costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.6 Expenditure (CONTINUED)**

All expenditure is inclusive of irrecoverable VAT.

Other operating expenses represent those costs incurred directly in support of expenditure on the objects of the Charity and include project management and costs incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Equipment	- 20%/30% reducing balance/20% straight line
Property improvements	- 5% straight line

**1.8 Trade and other receivables**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.9 Cash and cash equivalents**

Cash and cash equivalents includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

**1.13 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income

**2. ANALYSIS OF TUITION FEES AND EDUCATION CONTRACTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Course fees and related income	1,254,715	1,979,730
Discounts allowed	(3,032)	(1,467)
Other fees	1,050	710
Other Income	51,861	51,471
	<u>1,304,594</u>	<u>2,030,444</u>

**3. INVESTMENT INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	1,878	2,879
	<u>1,878</u>	<u>2,879</u>

**4. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	703,183	678,464
Social security costs	69,794	70,509
Contribution to defined contribution pension schemes	18,824	16,516
	<u>791,801</u>	<u>765,489</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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4. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Number of Lecturers	7	7
Number administrative staff	11	10
	<u>18</u>	<u>17</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £90,001 - £100,000	1	1

None of the Trustees received any remuneration, benefits in kind or reimbursement of expenses during the year (2019 - £nil).

Total remuneration paid to key management personnel was £113,791 (2019 - £111,099).

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**5. OTHER OPERATING EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Advertising	101,574	85,233
Computer costs	16,152	15,479
Accommodation	129,259	386,325
External rent, rates and water	49,921	58,176
Cleaning	24,597	26,623
Repairs and maintenance	20,297	21,527
Insurance	17,533	16,023
General expenses	6,136	7,828
Travel	72,785	97,112
Auditors remuneration	7,501	8,700
Consultancy	193,829	216,692
Telephone	10,530	6,504
Exam fees and associated costs	63,436	56,622
Printing, postage and stationery	14,270	21,230
Light and heat	5,412	6,649
Bad debts	5,250	13,224
Staff training	4,789	7,978
Legal and professional fees	13,568	15,252
Accountancy	10,270	10,408
	<u>767,109</u>	<u>1,077,585</u>

**6. INTEREST AND OTHER FINANCE COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank charges	6,816	11,214
Foreign currency loss / (gain)	16,867	(8,576)
	<u>23,683</u>	<u>2,638</u>

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets: - owned by the charity	43,765	43,556
Auditors' remuneration - Audit	6,000	7,200
Auditors' remuneration - Other	1,500	1,500
Staff pension contributions	18,824	16,516
Exchange (gain) / loss	16,867	(8,576)
	<u>          </u>	<u>          </u>

**8. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Equipment £</b>	<b>Property improvements £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 September 2019	1,302,872	124,099	401,485	1,828,456
Additions	-	2,367	-	2,367
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	1,302,872	126,466	401,485	1,830,823
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION</b>				
At 1 September 2019	382,607	110,166	203,275	696,048
Charge for the year	20,057	3,634	20,074	43,765
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	402,664	113,800	223,349	739,813
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2020	900,208	12,666	178,136	1,091,010
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 August 2019	920,265	13,933	198,210	1,132,408
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Freehold property includes land with a cost of £300,000 (2019 - £300,000) on which depreciation is not provided.

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade receivables	360,828	510,850
Other debtors	10,474	285
Prepayments and accrued income	39,254	63,888
	<u>410,556</u>	<u>575,023</u>

**10. CREDITORS: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	14,011	50,973
Other taxation and social security	19,890	20,261
Accruals and deferred income	798,138	873,873
	<u>832,039</u>	<u>945,107</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2019	845,774	957,256
Resources deferred during the year	735,884	845,774
Amounts released from previous periods	(845,774)	(957,256)
	<u>735,884</u>	<u>845,774</u>

Deferred income relates to tuition fee income received in advance for courses due to commence after 31 August 2020.

**11. CREDITORS: Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	<u>3,180</u>	<u>720</u>



**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. PENSION COMMITMENTS**

The Charity operates a defined contribution pension scheme in respect of its employees. The assets of the scheme are held separately from those of the Charity in a separately administered fund.

The pension costs per the Statement of Comprehensive Income represent contributions due from the company and amounted to £18,824 (2019 - £16,516).

**13. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	2,819	2,819
Later than 1 year and not later than 5 years	7,297	10,117
	<u>10,116</u>	<u>12,936</u>

The total lease payments recognised as an expense were £2,819 (2019 - £3,576).

**14. STATEMENT OF RESERVES**

**STATEMENT OF RESERVES - CURRENT YEAR**

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
<b>Unrestricted Reserves</b>				
General Reserves	<u>2,169,323</u>	<u>1,306,472</u>	<u>(1,626,358)</u>	<u>1,849,437</u>

**STATEMENT OF RESERVES - PRIOR YEAR**

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
<b>Unrestricted Reserves</b>				
General Reserves	<u>2,025,268</u>	<u>2,033,323</u>	<u>(1,889,268)</u>	<u>2,169,323</u>

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	<b>2020</b> <b>£</b>
Tangible fixed assets	1,091,010
Current assets	1,593,646
Creditors due within one year	(832,039)
Creditors due in more than one year	(3,180)
	<u>1,849,437</u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<b>2019</b> <b>£</b>
Tangible fixed assets	1,132,408
Current assets	1,982,742
Creditors due within one year	(945,107)
Creditors due in more than one year	(720)
	<u>2,169,323</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Net income/expenditure for the period (as per Statement of Financial Activities)	(319,886)	144,055
<b>ADJUSTMENTS FOR:</b>		
Depreciation charges	43,767	43,556
Decrease in debtors	164,468	252,074
Decrease in creditors	(110,608)	(147,419)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<u>(222,259)</u>	<u>292,266</u>

**EUROPEAN COLLEGE OF BUSINESS AND MANAGEMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	1,183,090	1,407,719
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>1,183,090</u>	<u>1,407,719</u>

**19. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1 September 2019</b>	<b>Cash flows</b>	<b>At 31 August 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,407,719	(224,629)	1,183,090
	<u>1,407,719</u>	<u>(224,629)</u>	<u>1,183,090</u>

**20. RELATED PARTY TRANSACTIONS**

As at 31 August 2020, an amount of £10,474 (2019 - £nil) was due from ECBM Company Limited By Guarantee, a company which has common directors. The amount is interest free, unsecured and repayable. There were no other related party transactions noted during the year.

**21. OMISSION OF STATEMENT OF CHANGES IN RESERVES**

Given that the only movement which would be shown on the Statement of Changes in Reserves is the total comprehensive (Deficit)/Surplus shown in the Statement of Comprehensive Income, this primary financial statement has been omitted.