

Registered number: 2198970
Charity number: 1042523

**EUROPEAN COLLEGE OF BUSINESS
AND MANAGEMENT**

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

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 2023

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 31 August 2023. 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 employers such as Commerzbank, Bank of New York and Newton Asset Management 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 26 students in years one and two of the programme (again higher than in the previous year). 7 are continuing onto their top-up Bachelor. This continues the recent record of healthy recruitment on the programme for this type of programme in recent years, and the scheme remains in a stable condition. This 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.

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 post Brexit and provide young people with the skills to compete globally. The funding these students receive is connected to the Erasmus Plus project, and this is still available in future, notwithstanding the UK's departure from the European Union, through our official branch in Dublin. The year to 31 August 2023 has seen a return of viable numbers for these courses (last year it was noted that student numbers have continued to be affected by the pandemic, and the inability of young people to travel to the College).

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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, DSML/MBA programmes and PDPs [Professional Development Programmes]) have recovered in part following Brexit and the pandemic, though the delivery is mainly through our Dublin branch. As predicted, this was the reason for the improvement in the yearly annual financial statements, though the College remains in deficit.

Again, as predicted, there have been much higher costs due to inflation and external rent, and this is still reflected in the financial figures. However, the cost base is substantially lower and the College still remains in a solvent and viable position due to its healthy reserves and cash balance in the bank.

The Vocational Trainee scheme saw an increase in numbers recruited in the year to 31 August 2023, Brexit continues to be a negative factor which will outlast the effects of the pandemic, but there remains a clear demand for the Charity's courses in London. The Charity continues to benefit from a strong level of reserves built up in previous years, and this once again attests to an excellent record of prudent financial management. The Charity continues to slowly improve and recover its financial position.

Financial Review

The Charity recorded a deficit of £205,836 in the financial year ending 31 August 2023 (2022 - £293,736). The Charity continues to be prudently managed.

Total funds held by the Charity as of 31 August 2023 are £1,177,069 (2022 - £1,382,905). The charity does not hold any restricted funds.

In the pre-pandemic era, the Charity's reserves policy was to build up reserves equivalent to the value (historic costs) of its premises plus half the annual turnover. This has been an important policy, as it has enabled the Charity to maintain its operations during the financial difficulties caused by the pandemic. Currently, and going forward, the general aim of the Charity will be to rebuild its reserves in the medium term when it is in a position to do so.

Plans for Future Periods

The outlook for 2023/24 is one where the Charity will aim to report further progress in shoring up its financial stability. The recovery has been much slower than at first predicted, but the figures reported in these annual statements are an improvement compared to the losses of the last financial year.

The overall aim remains to ensure that the services of the Charity continue to be relevant and serve the needs of its beneficiaries.

The College, in the academic and financial year 23-24, will consider disposing of its property in Great Eastern Street in order to move to smaller premises and free up capital. This is to ensure that the College remains a going concern for the foreseeable future.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

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:

29 / 11 / 23

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of European College of Business and Management (the 'charity') for the year ended 31 August 2023 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 2023 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

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2023

Other information

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

We have nothing to report in this regard.

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.

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.

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

FOR THE YEAR ENDED 31 AUGUST 2023

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes staff who have extensive experience of working with charities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included FRS 102, the Companies Act, the UK Charities Act, Charities SORP 2019 and the Higher Education SORP 2019.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities, including fraud were in respect of revenue recognition and management override. Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance;
- Performing proof in total to form an expectation of income and comparing to actual income and vouching a sample of students from intake lists to the general ledger to verify completeness of income;
- In addressing the risk of fraud through management override of controls; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the charity's operations.

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 2023

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.

Hazra Patel

Hazra Patel (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 08 December 2023

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Total funds 2023 £	Total funds 2022 £
INCOME			
Tuition fees and education contracts	2	1,295,442	817,977
Investment income	3	1,784	109
TOTAL INCOME		<u>1,297,226</u>	<u>818,086</u>
EXPENDITURE			
Charitable activities:			
Staff costs	4	545,576	609,880
Other operating expenses	5	897,382	449,952
Depreciation		46,334	46,642
Interest and other finance costs	6	11,991	5,348
Loss on disposal of fixed assets		1,779	-
TOTAL EXPENDITURE		<u>1,503,062</u>	<u>1,111,822</u>
DEFICIT FOR THE YEAR		<u>(205,836)</u>	<u>(293,736)</u>
RECONCILIATION OF RESERVES:			
Total reserves brought forward		1,382,905	1,676,641
Net movement in reserves		(205,836)	(293,736)
TOTAL RESERVES CARRIED FORWARD		<u>1,177,069</u>	<u>1,382,905</u>

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

All income and expenditure in 2022 and 2023 related to unrestricted reserves.

