

International Schools
of Business Management

A company limited by guarantee

Annual report and unaudited Financial Statements
for the year ended 31 July 2021

Registered no: 1293553

Registered Charity no: 273018

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

Company Information.....	1
Trustees' Report (incorporating the Strategic and Director's Reports).....	2-10
Independent Examiner's Report to the Members.....	11-12
Statement of Financial Activities (including Income and Expenditure account).....	13
Statement of Financial Position	14-15
Statement of Cash Flows.....	16
Notes to the Financial Statements.....	17-27

COMPANY INFORMATION

Registered Address

15 Bunhill Row
London
EC1Y 8LP

Registered number

1293553

Registered charity number

273018

Independent Examiner

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M15 4JE
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Bankers

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Company Secretary

Carol Pearson

TRUSTEES' REPORT (INCORPORATING THE STRATEGIC AND DIRECTOR'S REPORTS) FOR THE YEAR ENDED 31 JULY 2021

The Trustees, who are also Directors for the purposes of company law, present their annual Trustees' report and unaudited financial statements of International Schools of Business Management (the charitable company) for the year ended 31 July 2021. The report has been prepared to meet the requirements for a strategic and director's report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 19 and comply with the Charities Act 2011, the Companies Act 2006, the charitable company's Memorandum and Articles of Association, and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

Principal aims and objects

The principal activity of the charitable company is the advancement of education and learning through the operation of an International Teachers Programme ("ITP").

Structure, governance and management

Governing document

International Schools of Business Management (the charitable company) is a company limited by guarantee, not having a share capital, and was incorporated on 6th January 1977. It operates in accordance with a Memorandum & Articles of Association adopted on 6th January 1977. The liability under guarantee of the 13 members is limited to £1 each. The charitable company is a registered charity in England and Wales.

Organisation and decision making

The directors make the key decisions about the conduct of the charitable company. They meet twice a year to transact the business of the charitable company. The administration of the charitable company is carried out by the Company Secretary.

The member schools/organisations pay the directors' expenses for travel to board meetings enabling the directors to fulfil their roles as directors and trustees of the charitable company. The directors receive remuneration from the member schools/organisations for their employment as Professors at the schools or in one case as President at the European Foundation for Management Development (EFMD Global).

Appointment, induction and training of Trustees

Directors, as charity trustees, are appointed in accordance with the charitable company's articles of association which state that each member organisation may choose one person as their representative on the board of directors. In the case of a new school joining the charitable company, the Chair provides informal advice and guidance to ensure a suitable individual is chosen. The directors of the charitable company are also charity trustees for the purposes of charity law.

The directors, as charity trustees, have control of the charitable company and its property and funds. Each director is made aware of their duties as trustee upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect the role and responsibilities of trustees provided by the Company Secretary on a regular basis. A simple record of directors' training has been established.

The directors and members of the charitable company during the year ended 31 July 2021 were:

Directors/Trustees	Members
Professor P Batteau (resigned 13.03.21)	IAE – Aix Graduate School of Management, France
Professor S Caselli	SDA Bocconi School of Management, Italy
Professor E Cornuel	European Foundation for Management Development (EFMD Global), Belgium
Professor M Debruyne	Vlerick Business School, Belgium
Professor K de Valck	HEC Paris, France
Professor R Deo	NYU Stern School of Business, USA
Emeritus Professor G Dyas	INSEAD, France
Professor L Krishnamurthi	Kellogg School of Management, Northwestern University, USA
Professor P Mårtensson (Chair)	Stockholm School of Economics, Sweden
Professor J Mullins	London Business School, UK
Associate Professor C Serrano-Archimi (appointed 13.03.21)	IAE – Aix Graduate School of Management, France
Professor S Singh	Indian School of Business, India

Professor S Terence Tsai	China Europe International Business School (CEIBS), China
Professor M Yaziji	IMD, Switzerland

Pay policy and key management personnel

The key management personnel of the charitable company comprise the trustees together with the Company Secretary. Neither the trustees nor the Company Secretary receive salary payments from the charitable company.

The Company Secretary invoices for services via a limited company. Key tasks undertaken by the Company Secretary and contingency plans in case of an emergency are well documented. All critical financial tasks could be undertaken by the two mandated trustees in the absence of the Company Secretary.

None of the key personnel are co-located and are able to continue to work and communicate virtually at any time. On an exceptional basis, board meetings can and have taken place both wholly and partially virtually during the ongoing pandemic.

Trustees' responsibilities

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these Financial Statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities Statement of Recommended Practice 2019 applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- 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 charitable company 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 charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They

are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- So far as the trustee is aware, there is no relevant information of which the charitable company's independent examiner is unaware; and
- The trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant information and to establish that the charitable company's independent examiner is aware of that information.

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

The directors have decided to take advantage of the provisions of section 477 of the Companies Act 2006 and therefore an audit has not been carried out for the year under review.

Objectives and activities of the charitable company

Public benefit

When setting the objectives and planning for the work of the charitable company the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The charitable company has pursued the principal object for which it was established, namely the advancement of education and learning through the operation of its flagship International Teachers Programme (ITP) for over 50 years and more recently by funding a Consortium on Doctoral Teaching Programme run by The Indian School of Business (ISB).

The charitable company achieves public benefit by improving the quality of teaching which leads to better education resulting in better equipped students who go on to make a greater impact on society. Scholarships are awarded to outstanding candidates from institutions in developing countries which would not otherwise be able to afford to sponsor participants to attend the ITP. In recent years the charitable company has focused on supporting participants from Africa, Eastern Europe, Asia and Latin America.

