

THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales · Charity number 1045370

Details

Other names	THE INSTITUTE OF COMMERCIAL MANAGEMENT, INSTITUTE OF COMMERCIAL MANAGEMENT LTD
Status	Registered
Legal form	Charitable company
Company number	03031779
Registered	1995-03-29
Register	View on the Charity Commission register

Contact

Address	I C M I C M House Yeoman Road Ringwood BH24 3FA
Phone	01202490555
Email	info@icm.education
Website	www.icm.education

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC BY THE PREPARATION, VALIDATION, ACCREDITATION, CONDUCT AND ADMINISTRATION OF TESTS, EXAMINATIONS AND OTHER SYSTEMS OF ASSESSING AND RECORDING ACADEMIC OR OTHER ACHIEVEMENT

Activities: Makes grants and donations to selected educational and local bodies

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Bahrain
- Burma
- Cameroon
- Eswatini
- Ghana
- India
- Ireland
- Ivory Coast
- Kenya
- Lesotho
- Malawi
- Malaysia
- Nigeria
- Pakistan
- Rwanda
- Saudi Arabia
- Sierra Leone
- Vietnam
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£1,083,687	£1,215,556	£690,992	24
2024-06-30	£1,223,946	£1,232,865	£797,654	15
2023-06-30	£1,320,632	£1,449,999	£677,611	15
2022-06-30	£1,386,942	£1,523,602	£868,604	30
2021-06-30	£1,515,451	£1,121,400	£1,005,264	36

Trustees

Name	Role	Appointed
John Caithness	Chair	2018-10-12
Crescents George		2020-09-03
Johannes Ludick		2024-12-01

THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales - Charity number 1045370

Accounts

Company registration number: 3031779

Charity registration number: 1045370

The Institute of Commercial Management

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2025

Harney & Co Limited
Registered Auditors and Chartered Certified Accountants
25 Market Place
Blandford Forum
Dorset
DT11 7AF

The Institute of Commercial Management

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The Institute of Commercial Management

Reference and Administrative Details

Trustees	Mr C George Mr J Caithness Mr J Ludick
Secretary	Mr A F C Somerville-Ford
Senior Management / Leadership Team	Mr A F C Somerville-Ford, CEO Mrs T Barlow, Examiner
Charity Registration Number	1045370
Company Registration Number	3031779
Registered Office	The charity is incorporated in England and Wales. ICM House Yeoman Road Ringwood Hampshire BH24 3FA
Auditor	Harney & Co Limited Registered Auditors and Chartered Certified Accountants 25 Market Place Blandford Forum Dorset DT11 7AF
Bankers	National Westminster Bank Poole Ground Floor Link House Poole Dorset BH15 1LD

The Institute of Commercial Management

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 30 June 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charitable company and of the group.

Trustees and Officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Mr C George
	Mr J Caithness
	Mr J Ludick (appointed 1 December 2024)

Objectives and activities

Objects and aims

The Institute of Commercial Management (ICM) is an Awarding Organisation and Examining Board. ICM's global services include the design, development, and award of qualifications.

ICM is recognised by Ofqual, the Regulator for Qualifications in England. Recognition number RN6016.

ICM offers affordable and fit for purpose qualifications to meet the demand of employers internationally in the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security; Cosmetology; Culinary Arts; Digital Skills; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Management Studies; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Teacher Training; Tourism.

As set out in the Memorandum and Articles of Association, the objectives and activities of ICM are:

"To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." (As detailed in the ICM Governance Manual).

Ongoing plans and objectives are to continue to partner with the Department for Business and Trade who are supporting ICM to expand into new markets including Vietnam, the Caribbean, the Middle East and additional parts of West Africa. The development and launch of new Level 3, 4, and 5 Business qualifications in Q4 2024 are part of ICM's strategy to expand the scope of recognition within the RQF to be offered in England. The planned appointment of further in-country marketing consultants with a background in education will enable ICM to continue with its objectives to expand into new markets.

Objectives, strategies and activities

The main activities undertaken in relation to these purposes are the design, delivery and award of fit for purpose qualifications to meet the demand of employers and learners globally. The process incorporates the preparation of question papers and mark schemes, the assessment of learner's skills and knowledge and issuance of awards to acknowledge achievement.

Up to 280 approved teaching centres across 35 countries deliver tuition in 300 qualifications, most of which are examined 4 times a year. The Charity's Trustees are from both business and academic backgrounds and the team of Examiners are sourced from CIEA. ICM has a strong reputation internationally and is known for offering affordable qualifications which prepare learners for the workplace.

The Institute of Commercial Management

Trustees' Report

Developments in 2024 and 2025 included the launch of new Competency Based Qualifications (CBQ) in: an Advanced Diploma in Hairdressing, a Diploma in Health and Safety, 12 Awards in Digital Skills, and a Diploma in Teacher Training. Planned further developments for 2026 include qualifications in Agriculture, Nutrition and Food Security, Public Health, Community Development, Environmental Science, Barista and Mixology and Caregiving.

Public benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with the Charity Commission's guidance on Public Benefit. This report sets out our activities, achievements, and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through offering affordable and relevant qualifications that meet the demands of its approved teaching centre and learners and the needs of employers. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principles on Public Benefit.

An initiative instigated in 2017 and completed successfully in September 2019 to achieve recognition status with Ofqual, the regulator for qualifications in England, has further instilled public confidence in ICM qualifications, which provided the opportunity for centres to offer qualifications eligible for Government funding and enabled ICM to continue to serve the market whilst satisfying its charitable commitments.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

ICM achieves its aim of delivering high quality and affordable qualifications that are accessible to all learners through contracting with approved teaching centres. The approved centres deliver tuition as guided by the qualification specification, register their learners as ICM Student Members and prepare them for the assessments which are administered by ICM. Feedback from learners is positive in the way ICM qualifications provide a currency for them to secure favourable employment or to provide a pathway to further education. The following quotes were provided by ICM approved teaching centres following surveys conducted by ICM:

Positive comments about ICM:

"Qualifications are diverse, and Learners have an opportunity to choose a qualification of their choice, the qualifications cover many sectors of the economy."

"Very effective and quick responses to Centre questions."

"Provides opportunities for jobs."

"ICM qualifications give the knowledge required for skills for the workplace."

Areas for development:

"Want a better balance between theory and practice."

"Most programmes do not have computer literacy included. Learners are forced to do this separately."

"Would like qualifications delivered online and core textbooks provided online."

The Institute of Commercial Management

Trustees' Report

The introduction of CBQs has addressed the balance between theory and practice, and the recently launched qualifications in Digital Skills have addressed the computer literacy request. All registered ICM Students are provided with access to an extensive portfolio of e-learning, continual professional development, short courses covering topics from personal development, compliance, health and safety and management skills. The recent opening of ICM office in Harare and Blantyre further supports the ICM learner community by providing a resource centre. In addition, ICM continue to make textbooks available to learners in Myanmar via the British Council library in Yangon and Mandalay. The Kenyan Government, through TVETA, are driving the move to skills-based qualifications assessed through competency, and ICM is leading this initiative with them.

ICMs portfolio consists of 35 professional qualifications comprised of 240 units covering the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security, Cosmetology; Culinary Arts; Digital Skills; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Management Studies; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Teacher Training; Tourism.

ICM's fiscal year runs to 30th June, and its main sources of income are from Examination fees and annual Student Membership fees - the charity does not collect donations or conduct fund raising activities.

The most significant development over 2024 and 2025 is the addition of further CBQs to the portfolio of qualifications. CBQs assess practical skills in order to work towards closing the global skills gap and support learners through assessing their practical skills rather than through a traditional examination. Whilst ICM operates across Africa, ASIA, North America and Europe, the African continent has seen the highest trend of ICM students, and the Caribbean has been a new focus of 2025.

When assessing the success of ICM for the reporting period, Trustees use the following success criteria; the number of countries offering ICM's qualifications; the number of approved centres offering ICM's qualifications; the number ICM's qualifications in demand; and the relative pricing of ICM's products as compared with other UK Boards operating internationally. For the reporting period ending 30th June 2025, ICM saw an increase in the number of approved centres from 278 to 290 and the number of markets increased to 36 with the addition of Iraq. A strong partnership with the Department for Business and Trade is expanding ICM into further new markets in 2026 including the Caribbean. The number of qualifications offered increased from 260 to over 300 as a result of the new CBQ developments. The pricing of ICM's qualifications remained the lowest of UK boards operating internationally despite the increases over the years. ICM's team of country coordinators provide regular updates on the status of their region in order that ICM trustees and management team can assess each situation and adapt accordingly. The various financial savings and efficiencies made throughout 2025, and the launch of newly developed qualifications lead the Trustees to consider ICM as a going concern for the future.

Financial review

The net expenditure for the year was £131,869 compared to £18,712 in the previous year. This deficit is attributed to the investment in the development and marketing of the new CBQs globally.

During the Trustee meetings throughout 2024 and 2025, the Board discussed ICMs financial situation, taking into account the ongoing cost of living crisis. Operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout 2025 and 2026 and to project growth in 2027.

The launch of the new CBQs resulted in an increase in income in 2024 and the various initiatives in 2025, including a partnership with the Department for Business and Trade, will lead to new income from 2026.

The Institute of Commercial Management

Trustees' Report

The financial forecast shows a steady recovery with income levels increasing as a result of economies strengthening in Africa as tourism continues to return to pre-pandemic levels and with the introduction of new qualifications globally. The financial situation is reviewed at each Trustee meeting in order to adjust ICM's strategy as necessary.

Policy on reserves

The Charitable group has a reserves policy where all funds are unrestricted. At the year-end total unrestricted funds for the group were £690,992 (2024: 787,861) and for the charity total unrestricted funds were £435,889 (2024: in deficit by £556,706).

As explained in the sections above, the financial forecast shows a steady recovery with income levels expected to increase throughout 2026 and into 2027. The charity's funds are now in surplus and are expected to stabilise at current levels.

The charity's reserve policy considers the following:

1. The nature of incoming funds.
2. The Charity's risk management policy and procedure.
3. Future budgets and future projects or spending plans that cannot be met from the income of a single year.
4. Charities Commission reserves factsheet CC19.

Structure, governance and management

Nature of governing document

ICM was incorporated as a private company limited by guarantee without share capital on 10th March 1995 and its governing document, the Memorandum and Articles of Association, state the nature of TICMs objectives and activities.

TICM governance is set out in the 'TICM Governance Manual' which documents the role and duties of the TICM Trustee Board and all other TICM boards, committees and panels. The manual includes the ICM organisational chart displaying the reporting structure up to the Board of Trustees.

Recruitment and appointment of trustees

The Trustees comprise of people with a background of accounting and education. Senior officers attend Trustees meetings and are from a background of business, education, operations, our overseas country representatives, and a representative member of staff. Recruitment of Trustees is an ongoing activity and is conducted through the ICM website. Applicants follow the ICM recruitment policy which includes interview, consulting references and completion of the conflict of interest declaration. New Trustees receive an induction from the CEO and Chairman in respect of ICMs processes, practices and procedures. Training assigned to them is tracked through the ICM learner management system.

ICM benefits society through its objective of "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." ICM has been successful in this objective having provided accessible and affordable qualification for 4 decades which can be considered to be a benchmark in itself. Trustees meet at least twice a year but often quarterly to review ICMs progress against its objectives, to approve future strategy and to review financial stability.

The Institute of Commercial Management

Trustees' Report

Major risks and management of those risks

ICM operates in some countries which are considered high risk including parts of Africa, Asia, and the Caribbean. Risks associated with these countries include: political instability; currency fluctuation and hyperinflation; money laundering, corruption and fraud; terrorism.

These risks could affect a learner's ability to attend tuition and to register for ICM examinations and affect the financial performance of ICM. To mitigate those risks, ICM employ local representatives (Business Development and Delivery Consultants) in each country, who monitor the political and financial situation and work directly with approved teaching centres and learners. Handbooks and policies are in place and are available to all members of staff, which document the requirements for reporting risks and threats to ICM; for reporting of suspected bribery and corruption; fraud; malpractice and maladministration, or any issue that could be considered a risk. A log of all threats to best practice is maintained and reviewed at each management meeting and items escalated to Trustees as necessary.

All risks identified are documented on the ICM Risk Management Policy and Procedure and discussed with the Trustees at each trustee meeting.

The Covid-19 pandemic has been the most significant risk to ICM, and the situation was monitored and managed through adapted assessments and financial management initiatives to secure the future of ICM.

Cyber security is an ever-increasing risk to all businesses and ICM employ a third-party company who provide training to all ICM members of staff, including testing staff on their ability to identify cyber security attacks.

An adapted assessment, Remote Assignments, introduced in September 2020 has provided ICM with a method of continuing to assess learners through a significant time of disruption such as a pandemic or coup.

Should any risk lead to the potential for a threat to ICM's future income, a review of the costs and further remedial action will be initiated.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group invoices in GB Sterling to mitigate these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances, other receivables, and a not at market rate loan. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

The Institute of Commercial Management

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of The Institute of Commercial Management 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Harney & Co Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 26 March 2026 and signed on its behalf by:

.....
Mr A F C Somerville-Ford
Company secretary

.....
Mr J Caithness
Trustee

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Opinion

We have audited the financial statements of The Institute of Commercial Management (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 30 June 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2025 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.
- are based on the work undertaken in the course of the audit, the Trustees report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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 auditor 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 UK, including the FRC'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.

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 auditor's 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.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Opinion on other matter 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have 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 group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 7), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Auditor 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements. We also considered potential financial or other pressures, opportunity, and motivations for fraud. As part of this discussion, we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. We also addressed the risk of management override of internal controls including review and testing journals, key estimates and judgements to evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of the audit planning, we gained an understanding of the legal and regulatory framework applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity Commission legislation, Health and Safety regulations and the General Data Protection Regulation ("GDPR"). We also considered the laws and regulations impacting on the preparation of the financial statements including Charities Act 2011 and Charities SORP (FRS 102).

We discussed with management with regards to compliance with the above laws and regulations and how compliance is monitored and discussed policies and procedures in place to mitigate non-compliance. We also identified the individuals responsible for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. We assessed the risk of any non-compliance with laws and regulations on the Charitable company's ability to continue to operate and the risk of material misstatement to the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mr S J Harney (Senior Statutory Auditor)
For and on behalf of Harney & Co Limited, Statutory Auditor

25 Market Place
Blandford Forum
Dorset
DT11 7AF

26 March 2026

The Institute of Commercial Management

Consolidated Statement of Financial Activities for the Year Ended 30 June 2025 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Total 2025 £	Total 2024 £
Income and Endowments from:			
Charitable activities	3	1,005,294	1,192,920
Investment income	4	29,555	31,026
Other income	5	48,838	23,273
Total income		<u>1,083,687</u>	<u>1,247,219</u>
Expenditure on:			
Charitable activities	6	<u>(1,215,556)</u>	<u>(1,265,931)</u>
Total expenditure		<u>(1,215,556)</u>	<u>(1,265,931)</u>
Net expenditure		(131,869)	(18,712)
Other recognised gains and losses			
Gains/losses on revaluation of fixed assets		<u>35,000</u>	<u>25,000</u>
Net movement in funds		(96,869)	6,288
Reconciliation of funds			
Total funds brought forward		<u>787,861</u>	<u>781,573</u>
Total funds carried forward	21	<u><u>690,992</u></u>	<u><u>787,861</u></u>

All of the group's activities derive from continuing operations during the above two periods.

All funds are unrestricted and no funds have been designated to any specific activity or expenditure.

The notes on pages 16 to 27 form an integral part of these financial statements.

The Institute of Commercial Management
(Registration number: 3031779)
Consolidated Balance Sheet as at 30 June 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	32,096	40,232
Investments		<u>200,000</u>	<u>565,000</u>
		<u>232,096</u>	<u>605,232</u>
Current assets			
Debtors	15	580,858	594,883
Cash at bank and in hand	16	<u>185,457</u>	<u>9,124</u>
		766,315	604,007
Creditors: Amounts falling due within one year	17	<u>(304,175)</u>	<u>(362,152)</u>
Net current assets		<u>462,140</u>	<u>241,855</u>
Total assets less current liabilities		694,236	847,087
Creditors: Amounts falling due after more than one year	18	<u>(3,244)</u>	<u>(59,226)</u>
Net assets		<u><u>690,992</u></u>	<u><u>787,861</u></u>
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		<u>690,992</u>	<u>787,861</u>
Total funds	21	<u><u>690,992</u></u>	<u><u>787,861</u></u>

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 26 March 2026 and signed on their behalf by:

.....
Mr J Caithness
Trustee

The notes on pages 16 to 27 form an integral part of these financial statements.

The Institute of Commercial Management

(Registration number: 3031779)

Balance Sheet as at 30 June 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	32,096	40,232
Current assets			
Debtors	15	519,528	537,553
Cash at bank and in hand	16	<u>176,511</u>	<u>6,974</u>
		696,039	544,527
Creditors: Amounts falling due within one year	17	<u>(289,002)</u>	<u>(1,082,239)</u>
Net current assets/(liabilities)		<u>407,037</u>	<u>(537,712)</u>
Total assets less current liabilities		439,133	(497,480)
Creditors: Amounts falling due after more than one year	18	<u>(3,244)</u>	<u>(59,226)</u>
Net assets/(liabilities)		<u><u>435,889</u></u>	<u><u>(556,706)</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>435,889</u>	<u>(556,706)</u>
Total funds	21	<u><u>435,889</u></u>	<u><u>(556,706)</u></u>

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 26 March 2026 and signed on their behalf by:

.....
Mr J Caithness
Trustee

The notes on pages 16 to 27 form an integral part of these financial statements.

The Institute of Commercial Management

Consolidated Statement of Cash Flows for the Year Ended 30 June 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash (expenditure)/income		(96,869)	6,288
Adjustments to cash flows from non-cash items			
Depreciation		10,700	11,013
Investment income	4	(29,555)	(31,026)
Revaluation of investments		(35,000)	(25,000)
		<u>(150,724)</u>	<u>(38,725)</u>
Working capital adjustments			
Decrease/(increase) in debtors	15	14,025	(3,078)
(Decrease)/increase in creditors	17	(36,521)	51,439
Decrease in deferred income	18	(2,329)	(2,827)
Net cash flows from operating activities		<u>(175,549)</u>	<u>6,809</u>
Cash flows from investing activities			
Interest receivable and similar income	4	29,555	31,026
Purchase of tangible fixed assets	13	(5,574)	(26,358)
Sale of tangible fixed assets		3,010	-
Sale of investments		400,000	-
Net cash flows from investing activities		<u>426,991</u>	<u>4,668</u>
Cash flows from financing activities			
Repayment of loans and borrowings	17	(69,742)	(30,000)
Repayment of capital element of finance leases and HP contracts	19	(5,367)	14,593
Net cash flows from financing activities		<u>(75,109)</u>	<u>(15,407)</u>
Net increase/(decrease) in cash and cash equivalents		176,333	(3,930)
Cash and cash equivalents at 1 July		<u>9,124</u>	<u>13,054</u>
Cash and cash equivalents at 30 June		<u>185,457</u>	<u>9,124</u>

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 16 to 27 form an integral part of these financial statements.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

These financial statements were authorised for issue by the trustees on 26 March 2026.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The Institute of Commercial 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 notes.

The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 June 2025.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £131,869 (2024 - loss of £18,712).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries are consistent with the policies adopted by the group.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of the going concern basis for preparing accounts is appropriate, including whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

Income and endowments

All income is recognised in the Statement of Financial Activities (SOFA) once the charity has legal entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Charitable activities represent examination and registration fees attributable to the period covered by the accounts and are recognised on the accruals basis. Fees received in respect of future periods are carried forward as deferred income in creditors. Income from trading activities, including activities to raise money for the charity, is received in exchange for supplying goods and services in order to raise funds.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received.