All items of income and expenditure related to continuing activities.

The notes on pages 13 to 23 form part of these financial statements.

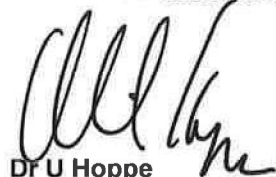
BALANCE SHEET

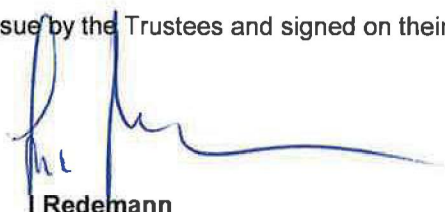
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
NON-CURRENT ASSETS			
Tangible fixed assets	8	1,020,355	1,062,980
CURRENT ASSETS			
Trade and other receivables	9	321,564	303,695
Cash and cash equivalents		561,301	677,514
		<u>882,865</u>	<u>981,209</u>
Creditors: amounts falling due within one year	10	(726,151)	(661,284)
		<u>156,714</u>	<u>319,925</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,177,069</u>	<u>1,382,905</u>
NET ASSETS		<u>1,177,069</u>	<u>1,382,905</u>
CHARITY RESERVES			
Unrestricted reserves	14	1,177,069	1,382,905
TOTAL RESERVES		<u>1,177,069</u>	<u>1,382,905</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:


Dr U Hoppe
Trustee


I Redemann
Trustee

Date: 29 November 2023

The notes on pages 13 to 23 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/produced by operating activities	17	(112,509)	(232,597)
Cash flows from investing activities			
Bank interest receivable		1,784	109
Purchase of tangible fixed assets		(5,488)	(36,454)
Net cash used in investing activities		(3,704)	(36,345)
Change in cash and cash equivalents in the year		(116,213)	(268,942)
Cash and cash equivalents at the beginning of the year		677,514	946,456
Cash and cash equivalents at the end of the year	18	561,301	677,514

The notes on pages 13 to 23 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023

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 2023

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

	2023 £	2022 £
Course fees and related income	1,238,441	790,222
Discounts allowed	(2,084)	(2,347)
Other fees	1,110	1,080
Other Income	57,975	29,022
	<u>1,295,442</u>	<u>817,977</u>

3. INVESTMENT INCOME

	2023 £	2022 £
Bank interest receivable	1,784	109
	<u>1,784</u>	<u>109</u>

4. STAFF COSTS

	2023 £	2022 £
Wages and salaries	481,449	531,712
Social security costs	49,232	61,846
Contribution to defined contribution pension schemes	14,895	16,322
	<u>545,576</u>	<u>609,880</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

4. STAFF COSTS (CONTINUED)

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

	2023 No.	2022 No.
Number of Lecturers	5	5
Number of Administrative staff	8	10
	<hr/> 13	<hr/> 15
	<hr/> <hr/>	<hr/> <hr/>

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

	2023 No.	2022 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 (2022 - £nil).

Total remuneration paid to key management personnel was £113,919 (2022 - £114,215).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

5. OTHER OPERATING EXPENSES

	2023 £	2022 £
Advertising	57,779	28,225
Computer costs	21,612	10,806
Accommodation	231,999	1,596
External rent, rates and water	140,840	42,538
Cleaning	24,554	20,863
Repairs and maintenance	27,453	22,450
Insurance	21,462	17,512
General expenses	6,613	4,778
Travel	65,528	45,538
Auditors remuneration	10,500	9,600
Consultancy	170,084	135,514
Telephone	13,215	13,847
Exam fees and associated costs	50,370	41,746
Printing, postage and stationery	8,060	17,040
Light and heat	9,933	4,875
Staff training	1,506	3,168
Legal and professional fees	24,484	18,693
Accountancy	11,390	11,163
	<u>897,382</u>	<u>449,952</u>

6. INTEREST AND OTHER FINANCE COSTS

	2023 £	2022 £
Bank charges	4,435	3,597
Foreign currency loss	7,556	1,751
	<u>11,991</u>	<u>5,348</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

