

Charity Registration No. 1162712

Company Registration No. RC000877 (England and Wales)

CHARTERED INSTITUTE OF CREDIT MANAGEMENT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

LEGAL AND ADMINISTRATIVE INFORMATION

President	S Baister
Trustees	G Bullivant (Treasurer) L Coltman V Herd P Holbrough (Appointed 8 September 2020) D Nolan (Chair) P Rice (Appointed 8 September 2020)
Chief Executive	S Chapple
Charity number	1162712
Company number	RC000877
Principal address	The Water Mill Station Road South Luffenham Oakham Leicestershire United Kingdom LE15 8NB
Registered office	The Water Mill Station Road South Luffenham Oakham Leicestershire United Kingdom LE15 8NB
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP
Bankers	National Westminster Bank PO Box 4 69 Bridge Street Worksop Nottinghamshire United Kingdom S80 1DG

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

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CHARTERED INSTITUTE OF CREDIT MANAGEMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Institute's charitable objectives are (1) to advance the education of the public concerning credit management and to encourage the study thereof. (2) to establish a hardship fund for the benefit of members or former members of the institute allowing the institute to make payments and/or assist such members or former members or their dependants who are in conditions of need hardship or distress.

The main activities undertaken in relation to these objectives are:

- Being the centre of expertise for credit management.
- Raising awareness of the impact of late payment and working with government and other business bodies to drive a change in culture
- Gaining universal recognition that sound credit management is vital to business.
- Maintaining relevant and up-to-date qualifications and occupational standards.
- Making best practice advice available to business and the wider community
- Being recognised and respected as the voice of the profession.
- Supporting the career development of all people who work in credit management.
- Improving skills and standards through a growing membership.
- Continuously improving its products and services and being the first-choice provider.
- Promoting credit management through local, national and international networks.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

During 2020 the Institute:

- Achieved wide recognition with government and other bodies to make available best practice advice to business and the wider community. Specific examples include the Institute's Managing Cash flow Guides, produced in association with BEIS, of which there have been over 600,000 downloads.
- Collaborated with business organisations and the media to provide information and education on basic credit management principles to the wider business community. For example continued the promotion of the benefits of good credit management through webinars with the support of 20 Corporate Partnerships, retaining and renewing all Corporate Partners with no other key clients identified at risk.
- Reviewed and re-launched CICM Advise Line which provides general technical advice or specialist legal advice, opening this to non-members due to the pandemic.
- Provided support during the pandemic with new training, advice, resources and guidance to help credit professionals manage 'credit in a crisis' and the 'new credit future'. Examples include the publication of a new online 'Super7' series of guides and checklists to provide members with practical tips on credit and collections strategy, team management and topics such as mental health and wellbeing.
- Moved training online and developed new 'live' virtual workshops covering best practice credit risk assessment and collections skills, and new 'bitesize' training for teams and individuals to dip into 'on demand' covering topics such as know your customer, leadership and target setting.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

- Continued to provide its range of Ofqual regulated qualifications in Credit and Collections, strengthening the CICM Awarding Body Business Continuity Plan as a result of the pandemic and delivering a range of initiatives to improve and future proof assessment delivery including: introduction of Turnitin tool to check for plagiarism and facilitate online assignment submission; moving all written exams online with external proctors, increasing delivery from two to four times a year; and introducing on demand (24/7) access to its other online exams with the option of a proctored exam at home or work.
- Developed new independent learning packages and virtual classes for its new awards and further e-learning modules designed to complement current study methods.
- Continued to increase recognition of best practice through the development and growth of our CICMQ quality accreditation scheme through which over 50 organisations have been recognised.
- Held further meetings of the forward thinking and thought-leading Think-Tank considering and discussing current issues and trends facing the profession, and commissioning research among the credit profession to inform discussion and debate.
- Restructured CICM HQ to establish a Members Support team with new Member Services Manager to oversee the CICM Credit Academy and Member Support teams.
- Reviewed education corporate governance arrangements to remove duplication and improve effectiveness, including revised committee terms of reference.