Investment income

Investment income is accounted for on the basis of the amount receivable for the period on an accruals basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to Charitable activities within the Statement of Financial Activities.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £150.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office and computer equipment	25% reducing balance
Plant and equipment	25% reducing balance

Investment properties

Freehold land and buildings which are held primarily for rental income are included at fair value. Unrealised gains or losses representing movement in market values during the year are credited or charged to the Statement Of Financial Activities and are based on the market value at the year end.

Trade debtors

Trade debtors are recognised initially and subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Loans

Below market rate loans are measured at net present value of future cash flows, using relevant Bank of England interest rates, with movement in valuations being recognised in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially and subsequently measured at the transaction price.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

Borrowings

Interest-bearing borrowings are initially recorded and carried at transaction value, with interest being charged to the Statement of Financial Activities in the period it was incurred.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the group.

As at the year end there were no designated or restricted funds.

Hire purchase and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Pensions and other post retirement obligations

The Charity contributes to an auto-enrolment pension scheme for all employees and contributions payable are charged to the Statement of Financial Activities in the period in which they fall due.

Financial instruments

Classification

The group has not entered into any complex financial instruments. Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument. They are classified according to the substance of the contractual arrangements entered into. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

3 Income from charitable activities

	Total 2025 £	Total 2024 £
Provision of educational support services	<u>1,005,294</u>	<u>1,192,920</u>

4 Investment income

	Total 2025 £	Total 2024 £
Interest receivable and similar income;		
Interest receivable on loans to related parties	4,328	4,626
Income from rents	<u>25,227</u>	<u>26,400</u>
	<u>29,555</u>	<u>31,026</u>

5 Other income

	Note	2025 £	2024 £
Gains on the unwinding of below market rate loan	22	<u>48,838</u>	<u>23,273</u>
		<u>48,838</u>	<u>23,273</u>

6 Expenditure on charitable activities

	Note	Total 2025 £	Total 2024 £
Provision of educational support services		545,410	552,966
Depreciation, amortisation and other similar costs		20,046	11,013
Staff costs		606,186	672,452
Allocated support costs	7	191	-
Governance costs	7	<u>43,723</u>	<u>29,500</u>
		<u>1,215,556</u>	<u>1,265,931</u>

7 Analysis of governance and support costs

Governance costs

	2025 £	2024 £
Audit fees		
Audit of the financial statements	21,500	15,300
Other fees paid to auditors	<u>22,223</u>	<u>14,200</u>
	<u>43,723</u>	<u>29,500</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

8 Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2025 £	2024 £
Audit fees	21,500	15,300
Other non-audit services	22,223	14,200
Depreciation of fixed assets	10,699	11,013

9 Trustees remuneration and expenses

During the year one trustee incurred computer software costs on behalf of the Charity amounting to £130, and this has been fully repaid within the year.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

10 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	550,999	611,868
Social security costs	44,782	51,011
Pension costs	10,405	9,573
	606,186	672,452

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2025 No	2024 No
Examiners	11	13
Core staff (administration)	13	15
	24	28

The average number of examiners comprises 3-4 months with up to 30 persons employed, reflecting the 3-4 exam sittings per year.

Of the above 13 (2024: 15) core staff and 6 (2024: 8) examiners participated in the Defined Contribution Pension Scheme. Employer contributions to the pension scheme for the year totalled £10,405 (2024: £9,573).

The chief executive officer, was the highest paid member of staff, and received benefits (including salary and benefits in kind) totalling £138,582 (2024: £151,429). One other key member of staff received salary and benefits totalling £116,957 (2024: £111,969).

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

11 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	21,500	15,300
Other fees to auditors		
All other non-audit services	22,223	14,200

12 Taxation

The group is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

Group

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 July 2024	249,685	5,689	255,374
Additions	5,574	-	5,574
Disposals	(40,089)	-	(40,089)
At 30 June 2025	215,170	5,689	220,859
Depreciation			
At 1 July 2024	210,802	4,340	215,142
Charge for the year	10,362	338	10,700
Eliminated on disposals	(37,079)	-	(37,079)
At 30 June 2025	184,085	4,678	188,763
Net book value			
At 30 June 2025	31,085	1,011	32,096
At 30 June 2024	38,883	1,349	40,232

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2025 £	2024 £
Office equipment	13,493	17,990

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

14 Fixed asset investments

Group

	2025	2024
	£	£
Investment properties	200,000	565,000

Investment properties

During the year one investment property has been sold reducing the above value by £400,000. The one remaining freehold investment property that is owned by the subsidiary, ICM Examining Services Limited has been uplifted in value by £35,000.

The fair value of the investment property was undertaken by the trustees, based on consultation with independent property agents who hold relevant professional qualifications and have experience in the location and class of property being valued.

The Charity does not directly own any investment property.

Charity

Subsidiaries

ICM Examining Services Limited is a private company incorporated in England and Wales, Company number 02928935, limited by guarantee without share capital. The subsidiary company is controlled by The Institute of Commercial Management and as such transfers all of its surplus income to the charity, there is therefore no taxable profits and no corporation tax liability arising. Net assets of the subsidiary amounted to £220,104 (2024: £1,319,567).

15 Debtors

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	-	4,566	-	4,566
Due from group undertakings	577,016	582,290	515,686	524,960
Prepayments	3,842	8,027	3,842	8,027
	<u>580,858</u>	<u>594,883</u>	<u>519,528</u>	<u>537,553</u>

Included in the amount due from group undertakings is a loan granted by the charity to ICM Property Services Limited of £515,686 (2024: 524,960) that is measured at net present value of future cash flows using relevant Bank of England interest rates, and is due for payment in more than 5 years (as set out in the referenced Related Party note). Also included is an amount owed from ICM Property Services Limited to ICM Examining Services Limited of £61,330 (2024: £57,330) that is measured at transaction price and is due on demand.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

16 Cash and cash equivalents

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Cash on hand	18	616	18	616
Cash at bank	185,439	8,508	176,493	6,358
	<u>185,457</u>	<u>9,124</u>	<u>176,511</u>	<u>6,974</u>

17 Creditors: amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	50,000	50,000	50,000	50,000
Trade creditors	8,538	43,745	8,538	38,123
Other loans	258	20,000	258	20,000
Hire purchase and finance leases	5,982	5,367	5,982	5,367
Due to group undertakings	-	-	-	740,701
Other taxation and social security	67,429	81,423	67,429	81,423
Trustees current accounts	23	23	-	-
Other creditors	28,527	23,569	16,378	11,420
Accruals	34,201	26,479	31,200	23,659
Deferred income	109,217	111,546	109,217	111,546
	<u>304,175</u>	<u>362,152</u>	<u>289,002</u>	<u>1,082,239</u>

Bank borrowings

A Coronavirus Business Interruption Loan Scheme (CBILS) is denominated in £ sterling with a nominal interest rate of 2.71% (2024: 2.71%), and the final instalment is due on 15 June 2026. The carrying amount at the year end is £50,000 (2024: £100,000). The full amount is due within 1 year (2024: £50,000 was due in more than 1 year).

Deferred income

Deferred income included above represents income received for examinations not yet undertaken, the amount deferred represents fees received within the year to be released once the examination date passes. All of the deferred income brought forward was released to income during the year.

18 Creditors: amounts falling due after one year

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	-	50,000	-	50,000
Hire purchase and finance leases	3,244	9,226	3,244	9,226
	<u>3,244</u>	<u>59,226</u>	<u>3,244</u>	<u>59,226</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

19 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Within one year	5,982	5,367	5,982	5,367
In two to five years	3,244	9,226	3,244	9,226
	<u>9,226</u>	<u>14,593</u>	<u>9,226</u>	<u>14,593</u>

20 Commitments

Capital commitments

The Charity, and therefore the group, has a contractual operating lease commitment of £68,970 per annum, terminating on 1 April 2031.

The total amount contracted for but not provided in the financial statements was £396,578 (2024: £465,548).

21 Funds

Group

	Balance at 1 July 2024 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 June 2025 £
Unrestricted funds					
General	<u>787,861</u>	<u>1,034,849</u>	<u>(1,166,718)</u>	<u>35,000</u>	<u>690,992</u>

	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 June 2024 £
Unrestricted funds					
General	<u>781,573</u>	<u>1,223,946</u>	<u>(1,242,658)</u>	<u>25,000</u>	<u>787,861</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2025

Charity

	Balance at 1 July 2024 £	Incoming resources £	Resources expended £	Balance at 30 June 2025 £
Unrestricted funds				
General	<u>(556,706)</u>	<u>2,148,707</u>	<u>(1,156,112)</u>	<u>435,889</u>
	Balance at 1 July 2023 £	Incoming resources £	Resources expended £	Balance at 30 June 2024 £
Unrestricted funds				
General	<u>(537,994)</u>	<u>1,220,860</u>	<u>(1,239,572)</u>	<u>(556,706)</u>

22 Related party transactions

Group

During the year the group made the following related party transactions:

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (Company Secretary of the Charity, and director of ICM Examining Services Limited), is the controlling director and shareholder of ICM Property Services Limited.

In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term was revised in 2022 so that repayments do not commence until April 2032. The interest rate being applied to the loan is fixed at 0.50% per annum. Interest income for the year amounted to £4,328 (2024: £4,626). Rent of £68,970 per annum is paid to ICM Property Services Limited as set out in note 20. The loan balance is included at net present value of future cash flows, and during the year the unwinding of the below market rate loan discount amounted to £48,838 (2024: £23,273). At the balance sheet date the amount due from ICM Property Services Limited was £577,015 (2024: £582,290).

The Estate of the Late Dr Alistair Ford

The Late Dr Alistair Ford, father to A F C Somerville-Ford and former director of ICM Examining Services Ltd had previously provided a loan to the group which remains outstanding and is reflected within creditors due within one year. At the balance sheet date the amount due to The Estate of the Late Dr Alistair Ford was £12,149 (2024: £12,149).

THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales - Charity number 1045370

Accounts

Company registration number: 3031779
Charity registration number: 1045370

The Institute of Commercial Management

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2024

Harney & Co Limited
Registered Auditors and Chartered Certified Accountants
21 Market Place
Blandford Forum
Dorset
DT11 7AF

The Institute of Commercial Management

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The Institute of Commercial Management

Reference and Administrative Details

Trustees	J Caithness C George
Secretary	A F C Somerville-Ford
Key staff	A F C Somerville-Ford, CEO T Barlow
Charity Registration Number	1045370
Company Registration Number	3031779
Registered Office	ICM House Yeoman Road Ringwood Hampshire BH24 3FA
Auditor	Harney & Co Limited Registered Auditors and Chartered Certified Accountants 21 Market Place Blandford Forum Dorset DT11 7AF
Bankers	National Westminster Bank Ground Floor Link House Poole BH15 1LD

The Institute of Commercial Management

Trustees' Report

The trustees, who are directors for the purposes of company law, present their annual Report together with the Consolidated financial statements and auditors' report of the charitable company for the year ended 30 June 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charitable company and of the group.

Objectives and activities

Objects and aims

The Institute of Commercial Management (ICM) is an Awarding Organisation and Examining Board. ICM's global services include the design, development, and award of qualifications.

ICM is recognised by Ofqual, the Regulator for Qualifications in England. Recognition number RN6016.

ICM offers affordable and fit for purpose qualifications to meet the demand of employers internationally in the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security; Cosmetology; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Management Studies; Maritime; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Tourism.

Up to 278 approved teaching centres across 35 countries deliver tuition in 260 qualifications most of which are examined 4 times a year. The Charity's Trustees are from both business and academic backgrounds and the team of Examiners are sourced from CIEA. ICM has a strong reputation internationally and is known for offering affordable qualifications which prepare learners for the workplace.

As set out in the Memorandum and Articles of Association, the objectives and activities of ICM are: "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." (As detailed in the ICM Governance Manual).

The main activities undertaken in relation to these purposes are the design, delivery and award of fit for purpose qualifications to meet the demand of employers and learners globally. The process incorporates the preparation of question papers and mark schemes, the assessment of learner's skills and knowledge and issuance of awards to acknowledge achievement.

Developments in 2023 and 2024 included the launch of a new suite of Business short courses, a Level 2 Competency Based Qualifications (CBQ) in Cosmetology and 4 new CBQs in Hospitality. Developments underway for a Q4 2024 launch include new CBQs in Teacher Training, Health and Safety, a Level 3 Diploma in Cosmetology and a suite of new Business qualifications for the RQF.

Ongoing plans and objectives are to continue to partner with the Department for Business and Trade who are supporting ICM to expand into new markets including Vietnam, the Caribbean, the Middle East and additional parts of West Africa. The development and launch of new Level 3, 4 and 5 Business qualifications in Q4 2024 are part of ICMs strategy to expand the scope of recognition within the RQF to be offered in England. The planned appointment of further in-country marketing consultants with a background in education will enable ICM to continue with its objectives to expand into new markets.

The Institute of Commercial Management

Trustees' Report

Public benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with the Charities Commission's Guidance on Public Benefit. This report sets out our activities, achievements, and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through offering affordable and relevant qualifications that meet the demands of its approved teaching centres and learners and the needs of employers. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principals on Public Benefit.

An initiative instigated in 2017 and completed successfully in September 2019 to achieve recognition status with Ofqual, the regulator for qualifications in England, has further provided public confidence in ICM qualifications, provided the opportunity for centres to offer qualifications eligible for Government funding and enabled ICM to continue to serve the market whilst satisfying its charitable commitments.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

ICM achieves its aim of delivering high quality and affordable qualifications that are accessible to all learners through contracting with approved teaching centres. The approved centres deliver tuition as guided by the qualification specification, register their learners as ICM Student Members and prepare them for the assessments which are administered by ICM. Feedback from learners is positive in the way ICM qualifications provide a currency for them to secure favourable employment or to provide a pathway to further education. The following quotes were provided by ICM approved teaching centres following surveys conducted by ICM.

Positive comments about ICM:

- "Qualifications are diverse, and Learners have an opportunity to choose a qualification of their choice, the qualifications cover many sectors of the economy."
- "Very effective and quick responses to Centre questions."
- "Provides opportunities for jobs."
- "ICM qualifications give the knowledge required for skills for the workplace."

Areas for development:

- "Want a better balance between theory and practice."
- "Most programmes do not have computer literacy included. Learners are forced to do this separately."
- "Would like qualifications delivered online and core textbooks provided online."

The introduction of CBQs has addressed the balance between theory and practice and the recently launched qualifications in computer science and the planned launch of Level 1 and 2 qualifications in Digital Skills in Q4 2024 will address the computer literacy request. The planned ICM eAcademy in 2025 will aim to blend traditional learning with online learning and in Kenya and Zimbabwe ICM have reinvested in the community by offering a resource centre in the capital cities for the teaching of staff and learners. In addition, ICM continue to make text books available to learners in Myanmar via the British Council library in Yangon and Mandalay. The Kenyan Government are driving the move to skills based qualifications assessed through competency and ICM are leading this initiative with them.

The Institute of Commercial Management

Trustees' Report

ICMs portfolio consists of 35 professional qualifications comprised of 240 units covering the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security; Cosmetology; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Maritime; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Tourism. ICMs fiscal year runs to 30th June and its main sources of income are from Examination fees, and annual Student Membership fees, the charity does not collect donations or conduct fundraising activities.

The most significant development is the further inclusion of CBQs to the portfolio of qualifications which assess practical skills in order to close the global skills gap. The CBQs enable ICM to support learners who are assessed with practical skills rather than the traditional examination. The continents ICM operate in are Africa, Asia, North America and Europe. Historically, the African continent has seen the highest trend of ICM students and the Caribbean is a focus for 2025. The development of further CBQs in Q4 2024 include the highly demanded Digital Skills and a suite of new Business diplomas for the RQF to be offered in England. A new fully automated IT system is being developed for launch in 2025 to streamline the interface for ICM Approved Centres.

Key non-financial performance indicators

When assessing the success of ICM for the reporting period, Trustees use the following success criteria: the number of countries offering ICM's qualifications; the number of approved centres offering ICM's qualifications; the number of ICM's qualifications in demand; and the relative pricing of ICM's products as compared with other UK Boards operating internationally.

For the reporting period ending 30th June 2024, ICM saw a small reduction in the number of approved centres from 296 to 278 and the number of markets increased from 33 to 35 with the addition of Qatar and Switzerland and a strong partnership with the Department for Business and Trade is expected to see ICM expanding into further new markets in 2025 including the Caribbean. The number of qualifications offered increased from 250 to 260 as a result of the new qualifications developed. The pricing of ICM's qualifications remained the lowest of UK boards operating internationally despite the increase in September 2022. The cost of living crisis has affected student's financial ability to register for ICM qualifications and this is expected to continue through 2025 but anecdotal information is that teaching centres continue to see students gradually return to the classrooms. ICM's team of country coordinators provide regular updates on the status of their region in order that ICM trustees and management team can assess each situation and adapt accordingly. The various financial savings and efficiencies made throughout 2024 and the launch of newly developed qualifications lead the Trustees to consider ICM as a going concern for the future.

Financial review

A net surplus for the year ending 30th June 2024 was £16,081 (including a revaluation gain of £25,000 on an investment property) compared to a net deficit of -£25,405 in the previous year.

During the Trustee meetings throughout 2023 and 2024, the Board discussed ICMs financial situation, taking into account the ongoing cost of living crisis. Operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout the year and to project growth in 2025.

The launch of the new CBQs has contributed to income in 2024 and the partnership with the Department for Business and Trade is anticipated to yield new income streams from 2025.

The financial forecast shows a steady recovery with income levels increasing as a result of economies strengthening in Africa as tourism continues to return to post-pandemic levels and with the introduction of new qualifications globally. The financial situation is reviewed at each Trustee meeting in order to adapt ICMs strategy as necessary.

The Institute of Commercial Management

Trustees' Report

Policy on reserves

The Charitable group has developed a reserves policy where all funds are unrestricted. At the year-end total unrestricted funds for the group were £797,654 (2023: £781,573, as restated) and for the charity total unrestricted funds were in deficit by £546,913 (2023: £537,994, as restated).

As explained in the sections above the financial forecast shows a steady recovery with income levels expected to increase throughout 2025 and into 2026. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise.

The charity's reserve policy considers the following:

1. the nature of incoming funds.
2. the Charity's risk management policy and procedure.
3. future budgets and future projects or spending plans that cannot be met from the income of a single year.
4. Charities Commission reserves factsheet CC19.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have considered the uncertainty relating to the cost-of-living crisis and the impact on the charity's operations and financials in the short to medium term. In the opinion of the trustees, the charity has sufficient funds to continue to meet its financial commitments and to pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is expected to be sufficient, together with the level of reserves held and the coronavirus funding received, for the charity to be able to continue as a going concern.

Structure, governance and management

Nature of governing document

ICM was incorporated as a private company limited by guarantee without share capital on 10th March 1995 and its governing document, the Memorandum and Articles of Association, state the nature of ICMs objectives and activities.

ICM governance is set out in the 'ICM Governance Manual' which documents the role and duties of the ICM Trustee Board and all other ICM boards, committees and panels. The manual includes the ICM organisational chart displaying the reporting structure up to the Board of Trustees.

Recruitment and appointment of trustees

The Trustees are comprised of people with a background of accounting and education. Senior officers attend Trustee meetings and are from a background of business, education, operations, our overseas country representatives, and a representative member of staff. Recruitment of Trustees is an ongoing activity and is conducted through the ICM website. Applicants follow the ICM recruitment policy which includes interview, consulting references and completion of the conflict of interest declaration. New Trustees receive an induction from the CEO and Chairman in respect of ICMs processes, practices and procedures. Training assigned to them is tracked through the ICM learner management system.

ICM benefits society through its objective of: "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." ICM has been successful in this objective having provided accessible and affordable qualification for 4 decades which can be considered to be a benchmark in itself. Trustees meet at least twice a year but often quarterly to review ICMs progress against its objectives, to approve future strategy and to review financial stability.

The Institute of Commercial Management

Trustees' Report

Risks

ICM operates in some countries which are considered high risk including parts of Africa, Asia, and the Caribbean. Risks associated with these countries include: political instability; currency fluctuation and hyperinflation; money laundering, corruption and fraud; terrorism.