	2023 £	2022 £
Auditors' remuneration - Audit	10,500	9,600
Auditors' remuneration - Other	480	420
Staff pension contributions	14,895	16,322
Depreciation	46,335	46,642
Exchange loss	7,556	1,751
	<u> </u>	<u> </u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Property improvements £	Total £
Cost or valuation				
At 1 September 2022	1,302,872	132,718	452,508	1,888,098
Additions	-	2,788	2,700	5,488
Disposals	-	(68,696)	-	(68,696)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	1,302,872	66,810	455,208	1,824,890
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 September 2022	442,778	116,726	265,614	825,118
Charge for the year	20,057	3,641	22,637	46,335
On disposals	-	(66,918)	-	(66,918)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	462,835	53,449	288,251	804,535
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 31 August 2023	<u>840,037</u>	<u>13,361</u>	<u>166,957</u>	<u>1,020,355</u>
At 31 August 2022	<u>860,094</u>	<u>15,992</u>	<u>186,894</u>	<u>1,062,980</u>

Freehold property includes land with a cost of £300,000 (2022 - £300,000) on which depreciation is not provided. A proportion of the property is being leased out on a short term basis in order to generate additional income to supplement charitable activities and to make use of any excess capacity that arises from time to time.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

9. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Trade receivables	282,632	267,081
Other debtors	8,622	4,290
Prepayments and accrued income	30,310	32,324
	<u>321,564</u>	<u>303,695</u>

10. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	157,645	18,087
Other taxation and social security	14,817	15,294
Other creditors	25,498	21,938
Accruals and deferred income	528,191	605,965
	<u>726,151</u>	<u>661,284</u>

	2023 £	2022 £
Deferred income at 1 September 2022	592,993	577,092
Resources deferred during the year	511,878	592,993
Amounts released from previous periods	(592,993)	(577,092)
	<u>511,878</u>	<u>592,993</u>

Deferred income relates to tuition fee income received in advance for courses due to commence after 31 August 2023. Also included in deferred income is rental income received in advance of £24,260 (2022 - £28,291).

11. 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 £14,895 (2022 - £16,322).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

12. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	1,944	7,502
Later than 1 year and not later than 5 years	-	1,944
	<hr/>	<hr/>
	1,944	9,446
	<hr/>	<hr/>

The total lease payments recognised as an expense were £7,502 (2022 - £12,584).

13. OPERATING LEASE - LESSOR

As at 31 August 2023 the total of the Charity's future minimum lease receipts under non-cancellable operating leases was:

	2023 £	2022 £
Not later than 1 year	46,228	26,124
Later than 1 year and not later than 5 years	26,083	-
	<hr/>	<hr/>
	72,311	26,124
	<hr/>	<hr/>

The Charity receives rent from leasing out two floors of its property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

14. STATEMENT OF RESERVES

STATEMENT OF RESERVES - CURRENT YEAR

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted Reserves				
General Reserves	1,382,905	1,297,226	(1,503,062)	1,177,069
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

STATEMENT OF RESERVES - PRIOR YEAR

	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31 August 2022 £
Unrestricted Reserves				
General Reserves	1,676,641	818,086	(1,111,822)	1,382,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	2023 £
Tangible fixed assets	1,020,355
Current assets	882,865
Creditors due within one year	(726,151)
	<u> </u>
	<u>1,177,069</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	2022 £
Tangible fixed assets	1,062,980
Current assets	981,209
Creditors due within one year	(661,284)
	<u>1,382,905</u>

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(205,836)	(293,736)
Adjustments for:		
Depreciation charges	46,335	46,642
Bank interest receivable	(1,784)	(109)
Loss on the sale of fixed assets	1,779	-
Increase in debtors	(17,870)	(3,329)
Increase in creditors	64,867	17,935
Net cash used in operating activities	<u>(112,509)</u>	<u>(232,597)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash and cash equivalents	561,301	677,514
Total cash and cash equivalents	<u>561,301</u>	<u>677,514</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	677,514	(116,213)	561,301
	<u>677,514</u>	<u>(116,213)</u>	<u>561,301</u>
	<u><u>677,514</u></u>	<u><u>(116,213)</u></u>	<u><u>561,301</u></u>

20. RELATED PARTY TRANSACTIONS

As at 31 August 2023, an amount of £13,737 (2022 - £13,487) was due to ECBM Company Limited By Guarantee, a company which has common directors. The amount is interest free, unsecured and repayable on demand. 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 shown in the Statement of Comprehensive Income, this primary financial statement has been omitted.