

**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**

**INDEX**

	<b>Page</b>
<b>Trustees (Directors)</b>	<b>1</b>
<b>Legal and Administrative Information</b>	<b>2</b>
<b>Trustees' (Directors') Report</b>	<b>3 - 9</b>
<b>Independent Auditors' Report</b>	<b>10 - 12</b>
<b>Consolidated Statement of Financial Activities</b>	<b>13</b>
<b>Consolidated Balance Sheet</b>	<b>14</b>
<b>Balance Sheet</b>	<b>15</b>
<b>Consolidated Statement of Cash Flows</b>	<b>16</b>
<b>Notes to the Financial Statements</b>	<b>17 - 28</b>

**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 8<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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.

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

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 10<sup>th</sup> 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.

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

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](http://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](http://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**

		<b>Unrestricted Total 2021</b>	<b>Unrestricted Total 2020</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>			
Other trading activities	2	-	5,861
Charitable activities	3	<b>1,487,794</b>	1,479,091
Other	4	<b>23,100</b>	26,400
Investment income	5	<b>4,557</b>	9,130
		<hr/> <b>1,515,451</b>	<hr/> 1,520,483
<b>Expenditure on:</b>			
Charitable activities	6	<b>1,116,032</b>	2,279,747
Other expenditure	7	<b>5,368</b>	(24,709)
Total expenditure		<hr/> <b>1,121,400</b>	<hr/> 2,255,038
<b>Net income/ (expenditure) before other gains/ (losses)</b>		<b>394,051</b>	(734,555)
<b>Net gains/ (losses) on investments</b>	14	<b>(38,673)</b>	-
<b>Net income/(expenditure)</b>		<hr/> <b>355,378</b>	<hr/> (734,555)
Funds brought forward		<b>649,886</b>	1,384,441
Funds carried forward	19	<hr/> <b>1,005,264</b>	<hr/> 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	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	13		<b>60,557</b>		76,440
Investment property	14		<b>540,000</b>		578,673
			<hr/>		<hr/>
			<b>600,557</b>		655,113
<b>CURRENT ASSETS</b>					
Debtors	15	<b>800,108</b>		797,591	
Cash at bank and in hand		<b>123,188</b>		187,208	
		<hr/>		<hr/>	
		<b>923,296</b>		984,799	
<b>LIABILITIES FALLING DUE WITHIN ONE YEAR</b>					
Creditors	16	<b>318,589</b>		740,026	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			<b>604,707</b>		244,773
<b>LIABILITIES FALLING DUE AFTER ONE YEAR</b>	17		<b>200,000</b>		250,000
<b>NET ASSETS</b>			<hr/>		<hr/>
			<b>1,005,264</b>		649,886
<b>FUNDS</b>			<hr/>		<hr/>
Unrestricted	19	<b>1,005,264</b>		649,886	
		<hr/>	<b>1,005,264</b>	<hr/>	649,886
			<hr/>		<hr/>

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	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	13		60,557		11,897
<b>CURRENT ASSETS</b>					
Debtors	15	694,076		691,560	
Cash at bank and in hand		122,507		127,040	
		<u>816,583</u>		<u>818,600</u>	
<b>LIABILITIES FALLING DUE WITHIN ONE YEAR</b>					
Creditors	16	991,443		1,293,223	
<b>NET CURRENT ASSETS</b>			<u>(174,860)</u>		<u>(474,623)</u>
<b>LIABILITIES FALLING DUE AFTER ONE YEAR</b>					
	17		200,000		250,000
<b>NET (LIABILITIES) / ASSETS</b>			<u>(314,303)</u>		<u>(712,726)</u>
<b>FUNDS</b>					
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 £
<b>Cash flow from operating activities</b>			
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
<b>Cash flow from operating activities</b>		<b>(63,240)</b>	<b>(470,107)</b>
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	13	(780)	(5,689)
<b>Net cash flow from investing activities</b>		<b>(780)</b>	<b>(5,689)</b>
<b>Cash flow from financing activities</b>			
Loan advanced		-	250,000
<b>Cash flow from financing activities</b>		<b>-</b>	<b>250,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(64,020)</b>	<b>(225,796)</b>
<b>Cash and cash equivalents at 1 July 2020</b>		<b>187,208</b>	<b>413,004</b>
<b>Cash and cash equivalents at 30 June 2021</b>		<b>123,188</b>	<b>187,208</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		123,188	187,208
<b>Cash and cash equivalents at 30 June 2021</b>		<b>123,188</b>	<b>187,208</b>

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.