These risks could affect learner's ability to attend tuition and to register for ICM examinations and affect the financial performance of ICM. To mitigate these risks, ICM employ a local representative (Business Development and Delivery Consultants) in each country who monitor the political and financial situation and work directly with approved teaching centres and learners. Handbooks and policies in place with all members of staff, document the requirements for reporting risks and threats to ICM, for reporting of suspected bribery and corruption, fraud, malpractice and maladministration, and any issue that could be considered a risk. A log of all threats to best practice is maintained and reviewed at each management meeting and items escalated to Trustees as necessary.

All risks identified are documented on the ICM Risk Management Policy and Procedure and discussed with the Trustees at each trustee meeting.

The Covid-19 pandemic has been the most significant risk to ICM, and the situation was monitored and managed through adapted assessments and financial management initiatives to secure the future of ICM.

Cyber security is an ever-increasing risk to all businesses and ICM employ a third-party company who provide training to all ICM members of staff including testing staff on their ability to identify cyber security attacks.

An adapted assessment, Remote Assignments, introduced in September 2020 has provided ICM with a method of continuing to assess learners through a significant time of disruption such as a pandemic or coup.

Should any risk lead to the potential for a threat to ICMs future income, a review of the costs and further remedial action will be initiated.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities could potentially expose it to the financial risks of changes in foreign currency, exchange rates and interest rates. The group invoices in GB Sterling to mitigate these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

The Institute of Commercial Management

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of The Institute of Commercial Management 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Harney & Co Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 28 March 2025 and signed on its behalf by:

.....
A F C Somerville-Ford
CEO and Company secretary

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Opinion

We have audited the financial statements of The Institute of Commercial Management (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2024 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 auditor 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 UK, including the FRC'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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 auditor's 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.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

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 matter 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 7), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements. We also considered potential financial or other pressures, opportunity, and motivations for fraud. As part of this discussion, we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. We also addressed the risk of management override of internal controls including review and testing journals, key estimates and judgements to evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of the audit planning, we gained an understanding of the legal and regulatory framework applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity Commission legislation, Health and Safety regulations and the General Data Protection Regulation ("GDPR"). We also considered the laws and regulations impacting on the preparation of the financial statements including Charities Act 2011 and Charities SORP (FRS 102).

We discussed with management with regards to compliance with the above laws and regulations and how compliance is monitored and discussed policies and procedures in place to mitigate non-compliance. We also identified the individuals responsible for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. We assessed the risk of any non-compliance with laws and regulations on the Charitable company's ability to continue to operate and the risk of material misstatement to the financial statements.

Based on the understanding gained, we designed audit procedures to identify non-compliance with identified laws and regulations.

Our tests involved:

- Enquiring of with management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. We also enquired of management and trustees if there were any know instances, allegations or suspicions of fraud.
- Enquiring of management if there were any health and safety incidents during the year.
- Review of the GDPR policy and enquired whether there were any reportable breaches.
- Review of correspondence with solicitors and any legal and professional expenses to identify any non-compliance.
- Review of filings at Charity Commission, including any serious incident reports made during the year.
- Review of management and trustee board meeting minutes.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Stephen J Harney (Senior Statutory Auditor)
For and on behalf of Harney & Co Limited, Statutory Auditor

21 Market Place
Blandford Forum
Dorset
DT11 7AF

28 March 2025

The Institute of Commercial Management

Consolidated Statement of Financial Activities for the Year Ended 30 June 2024 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	2024 £	2023 As restated £
Income and Endowments from:			
Charitable activities	3	1,192,920	1,289,629
Investment income	4	4,626	4,603
Rental income	5	<u>26,400</u>	<u>26,400</u>
Total income		<u>1,223,946</u>	<u>1,320,632</u>
Expenditure on:			
Charitable activities	6	(1,228,530)	(1,303,381)
Governance costs	7	(27,608)	(22,295)
Other expenditure	8	<u>23,273</u>	<u>(20,361)</u>
Total expenditure		(1,232,865)	(1,346,037)
Gains/losses on investment assets		<u>25,000</u>	<u>-</u>
Net income/(expenditure)		<u>16,081</u>	<u>(25,405)</u>
Net movement in funds		16,081	(25,405)
Reconciliation of funds			
Total funds brought forward		<u>781,573</u>	<u>806,978</u>
Total funds carried forward	23	<u><u>797,654</u></u>	<u><u>781,573</u></u>

All of the group's activities derive from continuing operations during the above two periods.

All funds are unrestricted, and no funds have been designated to any specific activity or expenditure.

The Institute of Commercial Management
(Registration number: 3031779)
Consolidated Balance Sheet as at 30 June 2024

	Note	2024 £	2023 As restated £
Fixed assets			
Tangible assets	14	40,232	24,887
Investments		<u>565,000</u>	<u>540,000</u>
		<u>605,232</u>	<u>564,887</u>
Current assets			
Debtors	16	594,883	591,806
Cash at bank and in hand	17	<u>9,124</u>	<u>13,053</u>
		604,007	604,859
Creditors: Amounts falling due within one year	18	<u>(352,359)</u>	<u>(288,173)</u>
Net current assets		<u>251,648</u>	<u>316,686</u>
Total assets less current liabilities		856,880	881,573
Creditors: Amounts falling due after more than one year	19	<u>(59,226)</u>	<u>(100,000)</u>
Net assets		<u><u>797,654</u></u>	<u><u>781,573</u></u>
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		<u>797,654</u>	<u>781,573</u>
Total funds	23	<u><u>797,654</u></u>	<u><u>781,573</u></u>

The financial statements on pages 12 to 28 was approved by the trustees, and authorised for issue on 28 March 2025 and signed on their behalf by:

.....
J Caithness
Trustee

The Institute of Commercial Management

(Registration number: 3031779)

Balance Sheet as at 30 June 2024

	Note	2024 £	2023 As restated £
Fixed assets			
Tangible assets	14	40,232	24,887
Current assets			
Debtors	16	537,553	534,475
Cash at bank and in hand	17	6,974	12,847
		<u>544,527</u>	<u>547,322</u>
Creditors: Amounts falling due within one year	18	<u>(1,072,446)</u>	<u>(1,010,203)</u>
Net current liabilities		<u>(527,919)</u>	<u>(462,881)</u>
Total assets less current liabilities		(487,687)	(437,994)
Creditors: Amounts falling due after more than one year	19	<u>(59,226)</u>	<u>(100,000)</u>
Net liabilities		<u>(546,913)</u>	<u>(537,994)</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>(546,913)</u>	<u>(537,994)</u>
Total funds	23	<u>(546,913)</u>	<u>(537,994)</u>

The financial statements on pages 12 to 28 were approved by the trustees, and authorised for issue on 28 March 2025 and signed on their behalf by:

.....
J Caithness
Trustee

The Institute of Commercial Management

Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2024 £	2023 As restated £
Cash flows from operating activities			
Net cash expenditure		(8,919)	(25,405)
Adjustments to cash flows from non-cash items			
Unwinding of below market rate loan	8	(23,273)	20,361
Depreciation	9	11,013	8,296
Investment income	4	(4,626)	(4,603)
		(25,805)	(1,351)
Working capital adjustments			
Decrease in debtors	16	20,196	7,431
Increase in creditors	18	41,646	6,938
(Decrease)/increase in deferred income	18	(2,827)	25,011
Net cash flows from operating activities		33,210	38,029
Cash flows from investing activities			
Interest receivable and similar income	4	4,626	4,603
Purchase of tangible fixed assets	14	(26,358)	(2,360)
Sale of tangible fixed assets	6	-	1,933
Net cash flows from investing activities		(21,732)	4,176
Cash flows from financing activities			
Repayment of loans and borrowings	19	(30,000)	(48,255)
Repayment of capital element of finance leases and HP contracts	20	14,593	-
Net cash flows from financing activities		(15,407)	(48,255)
Net decrease in cash and cash equivalents		(3,929)	(6,050)
Cash and cash equivalents at 1 July	17	13,053	19,103
Cash and cash equivalents at 30 June		9,124	13,053

All of the cash flows are derived from continuing operations during the above two periods.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

These financial statements were authorised for issue by the trustees on 28 March 2025.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) issued in October 2019 - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the UK Generally Accepted Practice as it applies from January 2015.

Basis of preparation

The Institute of Commercial 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 notes.

The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 June 2024.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £8,918 (2023: deficit of £25,405, as restated).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries are consistent with the policies adopted by the group.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the year end, total unrestricted funds of the Charitable company were in deficit by £546,913 (2023: £537,994). As explained in the financial review, the financial forecast shows a steady recovery. As a consequent the fund deficit is considered to be temporary and is expected to be gradually reduced and eliminated in future years as income levels stabilise. The Consolidated position is in surplus in the amount of £797,654 (2023: £781,573)

The trustees recognise a 'not at market term' loan, made to a connected party, at Discounted Present Value. The gain/(loss) each year is included in the SOFA. In the current year this amounted to a gain of £23,274 as the discounting is unwound and an expense in 2023 of £20,361 due to an increase in interest rates used in the discounting. The impact on the overall results for the year is significant and should be taken into account when assessing the underlying performance of the charity.

Income and endowments

All income is recognised in the Statement of Financial Activities (SOFA) once the charity has legal entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably. Charitable activities represent examination and registration fees attributable to the period covered by the accounts and are recognised on the accruals basis. Fees received in respect of future periods are carried forward as deferred income in creditors. Income from trading activities, including activities to raise money for the charity, is received in exchange for supplying goods and services in order to raise funds.

Grants receivable

A grant that becomes receivable as compensation for expenses already incurred is recognised in the Statement of Financial Activities in the same period in which the related expense is incurred.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is deferred when it is specifically only be used in future accounting periods; or there are conditions which must be met before the charity has unconditional entitlement to the income.

Investment income

Investment income is accounted for on the basis of the amount receivable for the period on an accruals basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Cost includes cost directly attributable to making the asset capable of operating as intended.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office and computer equipment	25% reducing balance
Plant and equipment	25% reducing balance

Investment properties

Freehold land and buildings which are held primarily for either rental income or capital appreciation are included at fair value.

Unrealised gains or losses representing the movement in market values during the year are credited or charged to the Statement of Financial Activities and are based on the market value at the year end.

Trade debtors

Trade debtors are recognised initially and subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Loans

Below market rate loans are measured at net present value of future cash flows, using relevant bank of England interest rates, with movement in the valuations being recognised in the Statement of Financial Activities.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially and subsequently measured at the transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

Fund structure

General unrestricted funds comprise the accumulated surplus or deficit derived from the income and expenditure account and which have not been designated for other purposes. They are available for use at the discretion of the Trustees in the furtherance of the general objectives of the group.

As at the year end there were no restricted nor designated funds.

Hire purchase and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised in the balance sheet as tangible fixed assets and are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a reducing balance basis over the shorter of the useful life of the asset and the lease term. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. Lease payments are charged to the Statement of Financial Activities and are apportioned between finance costs and the reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

The interest element of the rental obligation is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Pensions and other post retirement obligations

The Charity contributes to an auto-enrolment pension scheme for all employees and contributions payable are charged to the Statement of Financial Activities in the period in which they fall due.

Financial instruments

Classification

The group has not entered into any complex financial instruments. Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument. They are classified according to the substance of the contractual arrangements entered into. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from charitable activities

	2024 £	2023 £
Exam and registration fees	1,192,920	1,289,629

4 Investment income

	2024 £	2023 £
Loan interest receivable	4,626	4,603
	4,626	4,603

5 Other income

	2024 £	2023 £
Rental income	26,400	26,400

6 Expenditure on charitable activities

	2024 £	2023 £
Salaries and wages	611,868	639,430
Staff NIC (Employers)	51,011	46,550
Staff pensions (Defined contribution)	9,573	9,928
Staff training	3,296	2,384
Staff welfare	6,707	4,723
Recruitment expenses	538	510
Rent and rates	77,302	80,567
Light, heat and power	7,536	5,493
Insurance	936	2,179
Repairs and maintenance	1,959	2,346
Telephone and fax	5,645	9,216
Computer software and maintenance costs	55,117	45,233

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

	2024 £	2023 £
Printing, postage and stationery	13,231	19,995
Courier services	22,087	26,979
Trade and professional journals	1,108	1,386
Examination and course expenses	246,635	279,612
Trade subscriptions	3,474	3,090
Lease of motor vehicles	12,112	9,312
Sundry expenses	797	561
Cleaning	9,589	11,473
Motor expenses	1,841	2,394
Travel and subsistence	12,233	2,480
Advertising	18,615	21,972
Staff entertaining (allowable for tax)	1,468	1,993
Consultancy fees	20,684	16,801
Legal and professional fees	1,350	1,441
Bad debts written off	-	30,677
Bank charges	3,129	4,710
Bank interest payable	19	-
Loan interest	4,041	7,352
Other interest payable	13,180	2,271
Hire purchase interest	436	-
Foreign currency (gains)/losses	1	93
Depreciation of office equipment on finance	3,598	-
Depreciation	7,414	8,297
Allocated support costs	-	1,933
	<u>1,228,530</u>	<u>1,303,381</u>

7 Analysis of governance and support costs

Governance costs

	2024 £	2023 £
Audit fees		
Audit of the financial statements	9,850	16,650
Other fees paid to auditors	17,758	5,645
	<u>27,608</u>	<u>22,295</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

8 Other expenditure

	Note	2024 £	2023 As restated £
Unwinding of below market rate loan	24	(23,273)	20,361
		<u>(23,273)</u>	<u>20,361</u>

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2024 £	2023 £
Audit fees	9,850	16,650
Other non-audit services	17,758	5,645
Depreciation of fixed assets	<u>11,013</u>	<u>8,297</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	611,868	639,430
Social security costs	51,011	46,550
Staff pensions	<u>9,573</u>	<u>9,929</u>
	<u>672,452</u>	<u>695,909</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2024 No	2023 No
Examiners	13	11
Core staff (administration)	<u>15</u>	<u>15</u>
	<u>28</u>	<u>26</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

The average number of examiners comprises 3 months with 30 over a base average of 4 persons employed, reflecting the 3/4 exam sittings per year.

Of the above staff 15 (2023: 15) Core staff and 8 (2023: 7) Examiners participated in the Defined Contribution Pension Scheme, and employer contributions to the employee pension scheme for the year totalled £9,573 (2023: £9,929).

The total employee benefits of the key management personnel of the group were £2,578 (2023: £1,145).

The chief executive officer, as the highest paid member of staff, received benefits (including salary and benefits in kind) totalling £151,429 (2023: £121,145). One other key member of staff received salary and benefits in excess of £60,000 amounting to £111,969 (2023: £84,667).

12 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	9,850	16,650
Other fees to auditors		
All other non-audit services	17,758	5,645

13 Taxation

The group is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

Group	Office equipment £	Plant and Machinery £	Total £
Cost			
At 1 July 2023	223,327	5,689	229,016
Additions	26,358	-	26,358
At 30 June 2024	249,685	5,689	255,374
Depreciation			
At 1 July 2023	200,239	3,890	204,129
Charge for the year	10,563	450	11,013
At 30 June 2024	210,802	4,340	215,142
Net book value			
At 30 June 2024	38,883	1,349	40,232
At 30 June 2023	23,088	1,799	24,887

All of the above Tangible fixed assets are held in the Charity and therefore the Group Tangible fixed asset note also represents the Charity Tangible fixed asset note.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes £17,990 (2023: £nil) in respect of assets held under finance leases and hire purchase contracts.

15 Fixed asset investments

Group	2024 £	2023 £
Investment properties	565,000	540,000

Investments properties were revalued in the year, increasing the total value of the properties in the amount of £25,000 to reflect market valuations at the year end. The historic cost of the properties in 2015 was £718,461 with previous impairments amounting to £178,461 being taken to the profit and loss account.

The fair value of investment properties is undertaken by the trustees, based on consultation with independent property agents who hold relevant professional qualifications and have experience in the location and class of property being valued.

The above comprises 2 freehold investment properties that are both owned by the subsidiary, ICM Examining Services Limited. The Charity does not directly own any investment property.

Charity

Subsidiaries

ICM Examining Services Limited is a private company incorporated in England and Wales, Company number 02928935, limited by guarantee without share capital. The subsidiary is controlled by The Institute of Commercial Management.

The principal activity of the subsidiary is that of owning and managing investment properties.

The subsidiary company transfers all of its surplus income to the charity, there is therefore no taxable profits and no corporation tax liability arising. Net assets of the subsidiary amounted to £1,344,567 (2023: £1,319,567).

16 Debtors

	Note	Group		Charity	
		2024 £	2023 As restated £	2024 £	2023 As restated £
Trade debtors		4,566	14,134	4,566	14,134
Loan to ICM					
Property Services Ltd	24	582,290	568,350	524,960	511,019
Prepayments		8,027	9,322	8,027	9,322
		<u>594,883</u>	<u>591,806</u>	<u>537,553</u>	<u>534,475</u>

The loan granted to ICM Property Services Limited of £524,960 (2023: £511,019 as restated) included above from the Charity is measured at net present value of future cash flows using relevant Bank of England interest rates, and is due for payment in over 5 years (as set out in the referenced Related Party note). The balance amounting to £57,330 (2023: £57,330) is owed to the subsidiary ICM Examining Services by ICM Property Services Limited is measured at transaction price and is due on demand.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

17 Cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash on hand	616	658	616	658
Cash at bank	8,508	12,395	6,358	12,189
	<u>9,124</u>	<u>13,053</u>	<u>6,974</u>	<u>12,847</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	50,000	50,000	50,000	50,000
Trade creditors	43,745	23,794	38,123	23,794
Other loans	20,000	-	20,000	-
Hire purchase and finance leases	5,367	-	5,367	-
Due to group undertakings	-	1	740,701	743,173
Other taxation and social security	81,424	37,391	81,424	37,391
Trustees current accounts	23	12,172	-	-
Other creditors	23,569	6,581	11,420	6,581
Accruals	16,685	43,861	13,865	34,891
Deferred income	111,546	114,373	111,546	114,373
	<u>352,359</u>	<u>288,173</u>	<u>1,072,446</u>	<u>1,010,203</u>

Deferred income

Deferred income included above represents income received for examinations not yet undertaken, the amount deferred represents fees received within the year to be released once the examination date passes. All of the deferred income brought forward was released to income during the year.

19 Creditors: amounts falling due after one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loans	50,000	100,000	50,000	100,000
Hire purchase and finance leases	9,226	-	9,226	-
	<u>59,226</u>	<u>100,000</u>	<u>59,226</u>	<u>100,000</u>

Bank borrowings

The Coronavirus Business Interruption Loan Scheme ("CBILS") loan was interest free for 12 months and then repayable over 60 months with an interest rate of 2.71% above base rate. Repayments are due in monthly instalments of £4,166.66 with the final instalment is due on 15 June 2026. The carrying amount at the year end is £100,000 (2023: £150,000).

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

20 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group 2024 £	Charity 2024 £
Within one year	5,367	5,367
In two to five years	9,226	9,226
	<u>14,593</u>	<u>14,593</u>

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £9,573 (2023: £9,929). There were no contributions payable to the scheme at the year end.

22 Commitments

Operating lease commitments

The Charity has a contractual operating lease commitment of £68,970 per annum, terminating on 01/04/2031. The total amount of other financial commitments not provided in the financial statements was £465,548 (2023: £534,518).