The Institute measures its' achievements and performance using a range of KPIs and SLAs. These include but are not limited to the analysis of membership numbers, measurement of member retention rates and targeted response times to member contact. Activity on social media channels is also keenly measured, and the Institute monitors coverage by third party organisations of its activity.

Financial review

The net expenditure of the group for the 12 month period was £71,265, increasing total charity funds to £838,140 at 31 December 2020. The trading subsidiary returned a profit of £294,197 which was gift aided to the charity.

Reserves Policy: The majority of the income received and generated by the Institute is of an unrestricted nature but certain restricted funds and reserves are recognised within the accounts. It is the Institute's policy to retain a level of general reserve that takes in to account future capital investment, unexpected maintenance expenditure and, in the event of a winding down of the Institute's activities, sufficient reserves to develop, deliver and award the Institute's qualifications. At 31 December 2020 the level of general reserve of £227,878 was below the level deemed to be sufficient to meet these criteria. The Trustees fully recognise and are committed to closing this shortfall by restricting capital investment to essential needs together with careful cost management over the next 5 years.

Benevolent Fund: This was set up by the Institute to provide assistance to members or former members of the Institute, or their dependants, in need, hardship or distress. Applications for assistance are considered by a Benevolent Fund Committee which is comprised of four Vice Presidents (previous Chairs) of the Institute. Payments totalling £3,387 were made during the period.

Branches: The branches are funded partly by the Institute and partly by fundraising activities carried out by the branches themselves. There has been minimal activity during 2020 due to the pandemic.

Funds in IICM: This is surplus funds donated by the IICM on its winding up and is ring fenced for development of the Ireland branch of CICM.

Investment Policy and Returns: Under the Institute's Charter and By-laws the Executive Board has the power to invest, as it thinks fit, any monies not immediately required after taking into account the Charity's future spending commitments and planned capital investment. Current investment policy demands a two tier approach to investments. That is, a proportion of surplus funds as designated by the trustees from time to time are held in readily realisable investments designed to generate a return in the short to medium term that will at least maintain the real value of the asset and simultaneously, as appropriate to the level of surplus funds, a proportion invested in higher risk markets designed to generate higher returns for growth over the medium to long term.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

The charity maintains an operational register of risk which is reviewed and updated on a regular basis. Possible risks identified include

- Financial performance and the impact this may have on investment and reserves.
- Managing change to retain Ofsted/Ofqual/IfATE/ESFA accreditations.
- Impact of Strong Customer Authentication.
- Loss of systems, physical infrastructure, or key personnel including the wider workforce
- Restructuring the organisation to deliver exceptional member value.

Each risk is scored according to potential impact and likelihood of occurrence. Appropriate actions are recorded in the risk register for each risk identified and monitored until implemented. The Executive Board delegates day-to-day responsibility for risk management to the Chief Executive who has responsibility for identifying and evaluating risks and implementing appropriate controls.

The Institute's objectives for the future continue as previously, and specific plans include:

- Continuing to promote to businesses its CICMQ quality accreditation scheme which identifies and recognises best practice in credit management.
- Continue to put our members at the forefront of all we do by focussing on the delivery of exceptional member value.
- Working with government to identify opportunities where it can support and advise on policy direction
- Continuing the review and development of its education scheme, qualifications and systems.
- Providing thought-leadership in credit management through the CICM Think-Tank.
- Ongoing development and enhancement of its website.
- Increasing media and PR activity to raise awareness of the importance of effective cash flow management among the wider business community.
- Continuing to develop the CICM Knowledge Hub, an online learning and knowledge environment.
- Growing the Mentor Hub which provides support for members, particularly – but not restricted to - those at the early stage of their career
- Growing the CICM Member Panel, a group of CICM members, customers and credit professionals across industries and countries, providing feedback, input and ideas on current and proposed products and services, membership benefits, training and qualifications, and government consultations.

Structure, governance and management

The charity was incorporated as a Royal Charter company on 1 January 2015 (Company Number RC000877 Charity Number 1162712).

