

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**

<b>Trustees</b>	J Caithness C George
<b>Secretary</b>	A F C Somerville-Ford
<b>Key staff</b>	A F C Somerville-Ford, CEO T Barlow
<b>Charity Registration Number</b>	1045370
<b>Company Registration Number</b>	3031779
<b>Registered Office</b>	ICM House Yeoman Road Ringwood Hampshire BH24 3FA
<b>Auditor</b>	Harney & Co Limited Registered Auditors and Chartered Certified Accountants 21 Market Place Blandford Forum Dorset DT11 7AF
<b>Bankers</b>	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](http://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 £
<b>Income and Endowments from:</b>			
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>
<b>Expenditure on:</b>			
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)
<b>Reconciliation of funds</b>			
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 £
<b>Fixed assets</b>			
Tangible assets	14	40,232	24,887
Investments		<u>565,000</u>	<u>540,000</u>
		<u>605,232</u>	<u>564,887</u>
<b>Current assets</b>			
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
<b>Creditors: Amounts falling due within one year</b>	18	<u>(352,359)</u>	<u>(288,173)</u>
<b>Net current assets</b>		<u>251,648</u>	<u>316,686</u>
<b>Total assets less current liabilities</b>		856,880	881,573
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(59,226)</u>	<u>(100,000)</u>
<b>Net assets</b>		<u><u>797,654</u></u>	<u><u>781,573</u></u>
<b>Funds of the group:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>797,654</u>	<u>781,573</u>
<b>Total funds</b>	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 £
<b>Fixed assets</b>			
Tangible assets	14	40,232	24,887
<b>Current assets</b>			
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>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(1,072,446)</u>	<u>(1,010,203)</u>
<b>Net current liabilities</b>		<u>(527,919)</u>	<u>(462,881)</u>
<b>Total assets less current liabilities</b>		(487,687)	(437,994)
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(59,226)</u>	<u>(100,000)</u>
<b>Net liabilities</b>		<u>(546,913)</u>	<u>(537,994)</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(546,913)</u>	<u>(537,994)</u>
<b>Total funds</b>	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 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(8,919)	(25,405)
<b>Adjustments to cash flows from non-cash items</b>			
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)
<b>Working capital adjustments</b>			
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
<b>Cash flows from investing activities</b>			
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
<b>Cash flows from financing activities</b>			
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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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
	1,228,530	1,303,381

#### 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
	27,608	22,295

# 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 £
<b>Staff costs during the year were:</b>		
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
<b>Other fees to auditors</b>		
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 £
<b>Cost</b>			
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
<b>Depreciation</b>			
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
<b>Net book value</b>			
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 £
<b>Unrestricted funds</b>					
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 £
<b>Unrestricted funds</b>				
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>
---------	------------------	------------------	--------------------	------------------

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Balance at 30 June 2023 As restated £
--	--------------------------------	----------------------------	----------------------------	--

### 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).