23 Funds

Group

	Balance at 1 July 2023 As restated £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 30 June 2024 £
Unrestricted funds					
General	<u>781,573</u>	<u>1,223,946</u>	<u>(1,232,865)</u>	<u>25,000</u>	<u>797,654</u>

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Balance at 30 June 2023 As restated £
Unrestricted funds				
General	<u>806,978</u>	<u>1,320,632</u>	<u>(1,346,037)</u>	<u>781,573</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

Charity

	Balance at 1 July 2023 As restated £	Incoming resources £	Resources expended £	Balance at 30 June 2024 £
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Unrestricted funds

General	<u>(537,994)</u>	<u>1,220,860</u>	<u>(1,229,779)</u>	<u>(546,913)</u>
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	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Balance at 30 June 2023 As restated £
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Unrestricted funds

General	<u>(512,589)</u>	<u>1,317,435</u>	<u>(1,342,840)</u>	<u>(537,994)</u>
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Analysis of net assets between funds and analysis of net funds

There are no separate funds operated within the Charitable company and therefore no analysis between funds presented. All funds are unrestricted and there are no designated funds.

Restatement of comparatives

The comparatives have been restated to correct an error in the value of the unwinding of below market value rate loan. This was previously shown in the accounts to 30 June 2023 as £124,323. An error of £103,962 has come to light and consequently the unwinding of below market value rate loan at 30 June 2023 has been restated to £20,361. This restatement has impacted on the Income and Net movement in funds disclosed in the SOFA and on the Total funds carried forward as at 30 June 2023 in the same amount.

24 Related party transactions

Group

During the year the group made the following related party transactions:

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (Company Secretary of the Charity, and director of ICM Examining Services Limited), is the controlling director and shareholder of ICM Property Services Limited.

In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term was revised in 2022 so that repayments do not commence until April 2032. The interest rate being applied to the loan is fixed at 0.50% per annum. Interest income for the year amounted to £4,626 (2023: £4,603). Rent of £68,970 per annum is paid to ICM Property Services Limited as set out in note 21. The loan balance is included at net present value of future cash flows, and during the year the unwinding of the below market rate loan discount amounted to £23,273 (2023: -£20,361 as restated). At the balance sheet date the amount due from ICM Property Services Limited was £582,290 (2023: £568,349).

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2024

The Late Dr Alistair Ford

The Late Dr Alistair Ford is related to Adair Ford.

During the year the balance of £12,149 has been moved to other creditors and is owed to the Estate of the Late Dr Alistair Ford. At the balance sheet date the amount due to The Late Dr Alistair Ford was £12,149 (2023: £12,149).

Charity

During the year the charity made the following related party transactions:

ICM Examining Services Limited

ICM Examining Services Limited is a controlled subsidiary of the Charity.

During the year net transfers were made between the Charity and ICM Examining Services Limited of £2,472 (2023: £441). At the balance sheet date the amount due from ICM Examining Services Limited was £740,701 (2023: £743,172).

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (Company Secretary of the Charity, and director of ICM Examining Services Limited), is the controlling director and shareholder of ICM Property Services Limited.

In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term was revised in 2022 so that repayments do not commence until April 2032. The interest rate being applied to the loan is fixed at 0.50% per annum. Interest income for the year amounted to £4,626 (2023: £4,603). Rent of £68,970 per annum is paid to ICM Property Services Limited as set out in note 21.

The loan balance is included at net present value of future cash flows, and during the year the unwinding of the below market rate loan discount amounted to £23,273 (2023: -£20,361 as restated). At the balance sheet date the amount due from ICM Property Services Limited was £524,961 (2023: £511,019).

THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales - Charity number 1045370

Accounts

Company registration number: 3031779
Charity registration number: 1045370

The Institute of Commercial Management

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 June 2023

Harney & Co Limited
Registered Auditors and Chartered Certified Accountants
21 Market Place
Blandford Forum
Dorset
DT11 7AF

The Institute of Commercial Management

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The Institute of Commercial Management

Reference and Administrative Details

Trustees	J Caithness A Garad C George
Secretary	A F C Somerville-Ford
Key staff	A F C Somerville-Ford, CEO T Barlow
Charity Registration Number	1045370
Company Registration Number	3031779
Registered Office	ICM House Yeoman Road Ringwood Hampshire BH24 3FA
Auditor	Harney & Co Limited Registered Auditors and Chartered Certified Accountants 21 Market Place Blandford Forum Dorset DT11 7AF
Bankers	National Westminster Bank Ground Floor Link House Poole BH15 1LD

The Institute of Commercial Management

Trustees' Report

The trustees, who are directors for the purposes of company law, present their annual Report together with the Consolidated financial statements and auditors' report of the charitable company for the year ended 30 June 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charitable company and of the group.

Objectives and activities

Objects and aims

The Institute of Commercial Management (ICM) is an Awarding Organisation and Examining Board. ICM's global services include the design, development, and award of qualifications.

ICM is recognised by Ofqual, the Regulator for Qualifications in England. Recognition number RN6016.

ICM offers affordable and fit for purpose qualifications to meet the demand of employers internationally in the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security; Cosmetology; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Maritime; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Tourism.

Up to 296 approved teaching centres across 33 countries deliver tuition in 240 subject areas which are examined 4 times a year. The Charity's Trustees are from both business and academic backgrounds and the team of Examiners are sourced from CIEA. ICM has a strong reputation internationally and is known for offering affordable qualifications which prepare learners for the workplace.

As set out in the Memorandum and Articles of Association, the objectives and activities of ICM are: "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." (As detailed in the ICM Governance Manual).

The main activities undertaken in relation to these purposes are the design, delivery and award of fit for purpose qualifications to meet the demand of employers and learners. The process incorporates the preparation of question papers and mark schemes, the assessment of learner's skills and knowledge and issuance of awards to acknowledge achievement.

Developments in 2023 include the launch of a new suite of Level 2 Competency Based Qualifications (CBQ) in Cosmetology with units in hairdressing techniques and beauty treatments. Introduced globally, these qualifications support learners who are suited to evidencing their ability and knowledge through the assessment of practical skills. An updated Membership offering was launched in 2023 enabling working professionals greater networking opportunities.

Future plans and objectives are to continue to partner with the Department for Business and Trade who are supporting ICM to expand into new markets including Vietnam, The Caribbean, the Middle East and further parts of West Africa. The development and launch of new Level 3 and Level 4 qualifications in Cosmetology and new Professional, combined, Diplomas with open book mode of assessment are part of ICMs 2024 strategy in addition to expanding the scope of recognition with new qualifications for the RQF to be offered in England. The planned appointment of further in-country marketing consultants with a background in education will enable ICM to continue with its objectives to expand into new markets.

The Institute of Commercial Management

Trustees' Report

Public benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with the Charities Commission's Guidance on Public Benefit. This report sets out our activities, achievements, and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through offering affordable and relevant qualifications that meet the demands of its approved teaching centres and learners and the needs of employers. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principles on Public Benefit.

An initiative instigated in 2017 and completed successfully in September 2019 to achieve recognition status with Ofqual, the regulator for qualifications in England, has further provided public confidence in ICM qualifications, provided the opportunity for centres to offer qualifications eligible for Government funding and enabled ICM to continue to serve the market whilst satisfying its charitable commitments.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

ICM achieves its aim of delivering high quality and affordable qualifications that are accessible to all learners through contracting with approved teaching centres. The approved centres deliver tuition as guided by the qualification specification, register their learners as ICM Student Members and prepare them for the assessments which are administered by ICM. Feedback from learners is positive in the way ICM qualifications provide a currency for them to secure favourable employment or to provide a pathway to further education. The following quotes were provided by ICM approved teaching centres following surveys conducted by ICM:

Positive comments about ICM:

- "Qualifications are diverse, and Learners have an opportunity to choose a qualification of their choice, the qualifications cover many sectors of the economy"
- "Very effective and quick responses to Centre questions"
- "Provides opportunities for jobs"
- "ICM qualifications give the knowledge required for skills for the workplace"

Areas for development:

- "Want a better balance between theory and practice"
- "Most programmes do not have computer literacy included. Learners are forced to do this separately"
- "Would like qualifications delivered online and core text books provided online"

The introduction of CBQs has addressed the balance between theory and practice and the newly developed qualifications in computer science has addressed the computer literacy request. In Kenya ICM have reinvested in the community by offering a resource centre in the capital city for the teaching staff and learners and in addition have made textbooks available to ICM learners in Myanmar via the British Council library in Yangon and Mandalay. The Kenyan Government has initiated a drive to for polytechnics across the country to offer STEM qualifications in place of Business-related qualifications and ICM are responding to this by supporting the development of further qualifications to be introduced in 2024.

ICMs portfolio consists of 31 professional qualifications comprised of 260 units covering the following areas: Accounting and Finance; Business and Management; Commercial and Project Management; Computer Science and Cyber Security; Cosmetology; Entrepreneurship and Enterprise; Event Management; Film and TV Production; Health and Safety; Health and Safety; Hospitality Management; Human Resource Management; Journalism; Maritime; Marketing and Sales; Office Management; Purchasing and Supply Management; STEM; Tourism.

The Institute of Commercial Management

Trustees' Report

ICM's fiscal year runs to 30th June and its main sources of income are from Examination fees, and annual Student Membership fees, the charity does not collect donations or conduct fund raising activities.

The most significant development is the newly launched Level 2 CBQ in Cosmetology which is assessed with practical skills, launched globally in 2023, and generated revenue within the first 4 months. A further Level 3 and Level 4 Diploma in Cosmetology is planned for 2024 to meet demand for a progression route. The CBQs enable ICM to support learners who are assessed with practical skills rather than the traditional examination.

The continents ICM operate in are Africa, ASIA, North America and Europe. Historically, the African continent has seen the highest trend of ICM students but the ASEAN region was also an area of growth for ICM where Myanmar had seen an increase in student numbers and Malaysia had shown potential for growth.

Following the impact of Covid-19, the global cost of living crisis has reduced ICM learner registration numbers across all of the teaching centres resulting in a reduction of revenue. The investment in the introduction of new qualifications including the CBQs are intended to offer teaching centres new opportunities to attract learners and to diversify learner demographics.

Key non-financial performance indicators

When assessing the success of ICM for the reporting period, Trustees use the following success criteria: the number of countries offering ICM's qualifications; the number of approved centres offering ICM's qualifications; the number of ICM's qualifications in demand; and the relative pricing of ICM's products as compared with other UK Boards operating internationally.

For the reporting period ending 30th June 2023, ICM saw an increase in the number of approved centres from 237 to 296. The number of markets increased from 28 to 33 and a new partnership with the Department for Business and Trade is expected to see ICM expanding into further new markets in 2024 including the Caribbean. The number of qualifications offered increased from 250 to 260 as a result of the new qualifications developed. The pricing of ICM's qualifications remained the lowest of UK boards operating internationally despite the increase in September 2022. The cost-of-living crisis has affected student's financial ability to register for ICM qualifications and this is expected to continue through 2024 but anecdotal information is that teaching centres are seeing students return to the classrooms. ICM's team of in-country Business Development and Delivery Consultants provide regular updates on the status of their region in order that ICM trustees and management team can assess each situation and adapt accordingly. The various financial savings and efficiencies made throughout 2023 and the launch of newly developed qualifications lead the Trustees to consider ICM as a going concern for the future.

Financial review

The net deficit for year ending 30th June 2023 was £129,367 compared to a net deficit of £198,286 (as restated) in the previous year. This deficit is attributed to the investment in the development and marketing of the new CBQs globally.

During the Trustee meetings throughout 2022 and 2023, the Board discussed ICM's financial situation, taking into account the ongoing cost of living crisis. Operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout 2022 and 2023 and to project growth in 2024.

The launch of the new CBQs has resulted in an increase in income in 2023 and the partnership with the Department for Business and Trade forecast new income from 2024.

The financial forecast shows a steady recovery with income levels increasing as a result of economies strengthening in Africa as tourism continues to return to post-pandemic levels and with the introduction of new qualifications globally. The financial situation is reviewed at each trustee meeting in order to adjust ICM's strategy as necessary.

The Institute of Commercial Management

Trustees' Report

Policy on reserves

The Charitable group has developed a reserves policy where all funds are unrestricted. At the year-end total unrestricted funds for the group were £677,611 (2022: £806,978, as restated) and for the charity total unrestricted funds were in deficit by £641,956 (2022: £512,589, as restated).

As explained in the sections above the financial forecast shows a steady recovery with income levels increasing throughout 2024 and into 2025. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise.

The charity's reserve policy considers the following:

1. the nature of incoming funds.
2. the Charity's risk management policy and procedure.
3. future budgets and future projects or spending plans that cannot be met from the income of a single year.
4. Charities Commission reserves factsheet CC19.

Going concern

The financial statements have been prepared on a going concern basis. The trustees have considered the uncertainty relating to the continued impact of the coronavirus pandemic, the cost-of-living crisis and the impact on the charity's operations and financials in the short to medium term. In the opinion of the trustees, the charity has sufficient funds to continue to meet its financial commitments and to pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure should be sufficient with the level of reserves held and the additional coronavirus funding received for the charity to be able to continue as a going concern.

Structure, governance and management

Nature of governing document

ICM was incorporated as a private company limited by guarantee without share capital on 10th March 1995 and its governing document, the Memorandum and Articles of Association, state the nature of ICM's objectives and activities and the ICM Governance Handbook sets out the expectation of the Trustees and senior officers.

ICM governance is set out in the 'ICM Governance Manual' which documents the role and duties of the ICM Trustee Board and all other ICM boards, committees and panels. The manual includes the ICM organisational chart displaying the reporting structure up to the Board of Trustees.

Recruitment and appointment of trustees

The Trustees are comprised of people with a background of accounting and education. Senior officers attend Trustee meetings and are from a background of business, education, operations, our overseas country representatives, and a representative member of staff. Recruitment of Trustees is an ongoing activity and is conducted through the ICM website. Applicants follow the ICM recruitment policy which included interview, consulting references and conflict of interest declaration. New Trustees receive an induction from the CEO and Chairman in respect of ICM's processes, practices and procedures and training assigned to them is tracked through the ICM learner management system.

ICM benefits society through its objective of: "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." ICM has been successful in this objective having provided accessible and affordable qualification for 4 decades which can be considered a benchmark in themselves. Trustees meet at least twice a year but often quarterly to review ICM's progress against its objectives, to approve future strategy and to review financial stability.

The Institute of Commercial Management

Trustees' Report

Risks

ICM operate in countries which can be considered high risk including parts of Africa, Asia, and the Caribbean. Risks associated with some of these countries can include: political instability; currency fluctuation and hyperinflation; money laundering, corruption and fraud; terrorism.

These risks could affect learner's ability to attend tuition and to register for ICM examinations and affect the financial performance of ICM. To mitigate these risks, ICM employ a local representative (Business Development and Delivery Consultants) in each country who monitor the political and financial situation and work directly with approved teaching centres and learners. Handbooks and policies in place with all members of staff document the requirements for reporting risks and threats to ICM, for reporting of suspected bribery and corruption, fraud, malpractice and maladministration, and any issue that could be considered a risk. A log of all threats to best practice is maintained and reviewed at each management meeting and items escalated to Trustees as necessary.

All risks identified are documented on the ICM Risk Management Policy and Procedure and discussed with the Trustees at each trustee meeting.

The Covid-19 pandemic has been the most significant risk to ICM, and the situation was monitored and managed through adapted assessments and financial management initiatives to secure the future of ICM.

Cyber security is an ever-increasing risk to all businesses and ICM employ a third-party company who provide training to all ICM members of staff including testing staff on their ability to identify cyber security attacks.

An adapted assessment, Remote Assignments, introduced in September 2020 has provided ICM with a method of continuing to assess learners through a significant time of disruption such as a pandemic or coup.

Should any risk lead to the potential for a threat to ICMs future income, a review of the costs and further remedial action will be initiated.

Financial instruments

Objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed the group's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

The Institute of Commercial Management

Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of The Institute of Commercial Management 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Harney & Co Limited as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 27 March 2024 and signed on its behalf by:



.....
A F C Somerville-Ford
CEO and Company secretary

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Opinion

We have audited the financial statements of The Institute of Commercial Management (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 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 auditor 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 UK, including the FRC'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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

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 auditor's 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.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

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 matter 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 7), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements. We also considered potential financial or other pressures, opportunity, and motivations for fraud. As part of this discussion, we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. We also addressed the risk of management override of internal controls including review and testing journals, key estimates and judgements to evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of the audit planning, we gained an understanding of the legal and regulatory framework applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity Commission legislation, Health and Safety regulations and the General Data Protection Regulation ("GDPR"). We also considered the laws and regulations impacting on the preparation of the financial statements including Charities Act 2011 and Charities SORP (FRS 102).

We discussed with management with regards to compliance with the above laws and regulations and how compliance is monitored and discussed policies and procedures in place to mitigate non-compliance. We also identified the individuals responsible for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. We assessed the risk of any non-compliance with laws and regulations on the Charitable company's ability to continue to operate and the risk of material misstatement to the financial statements.

Based on the understanding gained, we designed audit procedures to identify non-compliance with identified laws and regulations.

Our tests involved:

- Enquiring of with management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. We also enquired of management and trustees if there were any know instances, allegations or suspicions of fraud.
- Enquiring of management if there were any health and safety incidents during the year.
- Review of the GDPR policy and enquired whether there were any reportable breaches.
- Review of correspondence with solicitors and any legal and professional expenses to identify any non-compliance.
- Review of filings at Charity Commission, including any serious incident reports made during the year.
- Review of management and trustee board meeting minutes.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The Institute of Commercial Management

Independent Auditor's Report to the Members of The Institute of Commercial Management

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Stephen J Harney (Senior Statutory Auditor)
For and on behalf of Harney & Co Limited, Statutory Auditor

21 Market Place
Blandford Forum
Dorset
DT11 7AF

27 March 2024

The Institute of Commercial Management

Consolidated Statement of Financial Activities for the Year Ended 30 June 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	2023 £	2022 As restated £
Income and Endowments from:			
Charitable activities	3	1,289,629	1,301,106
Investment income	4	4,603	4,580
Rental income	5	<u>26,400</u>	<u>26,400</u>
Total income		<u>1,320,632</u>	<u>1,332,086</u>
Expenditure on:			
Charitable activities	6	(1,303,381)	(1,402,012)
Governance costs	7	(22,295)	(26,786)
Other expenditure	8	<u>(124,323)</u>	<u>(101,574)</u>
Total expenditure		<u>(1,449,999)</u>	<u>(1,530,372)</u>
Net expenditure		<u>(129,367)</u>	<u>(198,286)</u>
Net movement in funds		(129,367)	(198,286)
Reconciliation of funds			
Total funds brought forward		<u>806,978</u>	<u>1,005,264</u>
Total funds carried forward	22	<u><u>677,611</u></u>	<u><u>806,978</u></u>

All of the group's activities derive from continuing operations during the above two periods.

All funds are unrestricted, and no funds have been designated to any specific activity or expenditure.