The members of the Executive Board are the directors of the charitable company and its trustees for the purposes of charity law. They are elected by the Advisory Council for a period of two years and meet quarterly. New trustees are provided with an induction pack outlining their duties and responsibilities. Ongoing trustee training is provided from time to time. There are committees dealing with the benevolent fund, education and technical matters. It is the Executive Board's role to determine the overall direction and development of the charity through good governance and effective strategic planning. The Executive Board is also responsible for safeguarding and protecting the assets of the charity, identifying its principal business risks and ensuring that appropriate systems are in place for their management and mitigation. In addition the Executive Board oversees the admission and conduct of members, also the procedure at general meetings of the Institute. The Executive Board delegates day-to-day responsibility for governance, strategic planning, risk management and general day-to-day operations to the Chief Executive. The Chief Executive is appointed by the Executive Board.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The Institute has a wholly owned subsidiary, CICM (Services) Limited, which provides credit related services including training, events and the supply of learning materials. The accounts show the consolidated position of both companies. The subsidiary gifts all of its profits to the charity.

As a means of meeting its principal objectives, the Institute runs branches throughout the United Kingdom. Each of these branches is a geographic grouping of CICM members who elect a committee to promote the Institute at local level, to provide meetings of an educational and training nature, to encourage the exchange of professional views between people working in credit management and to provide a network of help, advice and support. Members of branch committees act in a voluntary capacity and operate within guidelines set by the Executive Board. In relation to the activities of the Institute as a whole, the £ value of the voluntary work is not a significant percentage.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

G Bullivant (Treasurer)

L Coltman

V Herd

P Holbrough (Appointed 8 September 2020)

D Nolan (Chair)

B Pettifor (Resigned 8 September 2020)

P Rice (Appointed 8 September 2020)

P Whitmore (Resigned 8 September 2020)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity provides qualifying third party indemnity insurance for the benefit of directors and trustees.

The pay and remuneration of key management personnel (Chief Executive) is determined by the trustees taking into account performance and benchmarked data for the sector.

Auditor

On 7 September 2020 Group Audit Services Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



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D Nolan (Chair)

Dated:9 March 2021.....

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Chartered Institute of Credit Management for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF CHARTERED INSTITUTE OF CREDIT MANAGEMENT

Opinion

We have audited the financial statements of Chartered Institute of Credit Management (the 'charity') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group & Parent Charitable Company Balance Sheet's, the Group Cash flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHARTERED INSTITUTE OF CREDIT MANAGEMENT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHARTERED INSTITUTE OF CREDIT MANAGEMENT

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

4 May 2021

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHARTERED INSTITUTE OF CREDIT MANAGEMENT

	Notes	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income from:</u>									
Donations and legacies	3	54,191	-	-	54,191	15,388	-	10,621	26,009
Charitable activities	5	758,060	2,001	-	760,061	977,230	8,785	-	986,015
Other trading activities	4	778,474	-	-	778,474	806,135	-	-	806,135
Investments	6	5,842	-	50	5,892	6,681	-	95	6,776
Total income		<u>1,596,567</u>	<u>2,001</u>	<u>50</u>	<u>1,598,618</u>	<u>1,805,434</u>	<u>8,785</u>	<u>10,716</u>	<u>1,824,935</u>
<u>Expenditure on:</u>									
Charitable activities	7	<u>1,486,822</u>	<u>47,293</u>	<u>10,987</u>	<u>1,545,102</u>	<u>1,752,540</u>	<u>103,339</u>	<u>1,076</u>	<u>1,856,955</u>
Net gains/(losses) on investments	12	<u>17,749</u>	<u>-</u>	<u>-</u>	<u>17,749</u>	<u>26,523</u>	<u>-</u>	<u>-</u>	<u>26,523</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF CHARTERED INSTITUTE OF CREDIT MANAGEMENT