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Solar panel income	-	5,861
	<hr/> -	<hr/> 5,861

**3. Income from charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Exam and Registration fees receivable	<b>1,311,402</b>	1,413,778
E Learning fees	-	-
Government grants	<b>176,392</b>	65,313
	<hr/> <b>1,487,794</b>	<hr/> 1,479,091

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**4. Other income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rent received	<b>23,100</b>	26,400
	<b>23,100</b>	26,400

**5. Investment income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loan interest receivable	<b>4,557</b>	4,535
	-	1
	-	4,594
	<b>4,577</b>	9,130

**6. Analysis of expenditure on charitable activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and Wages	<b>629,291</b>	1,422,668
Recruitment fees	<b>133</b>	28,320
Training costs	<b>443</b>	6,478
Accountancy Fees	-	10,213
Audit fees (Governance – note 8)	<b>35,427</b>	49,328
Consultancy Fees	<b>21,369</b>	102,955
Legal and Professional Fees	-	2,184
Light, Heat and Power	<b>8,080</b>	5,608
Rent, Rates, Services and Insurance	<b>25,917</b>	86,620
Cleaning	<b>11,324</b>	12,681
Repairs and Maintenance	<b>2,932</b>	4,721
Bank Charges	<b>15,429</b>	9,077
Donations	-	5,270
Entertaining	-	5,532
Travel Accommodation and Subsistence	<b>1,278</b>	43,590
Motor Expenses	<b>2,285</b>	10,248
Postage and Couriers	<b>36,951</b>	55,673
Telephone	<b>7,894</b>	10,006
Printing and Stationery	<b>11,394</b>	39,220
Marketing and Advertising	<b>20,656</b>	15,419
Book Purchase and Development	<b>1,087</b>	6,595
Examination and Course Expenses	<b>193,275</b>	247,792
Computer Expenses	<b>69,614</b>	71,016
Sundry Expenses	<b>118</b>	5,222
Depreciation	<b>16,663</b>	25,481
Corporation tax – under / (over) provision in earlier years	<b>4,472</b>	(2,170)
<b>Total</b>	<b>1,116,032</b>	2,279,747

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**7. Other expenditure**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unwinding of below market rate loan discount (see note 21)	<b>5,368</b>	(24,709)
	<b>5,368</b>	(24,709)

**8. Governance costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration – audit	<b>16,200</b>	16,200
Auditors remuneration – audit fee understated in 2018	-	10,509
Auditors remuneration – audit fee understated in prior year	<b>3,000</b>	13,000
Auditors' remuneration – other	<b>16,227</b>	9,619
	<b>35,427</b>	49,328

**9. Net income for the year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income is stated after charging:-		
Auditors' remuneration – audit	<b>16,200</b>	16,200
Auditors remuneration – audit fee understated in 2018	-	10,509
Auditors remuneration – audit fee understated in prior year	<b>3,000</b>	13,000
Auditors' remuneration – other	<b>16,227</b>	9,619
Depreciation	<b>16,663</b>	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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>662,392</b>	1,301,964
Social security costs	<b>51,423</b>	98,313
Other pension costs	<b>10,073</b>	22,391
	<b>723,888</b>	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)).

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**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**

	<b>Motor Vehicles £</b>	<b>Computer &amp; Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
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
<b>Depreciation</b>			
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
<b>Net Book Value</b>			
30 June 2021	3,199	57,358	60,557
30 June 2020	4,266	72,174	76,440

**Charity**

	<b>Motor Vehicles £</b>	<b>Computer &amp; Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
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
<b>Depreciation</b>			
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
<b>Net Book Value</b>			
30 June 2021	3,199	57,358	60,557
30 June 2020	4,266	7,631	11,897

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**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**

	<b>Group</b>		<b>Charity</b>	
	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>	<u>797,591</u>	<u>694,076</u>	<u>691,560</u>

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**

	<b>Group</b>		<b>Charity</b>	
	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>	<u>740,026</u>	<u>991,443</u>	<u>1,293,223</u>

**Deferred income**

	<b>Group £</b>
1 July 2020	478,595
Received/ released in year (net)	<u>(365,222)</u>
30 June 2021	<u>113,373</u>

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**17. Creditors: amounts falling due after one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loan	200,000	250,000	200,000	250,000
	<b>200,000</b>	<b>250,000</b>	<b>200,000</b>	<b>250,000</b>

Included in the creditors are the following amounts due after more than five years:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	-	<b>50,000</b>

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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Land and buildings – over 5 years	<b>672,458</b>	695,448

**19. Control**

The charitable group is controlled by the trustees.

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**20. Fund reconciliation**

**Group**

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

	<b>Brought forward 1.7.2019 £</b>	<b>Net Incoming/ (Outgoing) Resources £</b>	<b>Revaluation gain / (loss) £</b>	<b>Carried forward 30.6.2020 £</b>
<b>Unrestricted</b>	<b>1,384,441</b>	<b>(734,555)</b>	<b>-</b>	<b>649,886</b>

**Charity**

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

	<b>Brought forward 1.7.2019 £</b>	<b>Net Incoming/ (Outgoing) Resources £</b>	<b>Revaluation gain £</b>	<b>Carried forward 30.6.2020 £</b>
<b>Unrestricted</b>	<b>28,964</b>	<b>(741,690)</b>	<b>-</b>	<b>(712,726)</b>

**THE INSTITUTE OF COMMERCIAL MANAGEMENT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2021**

**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).