The Institute of Commercial Management
(Registration number: 3031779)
Consolidated Balance Sheet as at 30 June 2023

	Note	2023 £	2022 As restated £
Fixed assets			
Tangible assets	14	24,887	32,756
Investments		<u>540,000</u>	<u>540,000</u>
		<u>564,887</u>	<u>572,756</u>
Current assets			
Debtors	16	487,844	619,598
Cash at bank and in hand	17	<u>13,053</u>	<u>19,103</u>
		500,897	638,701
Creditors: Amounts falling due within one year	18	<u>(288,173)</u>	<u>(256,224)</u>
Net current assets		<u>212,724</u>	<u>382,477</u>
Total assets less current liabilities		777,611	955,233
Creditors: Amounts falling due after more than one year	19	<u>(100,000)</u>	<u>(148,255)</u>
Net assets		<u>677,611</u>	<u>806,978</u>
Funds of the group:			
Unrestricted income funds			
Unrestricted funds		<u>677,611</u>	<u>806,978</u>
Total funds	22	<u>677,611</u>	<u>806,978</u>

The financial statements on pages 12 to 27 was approved by the trustees, and authorised for issue on 27 March 2024 and signed on their behalf by:



.....
J Caithness
Trustee

The Institute of Commercial Management

(Registration number: 3031779)

Balance Sheet as at 30 June 2023

	Note	2023 £	2022 As restated £
Fixed assets			
Tangible assets	14	24,887	32,756
Current assets			
Debtors	16	430,514	562,268
Cash at bank and in hand	17	12,847	18,455
		443,361	580,723
Creditors: Amounts falling due within one year	18	(1,010,204)	(977,813)
Net current liabilities		(566,843)	(397,090)
Total assets less current liabilities		(541,956)	(364,334)
Creditors: Amounts falling due after more than one year	19	(100,000)	(148,255)
Net liabilities		(641,956)	(512,589)
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		(641,956)	(512,589)
Total funds	22	(641,956)	(512,589)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 27 March 2024 and signed on their behalf by:



.....
J Caithness
Trustee

The Institute of Commercial Management

Consolidated Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2023 £	2022 As restated £
Cash flows from operating activities			
Net cash expenditure		(129,367)	(198,286)
Adjustments to cash flows from non-cash items			
Unwinding of below market rate loan	8	124,323	101,574
Depreciation	9	8,296	31,747
Investment income	4	(4,603)	(4,580)
		(1,351)	(69,545)
Working capital adjustments			
Decrease in debtors	16	7,431	78,936
Increase/(decrease) in creditors	18	6,938	(117,221)
Increase in deferred income	18	25,011	54,856
Net cash flows from operating activities		38,029	(52,974)
Cash flows from investing activities			
Interest receivable and similar income	4	4,603	4,580
Purchase of tangible fixed assets	14	(2,360)	(3,946)
Sale of tangible fixed assets	6	1,933	-
Net cash flows from investing activities		4,176	634
Cash flows from financing activities			
Repayment of loans and borrowings	19	(48,255)	(51,745)
Net decrease in cash and cash equivalents		(6,050)	(104,085)
Cash and cash equivalents at 1 July	17	19,103	123,188
Cash and cash equivalents at 30 June		13,053	19,103

All of the cash flows are derived from continuing operations during the above two periods.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

These financial statements were authorised for issue by the trustees on 27 March 2024.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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) issued in October 2019 - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the UK Generally Accepted Practice as it applies from January 2015.

Basis of preparation

The Institute of Commercial 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 notes.

The financial statements are prepared in sterling which is the functional currency of the charity, and rounded to the nearest £1.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 June 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £129,366 (2022: loss of £198,286).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries are consistent with the policies adopted by the group.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the year end, total unrestricted funds of the Charitable company were in deficit by £641,955 (2022: £512,589). As explained in the financial review the financial forecast shows a steady recovery. As a consequent the fund deficit is considered to be temporary and is expected to be gradually reduced and eliminated in future years as income levels stabilise. The Consolidated position is in surplus in the amount of £677,611 (2022: £806,978)

The trustees recognise a 'not at market term' loan, made to a connected party, at Discounted Present Value. The gain/(loss) each year is included in the SOFA. In the current year this amounted to an expense of £124,323 (2022: £101,574), disclosed under Other expenses. The impact on the overall results for the year is significant and should be taken into account when assessing the underlying performance of the charity.

Income and endowments

All income is recognised in the Statement of Financial Activities (SOFA) once the charity has legal entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Charitable activities represent examination and registration fees attributable to the period covered by the accounts and are recognised on the accruals basis. Fees received in respect of future periods are carried forward as deferred income in creditors.

Income from trading activities, including activities to raise money for the charity, is received in exchange for supplying goods and services in order to raise funds.

Grants receivable

A grant that becomes receivable as compensation for expenses already incurred is recognised in the Statement of Financial Activities in the same period in which the related expense is incurred.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received. Such income is deferred when it is specifically only be used in future accounting periods; or there are conditions which must be met before the charity has unconditional entitlement to the income.

Investment income

Investment income is accounted for on the basis of the amount receivable for the period on an accruals basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Cost includes cost directly attributable to making the asset capable of operating as intended.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office and computer equipment	25% reducing balance

Investment properties

Freehold land and buildings which are held primarily for either rental income or capital appreciation are included at fair value.

Unrealised gains or losses representing the movement in market values during the year are credited or charged to the Statement of Financial Activities and are based on the market value at the year end.

Trade debtors

Trade debtors are recognised initially and subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially and subsequently measured at the transaction price.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Statement of Financial Activities in the period in which they arise.

Fund structure

General unrestricted funds comprise the accumulated surplus or deficit derived from the income and expenditure account and which have not been designated for other purposes. They are available for use at the discretion of the Trustees in the furtherance of the general objectives of the group.

As at the year end there were no restricted nor designated funds.

Pensions and other post retirement obligations

The Charity contributes to an auto-enrolment pension scheme for all employees and contributions payable are charge to the Statement of Financial Activities in the period in which the fall due.

Financial instruments

Classification

The group has not entered into any complex financial instruments. Financial assets and financial liabilities are recognised when the group becomes party to the contractual provisions of the instrument. They are classified according to the substance of the contractual arrangements entered into. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from charitable activities

	2023 £	2022 As restated £
UK Government grants	-	17,949
Exam and registration fees	1,289,629	1,283,157
	<u>1,289,629</u>	<u>1,301,106</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

4 Investment income

	2023 £	2022 £
Loan interest receivable	4,603	4,580
	<u>4,603</u>	<u>4,580</u>

5 Other income

	2023 £	2022 £
Rental income	26,400	26,400
	<u>26,400</u>	<u>26,400</u>

6 Expenditure on charitable activities

	2023 £	2022 As restated £
Salaries and wages	639,430	589,278
Staff NIC (Employers)	46,550	53,827
Staff pensions (Defined contribution) - pension scheme 1	9,928	8,852
Staff training	2,384	6,008
Staff welfare	4,723	3,797
Recruitment expenses	510	-
Rent and rates	80,567	81,293
Light, heat and power	5,493	5,231
Insurance	2,179	2,741
Repairs and maintenance	2,346	4,210
Telephone and fax	9,216	6,440
Computer software and maintenance costs	45,233	73,354
Printing, postage and stationery	19,995	23,933
Courier services	26,979	46,953
Trade and professional journals	1,386	2,158
Examination and course expenses	279,612	336,737
Trade subscriptions	3,090	5,314
Lease of motor vehicles	9,312	6,770
Sundry expenses	561	1,850
Cleaning	11,473	11,042
Motor expenses	2,394	361
Travel and subsistence	2,480	11,037
Advertising	21,972	15,137
Staff entertaining (allowable for tax)	1,993	552
Consultancy fees	16,801	20,089
Legal and professional fees	1,441	5,970
Bad debts written off	30,677	32,482

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

	2023 £	2022 As restated £
Bank charges	4,710	6,599
Loan interest	7,352	8,250
Other interest payable	2,271	-
Foreign currency (gains)/losses	93	-
(Profit)/loss on sale of tangible fixed assets held for charity's own use	1,933	-
Depreciation	8,297	31,747
	<u>1,303,381</u>	<u>1,402,012</u>

7 Analysis of governance and support costs

Governance costs

	2023 £	2022 £
Audit fees		
Audit of the financial statements	16,650	21,600
Other fees paid to auditors	5,645	5,186
	<u>22,295</u>	<u>26,786</u>

8 Other expenditure

	Note	2023 £	2022 £
Unwinding of below market rate loan	23	124,323	101,574
		<u>124,323</u>	<u>101,574</u>

9 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Audit fees	16,650	21,600
Other non-audit services	5,645	5,186
Depreciation of fixed assets	8,297	31,747

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	639,430	589,278
Social security costs	46,550	53,827
Staff pensions	9,929	8,852
	<u>695,909</u>	<u>651,957</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year was as follows:

	2023 No	2022 No
Examiners	11	15
Core staff (administration)	15	14
	<u>26</u>	<u>29</u>

The average number of examiners comprises 3 months with 31 over a base average of 4 persons employed, reflecting the 3/4 exam sittings per year.

Of the above staff 15 (2022: 14) Core staff and 7 (2022: 8) Examiners participated in the Defined Contribution Pension Scheme, and employer contributions to the employee pension scheme for the year totalled £9,802 (2022: £8,852).

The total employee benefits of the key management personnel of the group were £1,145 (2022: £524).

The chief executive officer, as the highest paid member of staff, received benefits (including salary and benefits in kind) totalling £121,145 (2022: £141,101). One other key member of staff received salary in excess of £60,000 amounting to £84,667 (2022: £84,000).

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>16,650</u>	<u>21,600</u>
Other fees to auditors		
All other non-audit services	<u>5,645</u>	<u>5,186</u>

13 Taxation

The group is a registered charity and is therefore exempt from taxation.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

14 Tangible fixed assets

Group

	Office equipment £	Plant and Machinery £	Total £
Cost			
At 1 July 2022	334,641	5,689	340,330
Additions	2,360	-	2,360
Disposals	(113,674)	-	(113,674)
At 30 June 2023	<u>223,327</u>	<u>5,689</u>	<u>229,016</u>
Depreciation			
At 1 July 2022	304,284	3,290	307,574
Charge for the year	7,696	600	8,296
Eliminated on disposals	(111,741)	-	(111,741)
At 30 June 2023	<u>200,239</u>	<u>3,890</u>	<u>204,129</u>
Net book value			
At 30 June 2023	<u>23,088</u>	<u>1,799</u>	<u>24,887</u>
At 30 June 2022	<u>30,357</u>	<u>2,399</u>	<u>32,756</u>

All of the above Tangible fixed assets are held in the Charity and therefore the Group Tangible fixed asset note also represents the Charity Tangible fixed asset note.

15 Fixed asset investments

Group

	2023 £	2022 £
Investment properties	<u>540,000</u>	<u>540,000</u>

Investment properties

The fair value of the investment property is based on valuations by independent valuers who hold relevant professional qualifications and have experience in the location and class of property being valued.

The above comprises 2 freehold investment properties that are both owned by the subsidiary, ICM Examining Services Limited. The Charity does not directly own any investment property.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

16 Debtors

	Note	Group		Charity	
		2023 £	2022 As restated £	2023 £	2022 As restated £
Trade debtors		14,134	17,837	14,134	17,837
Loan to ICM					
Property Services Ltd	23	464,388	593,169	407,058	535,839
Prepayments		9,322	8,592	9,322	8,592
		<u>487,844</u>	<u>619,598</u>	<u>430,514</u>	<u>562,268</u>

The loan to ICM Property Services of £464,388 (2022: £593,169) included above is due for payment in over 5 years (as set out in the referenced Related Party note).

17 Cash and cash equivalents

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Cash on hand	658	472	658	472
Cash at bank	12,395	18,631	12,189	17,983
	<u>13,053</u>	<u>19,103</u>	<u>12,847</u>	<u>18,455</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 As restated £	2023 £	2022 As restated £
Bank loans	50,000	50,000	50,000	50,000
Trade creditors	23,794	21,378	23,794	21,378
Due to group undertakings	-	-	743,173	742,731
Other taxation and social security	37,391	20,851	37,391	20,851
Trustees current accounts	12,172	12,172	-	-
Other creditors	6,582	11,647	6,582	11,647
Accruals	43,861	50,814	34,891	41,844
Deferred income	114,373	89,362	114,373	89,362
	<u>288,173</u>	<u>256,224</u>	<u>1,010,204</u>	<u>977,813</u>

Included in Other taxation and social security is an amount of £22,960 in respect of a PAYE/NIC liability relating to previous years, as notified by HMRC. The trustees are in discussions with HMRC regarding the validity of this liability, but to be prudent have recognised the amount on the balance sheet and are paying monthly instalments of £1,320 as instructed by HMRC. The liability has been included as an expense in the SOFA under Salaries and wages.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

19 Creditors: amounts falling due after one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	<u>100,000</u>	<u>148,255</u>	<u>100,000</u>	<u>148,255</u>

Bank borrowings

The Coronavirus Business Interruption Loan Scheme ("CBILS") loan was interest free for 12 months and then repayable over 60 months with an interest rate of 2.71% above base rate. Repayments are due in monthly instalments of £4,166.66 with the final instalment is due on 15 June 2026. The carrying amount at the year end is £150,000 (2022: £198,255).

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £9,778 (2022: £8,852). There were no contributions payable to the scheme at the year end.

21 Commitments

Operating lease commitments

The Charity has a contractual operating lease commitment of £68,970 per annum, terminating on 01/04/2031. The total amount of other financial commitments not provided in the financial statements was £534,518 (2022: £603,488).

22 Funds

Group

	Balance at 1 July 2022 As restated £	Incoming resources £	Resources expended £	Balance at 30 June 2023 £
Unrestricted funds				
General	<u>806,978</u>	<u>1,320,632</u>	<u>(1,449,999)</u>	<u>677,611</u>

	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 30 June 2022 As restated £
Unrestricted funds				
General	<u>1,005,264</u>	<u>1,332,086</u>	<u>(1,530,372)</u>	<u>806,978</u>

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

22 Funds (continued . . .)

Charity

	Balance at 1 July 2022 As restated £	Incoming resources £	Resources expended £	Balance at 30 June 2023 £
Unrestricted funds				
General	<u>(512,589)</u>	<u>1,317,435</u>	<u>(1,446,802)</u>	<u>(641,956)</u>
	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 30 June 2022 As restated £
Unrestricted funds				
General	<u>(314,303)</u>	<u>1,327,620</u>	<u>(1,525,906)</u>	<u>(512,589)</u>

Analysis of net assets between funds and analysis of net funds

There are no separate funds operated within the Charitable company and therefore no analysis between funds presented. All funds are unrestricted and there are no designated funds.

Restatement of comparatives

The comparatives have been restated to correct an error in the value of deferred income. Deferred income was previously included in the accounts to 30 June 2022 in the amount of £34,506. An error of £54,855 has come to light and consequently the deferred income as at 30 June 2022 has been restated to £89,362. This restatement has impacted on the Income and Net movement in funds disclosed in the SOFA and on the Total funds carried forward as at 30 June 2022 in the same amount.

The Institute of Commercial Management

Notes to the Financial Statements for the Year Ended 30 June 2023

23 Related party transactions

Group

During the year the group made the following related party transactions:

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (Company Secretary of the Charity, and director of ICM Examining Services Limited), is the controlling director and shareholder of ICM Property Services Limited.

In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term was revised in 2022 so that repayments do not commence until April 2032. The interest rate being applied to the loan is fixed at 0.50% per annum. Interest income for the year amounted to £4,603 (2022: £4,580). Rent of £68,970 per annum is paid to ICM Property Services Limited as set out in note 21.

The loan balance is included at net present value of future cash flows, and during the year the unwinding of the below market rate loan discount amounted to £124,323 (2022: £101,574). At the balance sheet date the amount due from ICM Property Services Limited was £464,388 (2022: £593,169).

Dr Alistair Ford

Dr Alistair Ford is related to Adair Ford.

There were no transactions in the period (2022: £nil). At the balance sheet date the amount due to Dr Alistair Ford was £12,149 (2022: £12,149).

Charity

During the year the charity made the following related party transactions:

ICM Examining Services Limited

ICM Examining Services Limited is a controlled subsidiary of the Charity.

During the year net transfers were made from the Charity to ICM Examining Services Limited of £441 (2022: £51,853). At the balance sheet date the amount due from ICM Examining Services Limited was £743,172 (2022: £742,731).

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (Company Secretary of the Charity, and director of ICM Examining Services Limited), is the controlling director and shareholder of ICM Property Services Limited.

In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term was revised in 2022 so that repayments do not commence until April 2032. The interest rate being applied to the loan is fixed at 0.50% per annum. Interest income for the year amounted to £4,603 (2022: £4,580). Rent of £68,970 per annum is paid to ICM Property Services Limited as set out in note 21.

The loan balance is included at net present value of future cash flows, and during the year the unwinding of the below market rate loan discount amounted to £124,323 (2022: £101,574). At the balance sheet date the amount due from ICM Property Services Limited was £407,058 (2022: £535,839).



ICM

ICM House
Yeoman Road
Ringwood
Hampshire
BH24 3FA

Harney & Co Limited
21 Market Place
Blandford Forum
Dorset
DT11 7AF

27th March 2024

MANAGEMENT REPRESENTATION LETTER

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's consolidated financial statements for the year ended 30 June 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 7th October 2023, under the Companies Act 2006 and Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charitable company and its subsidiary have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission and Ofqual.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial both individually and in total.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

9. The charitable company, or where relevant the controlled subsidiary, has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
11. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Investment property valuations

12. The trustees and of the charitable company and the directors of the controlled subsidiary, have conducted a thorough and diligent assessment of the fair value of the investment properties, adhering to established principles of integrity, objectivity and transparency. The valuation process involves a comprehensive review of relevant market data, property-specific attributes, and prevailing economic conditions to arrive at reasonable and supportable valuation estimates. While the trustees and directors of the subsidiary may not possess specialised valuation expertise, they leverage the expertise of qualified professionals and rely on recognised valuation methodologies to inform their assessments.

Accounting estimates

13. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

14. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, the trustees or other key persons employed by the charitable company, other than those disclosed in the financial statements.

Legal claims

15. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

16. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

17. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.
18. We can confirm that the intercompany balance owed by the charitable company to the controlled subsidiary will not be collected unless the situation is such that the charitable company has the resources to repay the balance without impacting on its ability to continue to undertake its activities or to retain sufficient reserves as might be expected for a charitable company.

Subsequent events

19. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

20. We believe that the charitable company's consolidated financial statements should be prepared on a going concern basis on the grounds that current and future sources of income, funding and support will be more than adequate for the charitable company's needs. We also confirm our plans for future actions required to enable the charitable company and its subsidiary to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the consolidated financial statements.

Income

21. We can confirm that all sources of income, including but not limited to exam registration fees, and investment income have been accurately recorded in the charitable charity's consolidated financial records.
22. There is no income, where the receipt of which is subject to specific terms or conditions, other than those that we have already notified to you. There have been no breaches of terms or conditions in the application of such income.

Other information

23. We confirm that the Trustees have informed the auditor of all documentations that it expects to issue comprising other information, including the trustees' report and that information included therein is consistent with the financial statements and does not contain any material misstatements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. We also confirm that we have made available to you all correspondence with regulators that might have a bearing in the financial statements.

Each Trustee, the CEO, and the directors of the subsidiary has taken all the steps that he ought to have taken as a trustee/director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



.....
Signed on behalf of the board of trustees of The Institute of Commercial Management

Date: 27th March 2024



.....
Signed on behalf of the board of directors of ICM Examining Services Limited

Date: 27th March 2024

Title	T36 Consolidated Financial Statements and LoR for approval -...
File name	T36_Consolidated_Accounts_30-06-2023.pdf and 1 other
Document ID	745918c50a392383d904083b25e0359f26bc48f2
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IP: 81.168.110.189



27 / 03 / 2024
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IP: 149.255.121.138



27 / 03 / 2024
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IP: 149.255.121.138



27 / 03 / 2024
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IP: 3.10.215.160

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THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales - Charity number 1045370

Accounts

Company No. 3031779 (England and Wales)

Charity No. 1045370 (England and Wales)

THE INSTITUTE OF COMMERCIAL MANAGEMENT

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

THE INSTITUTE OF COMMERCIAL MANAGEMENT

ACCOUNTS YEAR ENDED 30 JUNE 2022

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THE INSTITUTE OF COMMERCIAL MANAGEMENT**LIST OF TRUSTEES (DIRECTORS)****30 JUNE 2022****Trustees (Directors)**

J Caithness

G Crescents

A Garad

Company Secretary

A F C S Ford

Key Staff

A F C S Ford

T Barlow

L Campbell

THE INSTITUTE OF COMMERCIAL MANAGEMENT**LEGAL AND ADMINISTRATIVE INFORMATION**

Charity Registration Number: 1045370 (England and Wales)

Company Registration Number: 3031779 (England and Wales)

Registered Address: ICM House
Yeoman Road
Ringwood
Hampshire
BH24 3FA

Bankers: HSBC
Business Banking Direct
HBEU 8th Floor
12 Calthorpe Road
Edgbaston
Birmingham
B15 1QZ

National Westminster Bank
Commercial and Private Banking
Ground Floor
Link House
Poole
BH15 1LD

Auditors: PKF Francis Clark
Statutory Auditors
Towngate House
2-8 Parkstone Road
Poole
BH15 2PW

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2022

The Trustees present their Report and the audited Consolidated Financial Statements, for the year ended 30 June 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the annual report and financial statements of the Charitable company and of the group.