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Net movement in funds	48,641	33,561	(10,937)	71,265	41,732	(56,869)	9,640	(5,497)
Net incoming/(outgoing) resources before transfers	127,494	(45,292)	(10,937)	71,265	79,417	(94,554)	9,640	(5,497)
Gross transfers between funds	(78,853)	78,853	-	-	(37,685)	37,685	-	-
Net movement in funds	48,641	33,561	(10,937)	71,265	41,732	(56,869)	9,640	(5,497)
Fund balances at 1 January 2020	179,237	514,150	73,488	766,875	137,505	571,019	63,848	772,372
Fund balances at 31 December 2020	<u>227,878</u>	<u>547,711</u>	<u>62,551</u>	<u>838,140</u>	<u>179,237</u>	<u>514,150</u>	<u>73,488</u>	<u>766,875</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		447,737		479,997
Investments	14		316,654		296,545
			<u>764,391</u>		<u>776,542</u>
Current assets					
Stocks	16	4,149		5,351	
Debtors	17	229,310		251,587	
Cash at bank and in hand		515,634		408,814	
		<u>749,093</u>		<u>665,752</u>	
Creditors: amounts falling due within one year	18	(625,404)		(668,951)	
Net current assets/(liabilities)			<u>123,689</u>		<u>(3,199)</u>
Total assets less current liabilities			<u>888,080</u>		<u>773,343</u>
Creditors: amounts falling due after more than one year	19		(49,940)		(6,468)
Net assets			<u>838,140</u>		<u>766,875</u>
Income funds					
Restricted funds	22		62,551		73,488
<u>Unrestricted funds</u>					
Designated funds	23	547,711		514,150	
General unrestricted funds		<u>227,878</u>		<u>179,237</u>	
			<u>775,589</u>		<u>693,387</u>
			<u>838,140</u>		<u>766,875</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

9 March 2021

The financial statements were approved by the Trustees on



.....
G Bullivant (Treasurer)
Trustee



.....
D Nolan (Chair)
Trustee

Company Registration No. RC000877

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		447,737		479,997
Investments	14		316,754		296,645
			<u>764,491</u>		<u>776,642</u>
Current assets					
Stocks	16	4,149		5,351	
Debtors	17	81,224		66,671	
Cash at bank and in hand		515,634		408,814	
		<u>601,007</u>		<u>480,836</u>	
Creditors: amounts falling due within one year	18	(477,418)		(484,135)	
Net current assets/(liabilities)			<u>123,589</u>		<u>(3,299)</u>
Total assets less current liabilities			888,080		773,343
Creditors: amounts falling due after more than one year	19		(49,940)		(6,468)
Net assets			<u>838,140</u>		<u>766,875</u>
Income funds					
Restricted funds	22		62,551		73,488
<u>Unrestricted funds</u>					
Designated funds	23	547,711		514,150	
General unrestricted funds		<u>227,878</u>		<u>179,237</u>	
			<u>775,589</u>		<u>693,387</u>
			<u>838,140</u>		<u>766,875</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

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9 March 2021

The financial statements were approved by the Trustees on



.....
G Bullivant (Treasurer)
Trustee



.....
D Nolan (Chair)
Trustee

Company Registration No. RC000877

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	28		58,861		138,687
Investing activities					
Purchase of tangible fixed assets		(4,260)		(4,014)	
Purchase of investments		(2,360)		(5,716)	
Cash withdrawn from investments		-		100,000	
Interest received		5,892		6,776	
Net cash (used in)/generated from investing activities			(728)		97,046
Financing activities					
Proceeds of new bank loans		50,000		-	
Payment of obligations under finance leases		(1,313)		(484)	
Net cash generated from/(used in) financing activities			48,687		(484)
Net increase in cash and cash equivalents			106,820		235,249
Cash and cash equivalents at beginning of year			408,814		173,565
Cash and cash equivalents at end of year			515,634		408,814

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Chartered Institute of Credit Management is a private company limited by guarantee incorporated in England and Wales. The registered office is The Water Mill, Station Road, South Luffenham, Oakham, Leicestershire, LE15 8NB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Membership fees received by the charity are recognised on receipt. A provision is made in the accounts for the costs associated with providing a monthly magazine to members for the remaining period of their membership. The element of the membership income that relates to training is recognised when the training is delivered.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

- (i) Expenditure by subsidiary includes training & educational services expenditure.
- (ii) Services to members expenditure includes membership, examinations, Credit Management magazine, advertising, committee services and publicity expenditure.
- (iii) Branch activities include all branch expenditure.
- (iv) Benevolent Fund expenditure includes Benevolent Fund grants and scholarships.
- (v) Support costs are those incurred in connection with services and administration enabling the day-to-day functioning of the charity.
- (vi) Governance costs include relevant legal, trustee, committee and audit expenditure.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Fixtures and fittings	15% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.13 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Institute.