Public benefit

The Trustees have given due regard to public benefit when planning the charity’s activities, in accordance with the Charity Commission’s Guidance on Public Benefit. This report sets out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through offering affordable and relevant qualifications that meet the demands of its approved teaching centres and learners and the needs of employers. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principles on Public Benefit.

An initiative instigated in 2017 and completed successfully in September 2019 to achieve recognition status with Ofqual, the regulator for qualifications in England, has further provided public confidence in ICM qualifications, provided the opportunity for centres to offer qualifications eligible for Government funding and enabled ICM to continue to serve the market whilst satisfying its charitable commitments.

Objectives and activities

- The Institute of Commercial Management (ICM) is an Awarding Organisation and Examining Board. ICM’s global services include the design, development and award of qualifications.
- ICM is recognised by Ofqual, the Regulator for Qualifications in England. Recognition number RN6016.
- ICM offers affordable and fit for purpose qualifications to meet the demand of employers internationally in the following subject areas: Business and Management, Computing, Health and Safety, Hospitality, Human Resource Management, Journalism, Marketing, Maritime, STEM, Tourism and Accounting.
- Up to 237 approved teaching centres across 28 countries deliver tuition in 240 subject areas which are examined 4 times a year.
- The Charity’s Trustees are from both business and academic backgrounds and the team of Examiners are sourced from CIEA.
- ICM has a strong reputation internationally and is known for offering affordable qualifications which prepare learners for the workplace.

As set out in the Memorandum and Articles of Association, the objectives and activities of ICM are: “To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement.” (As detailed in the ICM Governance Manual).

The main activities undertaken in relation to these purposes are the design, delivery and award of fit for purpose qualifications to meet the demand of employers and learners. The process incorporates the preparation of question papers and mark schemes, the assessment of learner’s skills and knowledge and issuance of awards to acknowledge achievement.

Developments in 2022 include: the launch of a regulated qualification, ‘The ICM Level 2 Award in Psychology’, in England with 4 secondary schools; a new suite of Competency Based Qualifications (CBQ) in Hospitality and Film and TV Production being introduced globally which assesses learners practical skills to complement the knowledge ICM assess through the traditional examinations; the launch of 3 new professional qualifications in Computer Science and Cyber Security, Entrepreneurship and Enterprise and Psychological Principals of Counselling.

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ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2022

Future plans and objectives are to: partner with the Department of International Trade who will support ICM to expand into new markets including: Vietnam, The Caribbean, the Middle East and further parts of West Africa; launch new qualifications in Cosmetology and new Professional Diplomas, and to expand the portfolio in the areas of STEM. The appointment of an in-country member of staff in West Africa with a background in marketing will enable ICM to continue with its objectives to expand into new markets.

Achievement and Performance

ICM achieves its aim of delivering high quality and affordable qualifications that are accessible to all learners through contracting with approved teaching centres. The approved centres deliver tuition as guided by the qualification specification, register their learners as ICM Student Members and prepare them for the assessments which are administered by ICM. Feedback from learners is positive in the way ICM qualifications provide a currency for them to secure favourable employment or to provide a pathway to further education. The following quotes were provided by ICM approved teaching centres following surveys conducted by ICM:

Positive comments about ICM:

- “Qualifications are diverse, and Learners have an opportunity to choose a qualification of their choice, the qualifications cover many sectors of the economy”
- “Very effective and quick responses to Centre questions”
- “Provides opportunities for jobs”
- “ICM qualifications give the knowledge required for skills for the workplace”
- Areas for development:
- “Want a better balance between theory and practice”
- “Most programmes do not have computer literacy included. Learners are forced to do this separately”
- “Would like qualifications delivered on line and core text books provided on line”

The introduction of CBQs has addressed the balance between theory and practice and the newly developed qualifications in computer science has addressed the computer literacy request. In Kenya ICM have reinvested in the community by offering a resource centre in the capital city for the teaching staff and learners and in addition have made text books available to ICM learners in Myanmar via the British Council library in Yangon and Mandalay. The Kenyan Government has initiated a drive to for polytechnics across the country to offer STEM qualifications in place of Business related qualifications. ICM are responding to this by supporting the development of further STEM qualifications to be introduced in 2024.

ICMs portfolio consists of 23 professional qualifications comprised of 240 units covering the following subject and industry areas:

- Business and Management
- Computing
- Health and Safety
- Hospitality
- Human Resource Management
- Journalism
- Marketing
- Maritime
- STEM
- Tourism
- Accounting

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ICM's fiscal year runs to 30th June and its main sources of income are from Examination fees, and annual Student Membership fees, the charity does not collect donations or conduct fund raising activities.

The most significant development is the newly launched CBQs in Hospitality which are assessed with practical skills and were launched globally in May 2022 following a successful pilot in Kenya. A further new CBQ in Cosmetology is being developed for launch in 2023 to meet a growing demand. The CBQs enable ICM to support a new type of learner who is assessed with practical skills rather than the traditional examination.

In addition, new qualifications have been developed in the areas of: Cyber Security & Software testing; Entrepreneurship & Enterprise; Community Development & Social Change; Event Management; Commercial & Project Management; which are being offered throughout 2022 and 2023. A new CBQ in Film and TV Production was launched in September 2021. A partnership with Bournemouth University Journalism department resulted in a guest webinar lecture to 8 schools in Ghana in November 2021 and a visit by the university head of department to Ghana is being planned.

The continents ICM operate in are Africa, ASIA, North America and Europe. Historically, the African continent has seen the highest trend of ICM students but the ASEAN region was also an area of growth for ICM where Myanmar had seen an increase in student numbers and Malaysia had shown potential for growth. In addition to the impact of Covid-19, the global cost of living crisis has reduced ICM learner registration numbers across all of the teaching centres resulting in a reduction of revenue. A 12% fee increase, deferred from September 2020, was introduced in September 2022 which will increase ICM revenue for the following accounting period. The investment in the introduction of new qualifications including the CBQs are intended to offer teaching centres new opportunities to attract learners and to diversify learner demographics. Global workshops held in 2022 have marketed the new qualifications and teaching centres have benefitted from the support provided by a newly appointed External Quality Assurance Manager who has over 25 years' experience in CBQs.

When assessing the success of ICM for the reporting period, Trustees use the following success criteria: the number of countries offering ICM's qualifications; the number of approved centres offering ICM's qualifications; the number of ICM's qualifications in demand; and the relative pricing of ICM's products as compared with other UK Boards operating internationally. For the reporting period ending 30th June 2022, ICM saw an increase in the number of approved centres from 236 to 237. The number of markets remained constant at 28 and a new partnership with the Department for International Trade is expected to see ICM expanding into new markets in 2023. The number of qualifications offered increased from 240 to 250 as a result of the new qualifications developed. The pricing of ICM's qualifications remained the lowest of UK boards operating internationally despite the increase in September 2022. The impact Covid-19 in addition to the cost of living crisis has affected student's financial ability to register for ICM qualifications and this is expected to continue through 2023 but anecdotal information is that teaching centres are seeing students return to the classrooms from January 2023. ICM's team of country coordinators provide regular updates on the status of their region in order that ICM trustees and management team can assess each situation and adapt accordingly. The various financial savings and efficiencies made throughout 2022 and the launch of newly developed qualifications lead the Trustees to consider ICM as a going concern for the future.

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Financial review

The net deficit for year ending 30th June 2022 was £136,660 compared to a net surplus of £355,378 in the previous year. This deficit is attributed to the investment in the development and marketing of the new CBQs globally.

During the Trustee meetings throughout 2021 and 2022, the Board discussed ICMs financial situation, taking into account the ongoing impact of Covid-19 and the cost of living crisis. Operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout 2021 and 2022 and to project growth in 2023. The fee increase introduced in September 2022 will result in an increase in revenue for 2023.

The launch of the new CBQ will see an increase in income from June 2023 and the partnership with the Department for International Trade forecast new income from 2024.

The financial forecast shows a steady post-pandemic recovery with income levels increasing as a result of economies strengthening in Africa as tourism continues to return to post-pandemic levels and with the introduction of new qualifications globally. The financial situation is reviewed at each trustee meeting in order to adjust ICMs strategy as necessary.

Reserves Policy

The Charitable group has developed a reserves policy where all funds are unrestricted. At the year-end total unrestricted funds for the group were £868,604 (2021: £1,005,264) and for the charity total unrestricted funds were in deficit by £407,964 (2021: £314,303).

As explained in the sections above the financial forecast shows a steady post-pandemic recovery with income levels increasing throughout 2023 and into 2024. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise. The reserves policy considers the following:

1. The nature of the funds received (unrestricted or restricted)
2. Trustees to identify unrestricted funds which can be spent on any purposes of the charity
3. Reserves considered in the ICM risk management process and procedure and how this policy is reviewed.
4. Any future budgets and future projects or spending plans that cannot be met from the income of a single year
5. Charity Commission reserves factsheet CC19

Structure, Governance and Management

ICM was incorporated as a private limited company by guarantee without share capital on 10th March 1995 and its governing document, the Memorandum and Articles of Association, state the nature of ICMs objectives and activities and the ICM Governance Handbook sets out the expectation of the Trustees and senior officers.

ICM governance is set out in the 'ICM Governance Manual' which documents the role and duties of the ICM Trustee Board and all other ICM boards, committees and panels. The manual includes the ICM organisational chart displaying the reporting structure up to the Board of Trustees.

The Trustees are comprised of people with a background of accounting and education. Senior offices attend Trustee meetings and are from a background of business, education, operations, our overseas country representatives and a representative member of staff. Recruitment of Trustees is an ongoing activity and is conducted through the ICM website. Applicants follow the ICM recruitment policy which includes interview, consulting references and conflict of interest declaration. New Trustees receive an induction from the CEO and Chairman in respect of ICMs processes, practices and procedures and training assigned to them is tracked through the ICM learner management system.

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ICM benefits society through its objective of: “To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement.” ICM has been successful in this objective having provided accessible and affordable qualifications for 4 decades which can be considered a benchmark in themselves. Trustees meet at least twice a year but often quarterly to review ICMs progress against its objectives, to approve future strategy and to review financial stability.

Risks

ICM operate in countries which can be considered high risk including parts of Africa, Asia and the Caribbean. Risks associated with some of these countries can include: political instability; currency fluctuation and hyper inflation; money laundering, corruption and fraud; terrorism. These risks could affect learner’s ability to attend tuition and to register for ICM examinations and affect the financial performance of ICM. To mitigate these risks, ICM employ a local representative (Business Development and Delivery Coordinators) in each country who monitor the political and financial situation and work directly with approved teaching centres and learners. Handbooks and policies in place with all members of staff document the requirements for reporting risks and threats to ICM, for reporting of suspected bribery and corruption, fraud, malpractice and maladministration, and any issue that could be considered a risk. A log of all threats to best practice is maintained and reviewed at each management meeting and items escalated to Trustees as necessary. All risks identified are documented on the ICM Risk Management Policy and Procedure and discussed with the Trustees at each trustee meeting. The Covid-19 pandemic has been the most significant risk to ICM and the situation is being monitored and managed through adapted assessments and financial management initiatives to secure the future of ICM. Cyber security is an ever increasing risk to all businesses and ICM employ a third party company who provide training to all ICM members of staff including testing staff on their ability to identify cyber security attacks.

An adapted assessment, Remote Assignments, introduced in September 2020 has provided ICM with a method of continuing to assess learners through a significant time of disruption such as a pandemic or coup.

Should any risk lead to the potential for a threat to ICMs future income, a review of costs and further remedial action will be initiated.

Statement of Trustees’ Responsibilities

The trustees (who are also directors of The Institute of Commercial Management 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 they give a true and fair view of the state of affairs of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2022

of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors

A resolution to re-appoint PKF Francis Clark for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

Small Company Provisions

The report of the trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This Report was approved by the Trustees on 24 March 2023 and signed on their behalf by

.....
 John Caithness - Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

Opinion

We have audited the financial statements of The Institute of Commercial Management (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102))".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2022 and of the group's results 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 Auditor's 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 UK, including the FRC'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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The charitable company trustees are responsible for the other information. The other information comprises the information included in the annual report of the trustees (directors), other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the charitable company trustees 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 charitable company 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 group's and the parent 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 charitable company trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this, we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity legislation, health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Charities SORP - FRS 102.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

regulations on the Charitable company's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year.
- Discussed with management if any health and safety incidents have been recorded during the year.
- Review of the GDPR policy and enquiries to management as to the occurrence of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed Board minutes.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Reviewed estimates and judgements made in the accounts for any indication of bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's report.

Use of our report

This report is made solely to the group and the parent charitable company trustees, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the group and the parent charitable company trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anne-Marie Gates FCCA FCA (senior statutory auditor)
For and on behalf of
PKF Francis Clark, Statutory Auditor
Towngate House
2 – 8 Parkstone Road
Poole
BH15 2PW

Date: 24 March 2023

THE INSTITUTE OF COMMERCIAL MANAGEMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2022

		Unrestricted Total 2022	Unrestricted Total 2021
	Note	£	£
Income and endowments from:			
		-	-
Other trading activities	1		
Charitable activities	2	1,355,962	1,487,794
Other	3	26,400	23,100
Investment income	4	4,580	4,557
		1,386,942	1,515,451
Expenditure on:			
Charitable activities	5	1,422,028	1,116,032
Other expenditure	6	101,574	5,368
Total expenditure		1,523,602	1,121,400
Net income/ (expenditure) before other gains/ (losses)		(136,660)	394,051
Net gains/ (losses) on investments	13	-	(38,673)
Net income/(expenditure)		(136,660)	355,378
Funds brought forward		1,005,264	649,886
Funds carried forward	19	868,604	1,005,264

All income and expenditure derive from continuing activities.

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	12		32,756		60,557
Investment property	13		540,000		540,000
			<u>572,756</u>		<u>600,557</u>
CURRENT ASSETS					
Debtors	14	626,368		800,108	
Cash at bank and in hand		19,103		123,188	
		<u>645,471</u>		<u>923,296</u>	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Creditors	15	201,368		318,589	
		<u></u>		<u></u>	
NET CURRENT ASSETS			444,103		604,707
LIABILITIES FALLING DUE AFTER ONE YEAR	16		148,255		200,000
NET ASSETS			<u>868,604</u>		<u>1,005,264</u>
FUNDS					
Unrestricted	19	868,604		1,005,264	
		<u>868,604</u>		<u>1,005,264</u>	

Approved by the Board of Trustees on 24 March 2023 and signed on its behalf by

John Caithness - Trustee

The notes on pages 17 to 28 form part of these financial statements.

Company Number: 3031779 (England and Wales)

THE INSTITUTE OF COMMERCIAL MANAGEMENT

BALANCE SHEET AS AT 30 JUNE 2022

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	12		32,755		60,557
CURRENT ASSETS					
Debtors	14	569,039		694,076	
Cash at bank and in hand		18,455		122,507	
		<u>587,494</u>		<u>816,583</u>	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Creditors	15	922,957		991,443	
NET CURRENT ASSETS			<u>(335,463)</u>		<u>(174,860)</u>
LIABILITIES FALLING DUE AFTER ONE YEAR					
	16		148,255		200,000
NET (LIABILITIES) / ASSETS			<u>(450,963)</u>		<u>(314,303)</u>
FUNDS					
Unrestricted	19	(450,963)		(314,303)	
		<u>(450,963)</u>		<u>(314,303)</u>	

Approved by the Board of Trustees on 24 March 2023 and signed on its behalf by

 John Caithness - Trustee

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Cash flow from operating activities			
Net income/(expense)		(136,660)	355,378
Unwinding of below market rate loan discount	6	101,574	5,368
Depreciation	12	31,747	16,663
(Gains)/losses on revaluation of investments	13	-	38,473
(Increase)/decrease in stock		-	-
(Increase)/decrease in debtors	14	72,166	(7,885)
(Decrease)/increase in creditors	15	(117,221)	(471,237)
Cash flow from operating activities		(88,266)	(63,240)
Cash flow from investing activities			
Payments to acquire tangible fixed assets	12	(3,946)	(780)
Net cash flow from investing activities		(3,946)	(780)
Cash flow from financing activities			
Loan capital repayments		(51,745)	-
Cash flow from financing activities		(51,745)	-
Net increase/(decrease) in cash and cash equivalents		(104,085)	(64,020)
Cash and cash equivalents at 1 July 2021		123,188	187,208
Cash and cash equivalents at 30 June 2022		19,103	123,188
Cash and cash equivalents consist of:			
Cash at bank and in hand		19,103	123,188
Cash and cash equivalents at 30 June 2022		19,103	123,188

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

1. Summary of significant accounting policies

a. General information and basis of preparation

The Institute of Commercial Management is a charitable company registered in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as detailed in the trustee report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

b. Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 June 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a deficit for the financial year of £136,660 (2021 – surplus of £398,423).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

c. Funds

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

d. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities includes activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

Charitable activities represent examination and registration fees attributable to the period covered by the Accounts and are recognised on an accruals basis. Fees received in respect of future periods are carried forward as deferred income in creditors.

Rental income is accounted for on the basis of the amount receivable for the financial year on an accruals basis.

Investment income is recognised in the period in which it is earned.

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

e. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Governance costs include all expenditure not directly related to charitable activities. This includes the cost of constitutional and statutory requirements

Other costs comprises those costs incurred by the charity which are not attributable to either the delivery of its activities and services for its beneficiaries (charitable activities) or the cost of governance.

f. Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on fixed assets, at rates calculated to write off the costs, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer and office equipment 25% reducing balance basis

g. Investment property

Freehold land and buildings which are held primarily for either rental income or capital appreciation are included at fair value.

Unrealised gains or losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

h. Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

j. Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, a material financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

k. Operating leases

Rentals payable under operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the term of the lease.

l. Pensions

The charity contributes to an auto-enrolment pension scheme for all employees. Contributions payable to these plans are charged against income in the period in which they fall due.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

m. Tax

The charitable company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

n. Going concern

The financial statements have been prepared on a going concern basis. As explained in the trustees report the trustees have considered the uncertainty relating to the coronavirus pandemic, cost of living crisis and the impact on the charity's operations and finances in the short to medium term. In the opinion of the trustees, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure should be sufficient with the level of reserves held and the additional coronavirus funding received for the charity to be able to continue as a going concern.

At the year-end total unrestricted funds for the charity were in deficit by £450,963 (2021: £314,303). As explained in the financial review the financial forecast shows a steady post-pandemic recovery. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise.

2. Income from charitable activities

	2022	2021
	£	£
Exam and Registration fees receivable	1,338,013	1,311,402
E Learning fees	-	-
Government grants	17,949	176,392
	1,355,962	1,487,794

3. Other income

	2022	2021
	£	£
Rent received	26,400	23,100
	26,400	23,100

4. Investment income

	2022	2021
	£	£
Loan interest receivable	4,580	4,557
	4,580	4,577

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

5. Analysis of expenditure on charitable activities

	2022	2021
	£	£
Salaries and Wages	651,957	629,291
Recruitment fees	-	133
Training costs	6,008	443
Staff Welfare	3,797	1,278
Accountancy Fees	5,186	16,227
Audit fees (Governance – note 8)	21,600	19,200
Consultancy Fees	20,089	21,369
Legal and Professional Fees	5,970	-
Light, Heat and Power	5,231	8,080
Rent, Rates, Services and Insurance	84,034	25,917
Cleaning	11,042	11,324
Repairs and Maintenance	4,210	2,932
Bank Charges and interest	16,691	15,429
Entertaining	552	-
Travel Accommodation and Subsistence	11,037	-
Motor Expenses	361	2,285
Postage and Couriers	46,953	36,951
Telephone	6,440	7,894
Printing and Stationery	23,933	11,394
Marketing and Advertising	15,137	20,656
Book Purchase and Development	7,472	1,087
Examination and Course Expenses	336,737	193,275
Computer Expenses	73,354	69,614
Sundry Expenses	1,850	118
Provision for Doubtful Debts	32,482	-
Depreciation	31,747	16,663
Corporation tax – under / (over) provision in earlier years	-	4,472
Total	1,422,028	1,116,032

6. Other expenditure

	2022	2021
	£	£
Unwinding of below market rate loan discount (see note 21)	101,574	5,368
	101,574	5,368

7. Governance costs

	2022	2021
	£	£
Auditors' remuneration – audit	21,600	16,200
Auditors remuneration – audit fee understated in prior year	-	3,000
	21,600	19,200

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

8. Net income for the year

	2022	2021
	£	£
Net income is stated after charging:-		
Auditors' remuneration – audit	21,600	16,200
Auditors remuneration – audit fee understated in prior year	-	3,000
Auditors' remuneration – other	5,186	16,227
Depreciation	31,747	16,663

9. Trustees' and key management personnel remuneration and expenses

The total amount of employee remuneration received by key management personnel is £160,515 (2021: £108,816). The trust considers its key management personnel comprise the trustees and those listed on page 1.