Designated funds are unrestricted funds of the Institute which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations for which the donor has specified are to be solely used for particular areas of the Institute's work.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2020	2019	2019	2019
	£	£	£	£
Donations and gifts	-	15,388	10,621	26,009
Furlough income	54,191	-	-	-
	<u>54,191</u>	<u>15,388</u>	<u>10,621</u>	<u>26,009</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
CICM (Services) Limited	<u>778,474</u>	<u>806,135</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities

	Total 2020 £	Total 2019 £
Advertising, subs and royalties	56,309	43,051
Education and examinations	120,936	162,794
Branch activity	2,001	8,785
Sponsorship	6,250	100,375
Membership subscriptions	571,985	663,795
Other income	2,580	7,215
	<u>760,061</u>	<u>986,015</u>
Analysis by fund		
Unrestricted funds	758,060	977,230
Designated funds	2,001	8,785
	<u>760,061</u>	<u>986,015</u>

6 Investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Investments	5,506	-	5,506	6,229
Interest receivable	336	50	386	547
	<u>5,842</u>	<u>50</u>	<u>5,892</u>	<u>6,776</u>
For the year ended 31 December 2019	<u>6,681</u>	<u>95</u>		<u>6,776</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020	2019
	£	£
Expenditure by subsidiary	484,275	578,499
Investment management fees	2,371	2,502
Advertising, subs and royalties	142,559	114,952
Education and examinations	365,287	382,977
Committee services and publicity	182,498	163,405
Branch activity	18,273	45,082
Benevolent fund	3,487	1,076
	<u>1,198,750</u>	<u>1,288,493</u>
Share of support costs (see note 8)	337,317	557,532
Share of governance costs (see note 8)	9,035	10,930
	<u>1,545,102</u>	<u>1,856,955</u>
Analysis by fund		
Unrestricted funds	1,486,822	1,752,540
Designated funds	47,293	103,339
Restricted funds	10,987	1,076
	<u>1,545,102</u>	<u>1,856,955</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	36,520	-	36,520	58,257	-	58,257
Governance	-	9,035	9,035	-	10,930	10,930
Legal and professional	14,261	-	14,261	11,276	-	11,276
Property expenses	20,362	-	20,362	23,438	-	23,438
Insurance	6,092	-	6,092	2,820	-	2,820
Printing and stationery	11,531	-	11,531	14,717	-	14,717
Postage	9,285	-	9,285	14,158	-	14,158
Telephone & IT	50,323	-	50,323	57,011	-	57,011
Staff costs	171,330	-	171,330	303,398	-	303,398
Staff expenses	10,040	-	10,040	50,647	-	50,647
Other	7,573	-	7,573	21,810	-	21,810
	<u>337,317</u>	<u>9,035</u>	<u>346,352</u>	<u>557,532</u>	<u>10,930</u>	<u>568,462</u>
Analysed between						
Charitable activities	<u>337,317</u>	<u>9,035</u>	<u>346,352</u>	<u>557,532</u>	<u>10,930</u>	<u>568,462</u>

Governance costs includes payments to the auditors of £9,450 (2019- £9,000) for audit fees.

9 Trustees

A total of £432 (2019 - £1,842) was paid to trustees in respect of reimbursed expenses for travel and subsistence when carrying out business on behalf of the Institute. None of the trustees have been paid any remuneration or received any other benefits from any employment within the Institute.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

2020	2019
Number	Number
22	26

Employment costs

	2020	2019
	£	£
Wages and salaries	667,821	720,046
Social security costs	60,927	66,992
Other pension costs	39,026	45,906
	<u>767,774</u>	<u>832,944</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
	Number	Number
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1

11 Taxation

The Institute is a registered charity and the trustees consider that its income does not fall within the scope of corporation tax.