No trustees were reimbursed expenses during the year (2021: one trustee reimbursed £330).

10. Staff costs and employee benefits

	2022	2021
	£	£
Wages and salaries	589,278	662,392
Social security costs	53,827	51,423
Other pension costs	8,852	10,073
	651,957	723,888

The average number of employees (excluding contract labour) during the year was 30 (2021: 36). Two employees are paid over £60,000 (One £80-£90k / one £140-150k) (2021: Two employees are paid over £60,000 (One £80-£90k / one £100-£110k)).

11. Pension Scheme

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost for the year amounted to £8,852 (2021: £10,073). At the year-end £nil was due in respect of pension contributions (2021: £nil).

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

12. Tangible fixed assets

Group

	Motor Vehicles £	Computer & Office Equipment £	Total £
Cost			
At 1 July 2021	5,689	331,045	336,734
Additions	-	3,946	3,946
Disposals	-	(350)	(350)
At 30 June 2022	5,689	334,641	340,330
Depreciation			
At 1 July 2021	2,490	273,687	276,177
Charge for year	800	30,947	31,747
Eliminated on disposal		(350)	(350)
At 30 June 2022	3,290	304,284	307,574
Net Book Value			
30 June 2022	2,399	30,357	32,756
30 June 2021	3,199	57,358	60,557

Charity

	Motor Vehicles £	Computer & Office Equipment £	Total £
Cost			
At 1 July 2021	5,689	331,045	336,734
Additions	-	3,946	3,946
Disposals	-	(350)	(350)
At 30 June 2022	5,689	334,641	340,330
Depreciation			
At 1 July 2021	2,490	273,687	276,177
Charge for year	800	30,947	31,747
Eliminated on disposal		(350)	(350)
At 30 June 2022	3,290	304,284	307,574
Net Book Value			
30 June 2022	2,399	30,357	32,756
30 June 2021	3,199	57,358	60,557

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

13. Investment property Group

	2022 £	2021 £
At 1 July 2021	540,000	578,673
Fair value adjustments	<u>-</u>	<u>(38,673)</u>
At 30 June 2022	<u>540,000</u>	<u>540,000</u>

The fair value of investment property is based on valuations by independent valuers who hold relevant professional qualification and have experience in the location and class of the property being valued.

14. Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Prepayments and accrued income	8,593	7,185	8,593	7,185
Other debtors	-	48,700	-	-
Trade debtors	17,837	12,805	17,837	12,805
Loan to ICM Property Services	599,938	731,418	542,609	674,086
	<u>626,368</u>	<u>800,108</u>	<u>569,039</u>	<u>694,076</u>

The loan to ICM Property Services of £599,938 (2021: £731,418) is due for repayment in over one year (see note 21).

15. Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors, accruals and deferred income	106,698	159,284	97,728	153,434
Other creditors	21,579	52,566	9,407	40,392
Social security and other taxes	23,091	56,739	23,091	56,739
Due to ICM Examining Services Ltd	-	-	742,731	690,878
Loan	50,000	50,000	50,000	50,000
	<u>201,368</u>	<u>318,589</u>	<u>922,957</u>	<u>991,443</u>

Deferred income

	Group £
1 July 2021	113,373
Received/ released in year (net)	<u>(78,867)</u>
30 June 2022	<u>34,506</u>

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

16. Creditors: amounts falling due after one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Loan	148,255	200,000	148,255	200,000
	148,255	200,000	148,255	200,000

The loans is interest free for 12 months and is then repayable at an interest rate of 2.71% above base rate, the loan term is 6 years.

17. Operating lease commitments

As at 30 June 2022 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Land and buildings – over 5 years	603,489	672,458

18. Control

The charitable group is controlled by the trustees.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

19. Fund reconciliation

Group

	Brought forward 1.7.2021 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain / (loss) £	Carried forward 30.6.2022 £
Unrestricted	1,005,264	(136,660)	-	868,604

	Brought forward 1.7.2020 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain / (loss) £	Carried forward 30.6.2021 £
Unrestricted	649,886	394,051	(38,673)	1,005,264

Charity

	Brought forward 1.7.2021 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain £	Carried forward 30.6.2022 £
Unrestricted	(314,303)	(136,660)	-	(450,963)

	Brought forward 1.7.2020 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain £	Carried forward 30.6.2021 £
Unrestricted	(712,726)	398,423	-	(314,303)

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

20. Related parties

During the year The Institute of Commercial Management had the following transactions with related parties:

Dr Alistair Ford

Dr Alistair Ford is related to Adair Ford (see below). Remuneration of £nil (2021: £nil) was paid to Dr Alistair Ford during the year. At the balance sheet date the amount due to Dr Alistair Ford was £12,149 (2021 – £12,149).

Zoe Tranter

Zoe Tranter is related to Dr Alistair Ford. In 2013 a loan of £50,000 was made to Zoe Tranter secured by way of a legal charge against 38 Bourne Valley Road, Poole, BH12 1DU, the loan term is 50 years with an interest rate of 0%, annual repayments of £1,000 are due and in the event that the property is sold any balance outstanding will be repaid from the net proceeds of the sale. The property was sold during the year and the loan fully repaid. At the balance sheet date the amount due from Zoe Tranter was £nil (2021 - £48,700).

ICM Examining Services Limited

ICM Examining Services Limited is a controlled subsidiary of The Institute of Commercial Management. During the year net transfers were made from The Institute of Commercial Management to ICM Examining Services Limited of £51,853 (2021: £122,539). At the balance sheet date the intercompany amount due to ICM Examining Services Limited was £742,731 (2021 – £690,878).

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (CEO) is a director and 50% shareholder of this company. In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term is currently being revised with repayments commencing in April 2032 and an interest rate of 0.50%. Interest income for the year amounted to £4,580 (2021: £4,557). Rent has been paid or expenditure accrued to ICM Property Services Limited totalling £68,970 (2021: £11,495). The loan balance is included at net present value of future cash flows during the year the unwinding of the below market rate loan discount (see note 7) amounted to £101,574 (2021: £(5,368)). At the balance sheet date the amount due (to)/ from ICM Property Services Limited was £599,938 (2021 - £731,418).

THE INSTITUTE OF COMMERCIAL MANAGEMENT LIMITED

England & Wales - Charity number 1045370

Accounts

Company No. 3031779 (England and Wales)

Charity No. 1045370 (England and Wales)

THE INSTITUTE OF COMMERCIAL MANAGEMENT

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

THE INSTITUTE OF COMMERCIAL MANAGEMENT

ACCOUNTS YEAR ENDED 30 JUNE 2021

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THE INSTITUTE OF COMMERCIAL MANAGEMENT**LIST OF TRUSTEES (DIRECTORS)****30 JUNE 2021****Trustees (Directors)**

J Caithness

G Crescents (Appointed 3 September 2020)

A Garad

J R Town (Resigned 31 August 2020)

Company Secretary

A F C S Ford

Key Staff

A F C S Ford

T Barlow

L Campbell

THE INSTITUTE OF COMMERCIAL MANAGEMENT**LEGAL AND ADMINISTRATIVE INFORMATION**

Charity Registration Number: 1045370 (England and Wales)

Company Registration Number: 3031779 (England and Wales)

Registered Address: ICM House
Yeoman Road
Ringwood
Hampshire
BH24 3FA

Bankers: HSBC
Business Banking Direct
HBEU 8th Floor
12 Calthorpe Road
Edgbaston
Birmingham
B15 1QZ

National Westminster Bank
Commercial and Private Banking
Ground Floor
Link House
Poole
BH15 1LD

Auditors: PKF Francis Clark
Statutory Auditors
Towngate House
2-8 Parkstone Road
Poole
BH15 2PW

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2021

The Trustees present their Report and the audited Consolidated Financial Statements, for the year ended 30 June 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the annual report and financial statements of the Charitable company and of the group.

Public benefit

The Trustees have given due regard to public benefit when planning the charity’s activities, in accordance with the Charity Commission’s Guidance on Public Benefit. This report sets out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through offering affordable and relevant qualifications that meet the demands of its approved teaching centres and learners and the needs of employers. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principles on Public Benefit.

An initiative instigated in 2017 and completed successfully in September 2019 to achieve recognition status with Ofqual, the regulator for qualifications in England, has further provided public confidence in ICM qualifications, provided the opportunity for centres to offer qualifications eligible for Government funding and enabled ICM to continue to serve the market whilst satisfying its charitable commitments.

A new Trustee, Crescens George, joined the board in September 2020 bringing experience in education and business. Crescens is a financial services professional with far reaching and extensive knowledge and skills as a specialist in, recruitment, learning and development, organisational development and generalist human resources. Crescens holds a CIPD Post Graduate Diploma in Human Resource Management (FCIPD), a BA (Hons) Business Management (Specialising in HR & Strategic Management), LEAN & Six Sigma (Green Belt Certified), Continuous Improvement Methodologies, HRMS & LMS Systems including E-learning Designing (SAP & Oracle) and Transactional Analysis (TA101).

Objectives and activities

- The Institute of Commercial Management (ICM) is an Awarding Organisation and Examining Board. ICM’s global services include the design, development and award of qualifications.
- ICM offers affordable and fit for purpose qualifications to meet the demand of employers internationally in the following subject areas: Business and Management, Computing, Health and Safety, Hospitality, Human Resource Management, Journalism, Marketing, Maritime, STEM, Tourism and Accounting.
- Up to 236 approved teaching centres across 28 countries deliver tuition in 240 subject areas which are examined 4 times a year.
- The Charity’s Trustees are from both business and academic backgrounds and the team of Examiners are sourced from CIEA.
- ICM has a strong reputation internationally and is known for offering affordable qualifications which prepare learners for the workplace.

As set out in the Memorandum and Articles of Association, the objectives and activities of ICM are:

“To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement.” (As detailed in the ICM Governance Manual).

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2021

The main activities undertaken in relation to these purposes are the design, delivery and award of fit for purpose qualifications to meet the demand of employers and learners. The process incorporates the preparation of question papers and mark schemes, the assessment of learner's skills and knowledge and issuance of awards to acknowledge achievement.

Developments in 2021 include expanding into England as a new market where ICM are offering a new regulated pilot qualification, the ICM Level 2 Award in Psychology. A new suite of Competency Based Qualifications (CBQ) in Hospitality were introduced in Kenya which assesses learners practical skills to complement the knowledge ICM assess through the traditional examinations.

Future plans and objectives are to: expand into new markets including The Caribbean, the Middle East and further parts of West Africa; launch new qualifications in Entrepreneurship & Enterprise, Counselling Psychology and a CBQ in Film & TV Production, and to expand the portfolio in the areas of Business and STEM. The recent appointment of a new in-country member of staff in West Africa with a background in marketing will enable ICM to continue with its objectives to expand into new markets.

Achievement and Performance

ICM achieves its aim of delivering high quality and affordable qualifications that are accessible to all learners through contracting with approved teaching centres. The approved centres deliver tuition as guided by the qualification specification, register their learners as ICM Student Members and prepare them for the assessments which are administered by ICM. Feedback from learners is positive in the way ICM qualifications provide a currency for them to secure favourable employment or to provide a pathway to further education. The following quotes were provided by ICM approved teaching centres following surveys conducted by ICM:

Positive comments about ICM:

- "Qualifications are diverse, and Learners have an opportunity to choose a qualification of their choice, the qualifications cover many sectors of the economy"
- "Very effective and quick responses to Centre questions"
- "Provides opportunities for jobs"
- "ICM qualifications give the knowledge required for skills for the workplace"

Areas for development:

- "Want a better balance between theory and practice"
- "Most programmes do not have computer literacy included. Learners are forced to do this separately"
- "Would like qualifications delivered on line and core text books provided on line"

The introduction of CBQs is addressing the balance between theory and practice and the newly developed qualifications in computer science will begin to address the computer literacy request. In Kenya ICM have reinvested in the community by offering a resource centre in the capital city for the teaching staff and learners and in addition have made text books available to ICM learners in Myanmar via the British Council library in Yangon and Mandalay. Further resource centres are planned for Botswana and Zimbabwe. Following a meeting with the regulator, BQA, in Gaborone, an application has been accepted for ICM to be recognised to offer its qualifications throughout Botswana. Research has shown a strong demand for ICM qualifications which has been reflected in the ICM cash forecast with projected income to be seen from September 2022.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2021

ICMs portfolio consists of 23 professional qualifications comprised of 240 units covering the following subject and industry areas:

- Business and Management
- Computing
- Health and Safety
- Hospitality
- Human Resource Management
- Journalism
- Marketing
- Maritime
- STEM
- Tourism
- Accounting

New qualifications have been developed in the areas of: Cyber Security & Software testing; Entrepreneurship & Enterprise; Community Development & Social Change; Event Management; Commercial & Project Management; which are being offered throughout 2022. In addition, a new CBQ in Film and TV Production has been launched in September 2021. A partnership with Bournemouth University Journalism department resulted in a guest webinar lecture to 8 schools in Ghana in November 2021 and a visit by the university head of department to Ghana is being planned for June 2022. The new CBQ Hospitality qualifications which are assessed with practical skills were launched in May 2021 in Kenya with income forecast to begin in March 2022.

ICM's fiscal year runs to 30th June and its main sources of income are from Examination fees, and annual Student Membership fees, the charity does not collect donations or conduct fund raising activities.

The continents ICM operate in are Africa, ASIA, North America and Europe. Historically, the African continent has seen the highest trend of ICM students but the ASEAN region was also an area of growth for ICM where Myanmar had seen an increase in student numbers and Malaysia had shown potential for growth. The coup in Myanmar in February 2021 brought uncertainty to the immediate stability of the country and to students ability to continue with their education.

In March 2020, the Covid-19 situation forced teaching centres across the world to close and in most cases teaching stopped for a few weeks before the centres were able to move to alternative remote or online methods of teaching. Due to the disruption, it was necessary for ICM to cancel the June 2020 examination series and to move all students' assessments to the September series. To support teaching centres and enable learners to continue with their education, ICM introduced adapted assessments, the 'Remote Assignments' (RAs) which were very well received and bridged the gap until normal classes could resume. The RAs were offered from September 2020 to March 2021 as necessary by country and have continued to be made available in Myanmar as a result of the coup.

The reduction in student registrations as a result of the pandemic has significantly reduced ICM's income for the accounting period. Financial management activities including utilising the Government Furlough scheme and Business Interruption Loan scheme were undertaken. In addition, operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout 2020 and 2021. The various financial savings and government support lead the Trustees to consider ICM as a going concern for the future.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2021

When assessing the success of ICM for the reporting period, Trustees use the following success criteria: the number of countries offering ICM's qualifications; the number of approved centres offering ICM's qualifications; the number of ICM's qualifications in demand; and the relative pricing of ICM's products as compared with other UK Boards operating internationally. For the reporting period ending 30th June 2021, ICM saw an increase in the number of approved centres from 220 to 236 due to ICM attracting new centres in Kenya as a result of the symposium in Nairobi in March 2020. The number of markets reduced from 35 to 28 as a result of delisting centres in countries with no activity over a 2 year period (an annual 'housekeeping' process). The number of qualifications offered increased from 222 to 240 as a result of the new qualifications developed. The pricing of ICM's qualifications remained the lowest of UK boards operating internationally, plans to increase the cost of ICM assessments in September 2020 were postponed to December 2022 as a result of the pandemic. The impact Covid-19 will have on student's financial ability to register for ICM qualifications will continue to result in reduced student numbers through 2022 but anecdotal information is that teaching centres are seeing students return to the classrooms from January 2022. ICM's team of country coordinators provide regular updates on the status of their region in order that ICM trustees and management team can assess each situation and adapt accordingly.

Financial review

The net surplus for year ending 30th June 2021 was £355,378 compared to a net deficit of £734,555 in the previous year.

During the quarterly Trustee meetings throughout 2020 and 2021, the Board discussed ICMs financial situation, taking into account the ongoing impact of Covid-19. Financial management activities including continued utilisation of the Government Furlough were approved. The Trustees authorised the application for the Government CIBL loan of £250,000 which was granted at the end of the prior financial year. In addition, operational efficiencies gained financial savings enabling ICM to continue to fund its operation throughout 2020 and 2021.

The business plan had forecast an increase in income in 2020 driven by ICMs plans to expand into England with the introduction of a new Psychology qualification but this project was delayed by 2 years due to the teaching centres being closed and, therefore, unable to launch a new qualification. The launch of the new Hospitality CBQ in Kenya will see an increase in income from June 2022 and the anticipated approval for ICM to begin operations in Botswana is forecast to see new income from September 2022.

The financial forecast shows a steady post-pandemic recovery with income levels increasing as a result of economies strengthening in Africa as tourism picks up and through new income from recently developed qualifications. The financial situation is reviewed quarterly by the Trustees in order to adjust ICMs strategy as necessary.

Reserves Policy

The Charitable group has developed a reserves policy where all funds are unrestricted. At the year-end total unrestricted funds for the group were £1,005,264 (2020: £649,886) and for the charity total unrestricted funds were in deficit by £314,303 (2020: £712,726).

As explained in the sections above the financial forecast shows a steady post-pandemic recovery with income levels increasing throughout 2022 and into 2023. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise.

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The reserves policy considers the following:

1. The nature of the funds received (unrestricted or restricted)
2. Trustees to identify unrestricted funds which can be spent on any purposes of the charity
3. Reserves considered in the ICM risk management process and procedure and how this policy is reviewed.
4. Any future budgets and future projects or spending plans that cannot be met from the income of a single year
5. Charity Commission reserves factsheet CC19

Structure, Governance and Management

ICM was incorporated as a private limited company by guarantee without share capital on 10th March 1995 and its governing document, the Memorandum and Articles of Association, state the nature of ICMs objectives and activities and the ICM Governance Handbook sets out the expectation of the Trustees and senior officers.

ICM governance is set out in the 'ICM Governance Manual' which documents the role and duties of the ICM Trustee Board and all other ICM boards, committees and panels. The manual includes the ICM organisational chart displaying the reporting structure up to the Board of Trustees.

The Trustees are comprised of people with a background of accounting and education. Senior offices attend Trustee meetings and are from a background of business, education, operations, our overseas country representatives and a representative member of staff. Recruitment of Trustees is an ongoing activity and is conducted through the ICM website. Applicants follow the ICM recruitment policy which includes interview, consulting references and conflict of interest declaration. New Trustees receive an induction from the CEO and Chairman in respect of ICMs processes, practices and procedures and training assigned to them is tracked through the ICM learner management system.

ICM benefits society through its objective of: "To advance the education of the public by the preparation, validation, accreditation, conduct and administration of tests, examinations and other systems of assessing and recording academic or other achievement." ICM has been successful in this objective having provided accessible and affordable qualifications for 4 decades which can be considered a benchmark in themselves. Trustees meet at least twice a year but often quarterly to review ICMs progress against its objectives, to approve future strategy and to review financial stability.