12 Net gains/(losses) on investments

	Unrestricted funds	Total
	2020	2019
	£	£
Revaluation of investments	<u>17,749</u>	<u>26,523</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets Group and Charity	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2020	482,536	21,713	191,840	696,089
Additions	-	-	4,260	4,260
Disposals	-	-	(2,245)	(2,245)
At 31 December 2020	482,536	21,713	193,855	698,104
Depreciation and impairment				
At 1 January 2020	43,429	5,810	166,853	216,092
Depreciation charged in the year	9,651	3,257	23,054	35,962
Eliminated in respect of disposals	-	-	(1,687)	(1,687)
At 31 December 2020	53,080	9,067	188,220	250,367
Carrying amount				
At 31 December 2020	429,456	12,646	5,635	447,737
At 31 December 2019	439,107	15,903	24,987	479,997

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments Group

	Listed investments £	Investment in subsidiary	Total £
Cost or valuation			
At 1 January 2020	296,545	-	296,545
Additions	2,360	-	2,360
Valuation changes	17,749	-	17,749
At 31 December 2020	316,654	-	316,654
Carrying amount			
At 31 December 2020	316,654	-	316,654
At 31 December 2019	296,545	-	296,545

Charity

	Listed investments £	Investment in subsidiary	Total £
Cost or valuation			
At 1 January 2020	296,545	100	296,645
Additions	2,360	-	2,360
Valuation changes	17,749	-	17,749
At 31 December 2020	316,654	100	316,754
Carrying amount			
At 31 December 2020	316,654	100	316,754
At 31 December 2019	296,545	100	296,645

15 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	316,654	296,545

16 Stocks Group and Charity

	2020 £	2019 £
Finished goods and goods for resale	4,149	5,351

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Debtors

Group	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	103,306	149,990
Prepayments and accrued income	126,004	101,597
	<u>229,310</u>	<u>251,587</u>

Charity	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	15,126	20,268
Prepayments and accrued income	66,098	46,403
	<u>81,224</u>	<u>66,671</u>

18 Creditors: amounts falling due within one year

Group	Notes	2020 £	2019 £
Bank loans	20	5,000	-
Obligations under finance leases	21	1,528	1,313
Other taxation and social security		36,832	33,607
Trade creditors		85,810	56,212
Other creditors		-	392
Accruals and deferred income		496,234	577,427
		<u>625,404</u>	<u>668,951</u>

Charity	Notes	2020 £	2019 £
Bank loans	20	5,000	-
Obligations under finance leases	21	1,528	1,313
Other taxation and social security		36,832	33,607
Trade creditors		46,716	36,941
Amounts owed to subsidiary undertakings		240,024	244,514
Other creditors		-	392
Accruals and deferred income		147,318	167,368
		<u>477,418</u>	<u>484,135</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due after more than one year

Group and charity

	Notes	2020 £	2019 £
Bank loans	20	45,000	-
Obligations under finance leases	21	4,940	6,468
		<u>49,940</u>	<u>6,468</u>

20 Loans and overdrafts

Group and charity

	2020 £	2019 £
Bank loans	50,000	-
Payable within one year	5,000	-
Payable after one year	45,000	-
	<u>50,000</u>	<u>5,000</u>

21 Finance lease commitments

Group and charity

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	1,528	1,313
Within two and five years	4,940	6,468
	<u>6,468</u>	<u>7,781</u>

It is the charity's policy to lease certain equipment under finance leases. The average lease term is 5 years. The average effective borrowing rate for the year was 33%. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Restricted funds

The income of the group and charity includes restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Benevolent fund	63,848	96	(1,076)	62,868	50	(3,487)	59,431
Ireland branch	-	10,620	-	10,620	-	(7,500)	3,120
	<u>63,848</u>	<u>10,716</u>	<u>(1,076)</u>	<u>73,488</u>	<u>50</u>	<u>(10,987)</u>	<u>62,551</u>

The benevolent fund was set up by the Institute to provide assistance to members or former members of the Institute, or their dependants, in need, hardship or distress. Applications for assistance are considered by the Benevolent Fund Committee which is comprised of four Vice Presidents.

The Ireland branch fund was set up from surplus funds donated by the IICM on its winding up and is ring fenced for development of the Ireland branch of CICM.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Designated funds

The income of the group and charity includes the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
Branch	45,044	8,785	(45,082)	25,406	34,153	2,001	(10,773)	24,593	49,974
Fixed asset fund	525,975	-	(58,257)	12,279	479,997	-	(36,520)	4,260	447,737
IT infrastructure fund	-	-	-	-	-	-	-	50,000	50,000
	<u>571,019</u>	<u>8,785</u>	<u>(103,339)</u>	<u>37,685</u>	<u>514,150</u>	<u>2,001</u>	<u>(47,293)</u>	<u>78,853</u>	<u>547,711</u>

The branches are funded partly by the Institute and partly by fundraising activities carried out by the branches.

The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible assets.

The IT infrastructure fund has been set up for the development of the website and purchase of IT equipment.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Analysis of net assets between funds

Group and charity

	Unrestricted 2020 £	Designated 2020 £	Restricted 2020 £	Total 2020 £	Unrestricted 2019 £	Designated 2019 £	Restricted 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:								
Tangible assets	-	447,737	-	447,737	-	479,997	-	479,997
Investments	316,654	-	-	316,654	296,545	-	-	296,545
Current assets/(liabilities)	(83,836)	144,974	62,551	123,689	(110,840)	34,153	73,488	(3,199)
Long term liabilities	(4,940)	(45,000)	-	(49,940)	(6,468)	-	-	(6,468)
	<u>227,878</u>	<u>547,711</u>	<u>62,551</u>	<u>838,140</u>	<u>179,237</u>	<u>514,150</u>	<u>73,488</u>	<u>766,875</u>

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group	2020 £	2019 £
Within one year	10,292	12,779
Between two and five years	4,433	14,725
	<u>14,725</u>	<u>27,504</u>
Charity	2020 £	2019 £
Within one year	-	-
Between two and five years	-	-
	<u>-</u>	<u>-</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>122,637</u>	<u>119,872</u>

During the year a donation of £nil (2019 - £15,388) was made by Coltman Warner Cranston LLP to the Institute. L Coltman, a trustee, is a partner in this law firm.

The trustees are elected from the members of the charity. They therefore have transactions with the charity in the normal course of the charity's business, including membership fees and participation in training. These transactions are on the same terms as for other members.

CHARTERED INSTITUTE OF CREDIT MANAGEMENT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

27 Subsidiaries

These financial statements are consolidated charity financial statements for Chartered Institute of Credit Management and its subsidiary.

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
CICM (Services) Limited	UK	Educational courses and training	Ordinary	100.00	

28 Cash generated from operations	2020 £	2019 £
Surplus/(deficit) for the year	71,265	(5,497)
Adjustments for:		
Investment income recognised in statement of financial activities	(5,892)	(6,776)
Loss on disposal of tangible fixed assets	558	-
Fair value gains and losses on investments	(17,749)	(26,523)
Depreciation and impairment of tangible fixed assets	35,962	58,257
Movements in working capital:		
Decrease/(increase) in stocks	1,202	(43)
Decrease/(increase) in debtors	22,277	(67,117)
(Decrease)/increase in creditors	(48,762)	186,386
Cash generated from operations	58,861	138,687

29 Analysis of changes in net funds

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	408,814	106,820	515,634
Loans falling due within one year	-	(5,000)	(5,000)
Loans falling due after more than one year	-	(45,000)	(45,000)
Obligations under finance leases	(7,781)	1,313	(6,468)
	<u>401,033</u>	<u>58,133</u>	<u>459,166</u>