Risks

ICM operate in countries which can be considered high risk including parts of Africa, Asia and the Caribbean. Risks associated with some of these countries can include: political instability; currency fluctuation and hyper inflation; money laundering, corruption and fraud; terrorism. These risks could affect learner's ability to attend tuition and to register for ICM examinations and affect the financial performance of ICM. To mitigate these risks, ICM employ a local representative (Business Development and Delivery Coordinators) in each country who monitor the political and financial situation and work directly with approved teaching centres and learners. Handbooks and policies in place with all members of staff document the requirements for reporting risks and threats to ICM, for reporting of suspected bribery and corruption, fraud, malpractice and maladministration, and any issue that could be considered a risk. A log of all threats to best practice is maintained and reviewed at each management meeting and items escalated to Trustees as necessary. All risks identified are documented on the ICM Risk Management Policy and Procedure and discussed with the Trustees at each trustee meeting. The Covid-19 pandemic has been the most significant risk to ICM and the situation is being monitored and managed through adapted assessments and financial management initiatives to secure the future of ICM. Cyber security is an ever increasing risk to all businesses and ICM employ a third party company who provide training to all ICM members of staff including testing staff on their ability to identify cyber security attacks.

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An adapted assessment, Remote Assignments, introduced in September 2020 has provided ICM with a method of continuing to assess learners through a significant time of disruption such as a pandemic or coup.

Should any risk lead to the potential for a threat to ICMs future income, a review of costs and further remedial action will be initiated.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Institute of Commercial Management 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 they give a true and fair view of the state of affairs of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Disclosure of information to the auditors

We, the directors of the charitable company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditors

A resolution to re-appoint PKF Francis Clark for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
ANNUAL REPORT OF THE TRUSTEES (DIRECTORS)
YEAR ENDED 30 JUNE 2021

Small Company Provisions

The report of the trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This Report was approved by the Trustees on 27 April 2022 and signed on their behalf by

John Caithness - Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

Opinion

We have audited the financial statements of The Institute of Commercial Management for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 ‘‘The Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102))’’.

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable company's affairs as at 30 June 2021 and of its results 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 Auditor's 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 UK, including the FRC'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.

Material uncertainty related to going concern

We draw attention to explanations within the Trustee report, note 1 (going concern) in the financial statements and the financial and operational uncertainty due to the covid-19 pandemic. There is a risk that further restrictions may be imposed in the UK or overseas where the charity operates or other government legislation which would force the charity's operations to be reduced or cease for further periods. This means that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The charitable company trustees are responsible for the other information. The other information comprises the information included in the annual report of the trustees (directors), other than the financial statements and our auditor's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

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 financial statements.

We have nothing to report in respect of the following matters where the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the charitable company trustees 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 charitable company 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 charitable company 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 charitable company trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charitable company. We gained an understanding of the Charitable company and the sector in which the Charitable company operates as part of this assessment to identify the key laws and regulations affecting the Charitable company. As part of this, we reviewed the Charitable company's website for an indication of any regulations in place and discussed these with the relevant individuals responsible for compliance. The key regulations we identified were Charity legislation, health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Charities SORP - FRS 102.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the Charitable company complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charitable company's ability to continue trading and the risk of material misstatement to the accounts.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF COMMERCIAL MANAGEMENT

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and trustees regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.
- Reviewed filings with the Charity Commission and whether there were any serious incident reports made during the year, of which there were none.
- Discussed with management if any health and safety incidents have been recorded during the year, of which there were none.
- Review of the GDPR policy and enquiries to management as to the occurrence of any reportable breaches, of which there were none.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance, of which there were none.
- Reviewed Board minutes.
- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Reviewed estimates and judgements made in the accounts for any indication of bias, of which there were none.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's report.

Use of our report

This report is made solely to the Charitable company trustees, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the charitable companies trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Anne-Marie Gates FCCA FCA (senior statutory auditor)
For and on behalf of
PKF Francis Clark, Statutory Auditor
 Towngate House
 2 – 8 Parkstone Road
 Poole
 BH15 2PW

Date: 29 April 2022

THE INSTITUTE OF COMMERCIAL MANAGEMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2021

		Unrestricted Total 2021	Unrestricted Total 2020
	Note	£	£
Income and endowments from:			
Other trading activities	2	-	5,861
Charitable activities	3	1,487,794	1,479,091
Other	4	23,100	26,400
Investment income	5	4,557	9,130
		1,515,451	1,520,483
Expenditure on:			
Charitable activities	6	1,116,032	2,279,747
Other expenditure	7	5,368	(24,709)
Total expenditure		1,121,400	2,255,038
Net income/ (expenditure) before other gains/ (losses)		394,051	(734,555)
Net gains/ (losses) on investments	14	(38,673)	-
Net income/(expenditure)		355,378	(734,555)
Funds brought forward		649,886	1,384,441
Funds carried forward	19	1,005,264	649,886

All income and expenditure derive from continuing activities.

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	13		60,557		76,440
Investment property	14		540,000		578,673
			<u>600,557</u>		<u>655,113</u>
CURRENT ASSETS					
Debtors	15	800,108		797,591	
Cash at bank and in hand		123,188		187,208	
		<u>923,296</u>		<u>984,799</u>	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Creditors	16	318,589		740,026	
		<u>318,589</u>		<u>740,026</u>	
NET CURRENT ASSETS			604,707		244,773
LIABILITIES FALLING DUE AFTER ONE YEAR	17		200,000		250,000
NET ASSETS			<u>1,005,264</u>		<u>649,886</u>
FUNDS					
Unrestricted	19	1,005,264		649,886	
		<u>1,005,264</u>		<u>649,886</u>	

Approved by the Board of Trustees on 27 April 2022 and signed on its behalf by

John Caithness - Trustee

The notes on pages 17 to 28 form part of these financial statements.

Company Number: 3031779 (England and Wales)

THE INSTITUTE OF COMMERCIAL MANAGEMENT

BALANCE SHEET AS AT 30 JUNE 2021

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	13		60,557		11,897
CURRENT ASSETS					
Debtors	15	694,076		691,560	
Cash at bank and in hand		122,507		127,040	
		<u>816,583</u>		<u>818,600</u>	
LIABILITIES FALLING DUE WITHIN ONE YEAR					
Creditors	16	991,443		1,293,223	
NET CURRENT ASSETS			<u>(174,860)</u>		<u>(474,623)</u>
LIABILITIES FALLING DUE AFTER ONE YEAR					
	17		200,000		250,000
NET (LIABILITIES) / ASSETS			<u>(314,303)</u>		<u>(712,726)</u>
FUNDS					
Unrestricted	19	(314,303)		(712,726)	
		<u>(314,303)</u>		<u>(712,726)</u>	

Approved by the Board of Trustees on 27 April 2022 and signed on its behalf by

John Caithness - Trustee

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Cash flow from operating activities			
Net income/(expense)		355,378	(734,555)
Unwinding of below market rate loan discount	7	5,368	(24,709)
Depreciation	13	16,663	25,481
(Gains)/losses on revaluation of investments	14	38,473	-
(Increase)/decrease in stock		-	-
(Increase)/decrease in debtors	15	(7,885)	13,170
(Decrease)/increase in creditors	16	(471,237)	250,506
Cash flow from operating activities		(63,240)	(470,107)
Cash flow from investing activities			
Payments to acquire tangible fixed assets	13	(780)	(5,689)
Net cash flow from investing activities		(780)	(5,689)
Cash flow from financing activities			
Loan advanced		-	250,000
Cash flow from financing activities		-	250,000
Net increase/(decrease) in cash and cash equivalents		(64,020)	(225,796)
Cash and cash equivalents at 1 July 2020		187,208	413,004
Cash and cash equivalents at 30 June 2021		123,188	187,208
Cash and cash equivalents consist of:			
Cash at bank and in hand		123,188	187,208
Cash and cash equivalents at 30 June 2021		123,188	187,208

The notes on pages 17 to 28 form part of these financial statements.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

1. Summary of significant accounting policies

a. General information and basis of preparation

The Institute of Commercial Management is a charitable company registered in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are as detailed in the trustee report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

b. Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 30 June 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a surplus for the financial year of £398,423 (2020 – deficit of £741,690).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

c. Funds

General unrestricted funds comprise the accumulated surplus or deficit on income and expenditure account. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

d. Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from trading activities includes activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

Charitable activities represent examination and registration fees attributable to the period covered by the Accounts and are recognised on an accruals basis. Fees received in respect of future periods are carried forward as deferred income in creditors.

Rental income is accounted for on the basis of the amount receivable for the financial year on an accruals basis.

Investment income is recognised in the period in which it is earned.

A grant that becomes receivable as compensation for expenses already incurred will be recognised in profit or loss in the same period in which the related expense is incurred.

e. Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Governance costs include all expenditure not directly related to charitable activities. This includes the cost of constitutional and statutory requirements

Other costs comprises those costs incurred by the charity which are not attributable to either the delivery of its activities and services for its beneficiaries (charitable activities) or the cost of governance.

f. Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on fixed assets, at rates calculated to write off the costs, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer and office equipment 25% reducing balance basis

g. Investment property

Freehold land and buildings which are held primarily for either rental income or capital appreciation are included at fair value.

Unrealised gains or losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

h. Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

i. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

j. Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, a material financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

THE INSTITUTE OF COMMERCIAL MANAGEMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

k. Operating leases

Rentals payable under operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the term of the lease.

l. Pensions

The charity contributes to an auto-enrolment pension scheme for all employees. Contributions payable to these plans are charged against income in the period in which they fall due.

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m. Tax

The charitable company is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

n. Going concern

The financial statements have been prepared on a going concern basis. As explained in the trustees report the trustees have considered the uncertainty relating to the coronavirus pandemic and the impact on the charity's operations and finances in the short to medium term. In the opinion of the trustees, with the support of the Coronavirus Job Retention Scheme, the Coronavirus Business Interruption Loan Scheme and proactively managing cash-flow the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future and therefore the financial statements have been prepared on a going concern basis. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure should be sufficient with the level of reserves held and the additional coronavirus funding received for the charity to be able to continue as a going concern.

At the year-end total unrestricted funds for the charity were in deficit by £314,303 (2020: £712,726). As explained in the financial review the financial forecast shows a steady post-pandemic recovery. The unrestricted fund deficit is therefore considered temporary and is expected to be gradually reduced and removed in future years as income levels stabilise.

2. Income from other trading activities

	2021	2020
	£	£
Solar panel income	-	5,861
	-	5,861

3. Income from charitable activities

	2021	2020
	£	£
Exam and Registration fees receivable	1,311,402	1,413,778
E Learning fees	-	-
Government grants	176,392	65,313
	1,487,794	1,479,091

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4. Other income

	2021 £	2020 £
Rent received	23,100	26,400
	23,100	26,400

5. Investment income

	2021 £	2020 £
Loan interest receivable	4,557	4,535
	-	1
	-	4,594
	4,577	9,130

6. Analysis of expenditure on charitable activities

	2021 £	2020 £
Salaries and Wages	629,291	1,422,668
Recruitment fees	133	28,320
Training costs	443	6,478
Accountancy Fees	-	10,213
Audit fees (Governance – note 8)	35,427	49,328
Consultancy Fees	21,369	102,955
Legal and Professional Fees	-	2,184
Light, Heat and Power	8,080	5,608
Rent, Rates, Services and Insurance	25,917	86,620
Cleaning	11,324	12,681
Repairs and Maintenance	2,932	4,721
Bank Charges	15,429	9,077
Donations	-	5,270
Entertaining	-	5,532
Travel Accommodation and Subsistence	1,278	43,590
Motor Expenses	2,285	10,248
Postage and Couriers	36,951	55,673
Telephone	7,894	10,006
Printing and Stationery	11,394	39,220
Marketing and Advertising	20,656	15,419
Book Purchase and Development	1,087	6,595
Examination and Course Expenses	193,275	247,792
Computer Expenses	69,614	71,016
Sundry Expenses	118	5,222
Depreciation	16,663	25,481
Corporation tax – under / (over) provision in earlier years	4,472	(2,170)
Total	1,116,032	2,279,747

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7. Other expenditure

	2021	2020
	£	£
Unwinding of below market rate loan discount (see note 21)	5,368	(24,709)
	5,368	(24,709)

8. Governance costs

	2021	2020
	£	£
Auditors' remuneration – audit	16,200	16,200
Auditors remuneration – audit fee understated in 2018	-	10,509
Auditors remuneration – audit fee understated in prior year	3,000	13,000
Auditors' remuneration – other	16,227	9,619
	35,427	49,328

9. Net income for the year

	2021	2020
	£	£
Net income is stated after charging:-		
Auditors' remuneration – audit	16,200	16,200
Auditors remuneration – audit fee understated in 2018	-	10,509
Auditors remuneration – audit fee understated in prior year	3,000	13,000
Auditors' remuneration – other	16,227	9,619
Depreciation	16,663	25,481

10. Trustees' and key management personnel remuneration and expenses

The total amount of employee remuneration received by key management personnel is £108,816 (2020: £138,315). The trust considers its key management personnel comprise the trustees and those listed on page 1.

One trustee was reimbursed expenses of £330 (2020: £346) during the year.

11. Staff costs and employee benefits

	2021	2020
	£	£
Wages and salaries	662,392	1,301,964
Social security costs	51,423	98,313
Other pension costs	10,073	22,391
	723,888	1,422,668

The average number of employees (excluding contract labour) during the year was 36 (2020: 70). Two employees are paid over £60,000 (One £80-£90k / one £100-£110k) (2020: Two employees are paid over £60,000 (One £80-£90k / one £100-£110k)).

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12. Pension Scheme

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost for the year amounted to £10,073 (2020: £22,391). At the year-end £nil was due in respect of pension contributions (2020: £3,914).

13. Tangible fixed assets

Group

	Motor Vehicles £	Computer & Office Equipment £	Total £
Cost			
At 1 July 2020	5,689	340,835	346,524
Additions		780	780
Disposals		(10,570)	(10,570)
At 30 June 2021	5,689	331,045	336,734
Depreciation			
At 1 July 2020	1,423	268,661	270,084
Charge for year	1,067	15,596	16,663
Eliminated on disposal		(10,570)	(10,570)
At 30 June 2021	2,490	273,687	276,177
Net Book Value			
30 June 2021	3,199	57,358	60,557
30 June 2020	4,266	72,174	76,440

Charity

	Motor Vehicles £	Computer & Office Equipment £	Total £
Cost			
At 1 July 2020	5,689	24,115	29,804
Additions	-	780	780
Transfer from ICM Examining Services Ltd	-	316,720	316,720
Disposals	-	(10,570)	(10,570)
At 30 June 2021	5,689	331,045	336,734
Depreciation			
At 1 July 2020	1,423	16,484	17,907
Charge for year	1,067	15,596	16,663
Transfer from ICM Examining Services Ltd	-	252,177	252,177
Eliminated on disposal	-	(10,570)	(10,570)
At 30 June 2021	2,490	273,687	276,177
Net Book Value			
30 June 2021	3,199	57,358	60,557
30 June 2020	4,266	7,631	11,897

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14. Investment property Group

	2021 £	2020 £
At 1 July 2020	578,673	578,673
Fair value adjustments	<u>(38,673)</u>	<u> </u>
At 30 June 2021	<u>540,000</u>	<u>578,673</u>

The fair value of investment property is based on valuations by independent valuers who hold relevant professional qualification and have experience in the location and class of the property being valued.

15. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Prepayments and accrued income	7,185	39,651	7,185	39,651
Other debtors	48,700	48,700	-	-
Trade debtors	12,805	-	12,805	-
Loan to ICM Property Services	731,418	709,240	674,086	651,909
	<u>800,108</u>	797,591	<u>694,076</u>	691,560

The loan to ICM Property Services of £731,418 (2020: £709,240) is due for repayment in over one year (see note 21).

16. Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors, accruals and deferred income	159,284	570,955	153,434	567,985
Other creditors	52,566	71,695	40,392	59,523
Social security and other taxes	56,739	97,376	56,739	97,376
Corporation tax	-	-	-	-
Due to ICM Examining Services Ltd	-	-	690,878	568,339
Loan	50,000	-	50,000	-
	<u>318,589</u>	740,026	<u>991,443</u>	1,293,223

Deferred income

	Group £
1 July 2020	478,595
Received/ released in year (net)	<u>(365,222)</u>
30 June 2021	<u>113,373</u>

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17. Creditors: amounts falling due after one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Loan	200,000	250,000	200,000	250,000
	200,000	250,000	200,000	250,000

Included in the creditors are the following amounts due after more than five years:

	2021	2020
	£	£
After more than five years by instalments	-	50,000

The loans is interest free for 12 months and is then repayable at an interest rate of 2.71% above base rate, the loan term is 6 years.

18. Operating lease commitments

As at 30 June 2021 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Land and buildings – over 5 years	672,458	695,448

19. Control

The charitable group is controlled by the trustees.

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20. Fund reconciliation

Group

	Brought forward 1.7.2020 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain / (loss) £	Carried forward 30.6.2021 £
Unrestricted	649,886	394,051	(38,673)	1,005,264

	Brought forward 1.7.2019 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain / (loss) £	Carried forward 30.6.2020 £
Unrestricted	1,384,441	(734,555)	-	649,886

Charity

	Brought forward 1.7.2020 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain £	Carried forward 30.6.2021 £
Unrestricted	(712,726)	398,423	-	(314,303)

	Brought forward 1.7.2019 £	Net Incoming/ (Outgoing) Resources £	Revaluation gain £	Carried forward 30.6.2020 £
Unrestricted	28,964	(741,690)	-	(712,726)

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21. Related parties

During the year The Institute of Commercial Management had the following transactions with related parties:

Dr Alistair Ford

Dr Alistair Ford is related to Adair Ford (see below). Remuneration of £Nil (2020: £53,280) was paid to Dr Alistair Ford during the year. At the balance sheet date the amount due to Dr Alistair Ford was £12,149 (2020 – £12,149).

John Town

John Town is a director of ICM Examining Services Limited and a trustee of The Institute of Commercial Management (resigned 31 August 2020). Accountancy fees of £nil (2020: £8,525) were paid to John Town during the year. At the balance sheet date the amount due to John Town was £nil (2020 - £nil).

Zoe Tranter

Zoe Tranter is related to Dr Alistair Ford. In 2013 a loan of £50,000 was made to Zoe Tranter secured by way of a legal charge against 38 Bourne Valley Road, Poole, BH12 1DU, the loan term is 50 years with an interest rate of 0%, annual repayments of £1,000 are due and in the event that the property is sold any balance outstanding will be repaid from the net proceeds of the sale. The property is on the market and an offer for its sale has been accepted, in order to repay the loan during the 2021/22 year. At the balance sheet date the amount due from Zoe Tranter was £48,700 (2020 - £48,700).

ICM Examining Services Limited

ICM Examining Services Limited is a controlled subsidiary of The Institute of Commercial Management. During the year net transfers were made from The Institute of Commercial Management to ICM Examining Services Limited of £122,539 (2020: £30,093). At the balance sheet date the intercompany amount due to ICM Examining Services Limited was £690,878 (2020 – £568,339).

ICM Property Services Limited

ICM Property Services Limited is related as Adair Ford (CEO) is the sole director and shareholder of this company. In 2015 a loan of £892,000 was made to ICM Property Services Limited for the land purchase and construction of ICM House, Yeoman Road, Ringwood, BH24 3FA. The loan term is currently being revised with repayments commencing in April 2032 and an interest rate of 0.50%. Accrued interest income for the year amounted to £4,557 (2020: £4,535). Rent has been paid or expenditure accrued to ICM Property Services Limited totalling £11,495 (2020: £63,222). The loan balance is included at net present value of future cash flows during the year the unwinding of the below market rate loan discount (see note 7) amounted to £(5,368) (2020 £24,709). At the balance sheet date the amount due (to)/ from ICM Property Services Limited was £731,418 (2020 - £709,240).