Programme delivery

The ITP is a development programme aimed at business and management teachers in universities and business schools. The programme is an intensive teaching development programme dedicated to helping business educators in universities and business schools across the globe develop their teaching skills and capabilities delivered by educational experts and practitioners drawn from around the world in a highly interactive learning environment.

Participants leave the programme with improved teaching skills and a greater understanding of a wide range of teaching techniques, styles, methods and formats including virtual delivery of teaching. One edition of the ITP is offered annually. The management of the programme rotates amongst the member business schools of the charitable company consortium, each host school usually hosting two consecutive editions.

The programme is delivered by a diverse group of teachers and professionals who not only have a passion for teaching business topics but also a passion for teaching how to teach. They form a unique team whose objective is to provide programme participants with ideas, suggestions and techniques to improve the way they teach and interact with students and other learners. The programme also provides opportunities for participants to exchange ideas and learn from each other, as well as to develop their personal confidence.

COVID-19

The 2019-21 (originally 2019-20) ITP hosted by London Business School (LBS) was interrupted by the COVID-19 pandemic. The first one-week residential module in January 2020 took place in London and some virtual sessions took place in June of that year. The programme concluded with a second intensive online module in June 2021.

As a result of the move to online teaching a refund of £1,400 was offered to all participants who completed the second LBS edition of the programme and reimbursed by ISBM. These funds will be recovered from LBS once all eligible participants have been reimbursed and/or rolled over to the second INSEAD edition.

The COVID-19 pandemic also forced a review of the format of the 2020-21 programme hosted by INSEAD. Both intensive modules in January and July 2021 took place entirely online. The price of the 2020-21 programme was revised accordingly (€9,900) and an option to enrol for the first intensive module alone (€3,950) was offered. A discounted price for a 'self-funded' (€3,950) and a 'partially self-funded' (€4,950) participant was also offered.

The first intensive module of the second INSEAD edition (2021-22) priced at €10,600 took place entirely online. The second intensive module is currently planned to be fully residential in Fontainebleau in July 2022. It is also planned to offer a two-day 'ITP Booster' programme free to those participants from the first INSEAD edition who were not able to meet in person during the programme.

For the coming year the charitable company may also offer a number of scholarships to deserving participants in the form of free places to alumni events, should they go ahead as planned. A process is currently ongoing to appoint a board director to lead alumni activities.

Going concern

After making enquiries, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The current reserves position would allow the charitable company to continue operating for at least five years without receiving any net income from programme activities.

It is expected that the charitable company will continue to pursue its objects in the future with the board continuing to adopt a low/medium risk strategy with a minimum of 50% of

assets in investments realisable within 3 months. The investment objective is to at least guarantee a return of inflation per annum over the long term with the aim to protect the real value of the assets.

Review of the year

Due to the COVID-19 pandemic for the first time in ISBM's history two programmes run by different schools completed in the same year.

The first intensive module of the 2019-21 ITP was delivered in London by LBS to 46 participants from countries in Africa, Asia, Europe and South America in January 2020. 63% of the cohort was female. Seven half scholarships totalling £43,750 (2018-19: £25,000) were awarded to participants on the 2019-21 programme at LBS. 37 participants completed the 2019-21 programme online in June 2021.

The 2020-21 ITP was delivered wholly online by INSEAD to 44 participants. 39% of the cohort was female. Four scholarships totalling £26,205 were awarded for the 2020-21 ITP. 36 participants completed the programme online in July 2021.

The bi-annual Doctoral Consortium on Teaching Programme at The Indian School of Business (ISB) did not take place during this financial year and there was no other investment in Research & Development made into the advancement of education and learning.

All ITP alumni activities were postponed due to the COVID-19 pandemic. A process to appoint a board director to lead alumni activities going forward has been initiated.

A task force formed under the leadership of the ISBM Chair, Pär Mårtensson, started to develop options for additional charitable activities. A workshop held prior to the board meeting in October 2021 identified a proposal for mentoring services to alumni.

Plans for future periods

Vlerick Business School has accepted to host the next two editions of the ITP following INSEAD. A contract is currently being drawn up between ISBM and Vlerick. Thereafter, it is expected that Stockholm School of Economics (SSE) will host the programme for two years.

The INSEAD-led 'ITP Booster' programme is expected to take place in Fontainebleau in July 2022 and could become the blueprint for a new offering, in particular for ITP alumni, going forward.

Vlerick Business School are also proposing to develop an online learning programme which could potentially be offered to participants who are unable to afford the in-person fees and/or travel.

Plans for the next edition of the ISB Doctoral Consortium on Teaching Programme are currently on hold due to the ongoing COVID-19 pandemic.

Financial review

A summary of the year's results can be shown on pages 13 to 14 of the financial statements. Regular income is derived from student fees for the International Teachers Programme. As the second module of the 2019-21 programme was postponed due to COVID-19 all fee income held by London Business School was deferred until June 2021. The LBS surplus is exceptionally included in this year's accounts together with that of the first INSEAD edition.

Total income for the year was £935,896 (2020: £3,986). The total expenditure was £686,602 (2020: £71,364). The net gain on investments was £13,442 (2020: loss £492). During 2021 the charitable company achieved a surplus of £262,736 (2020 deficit: £67,870).

The overall surplus is made up of a surplus of £272,691 from general funds and a deficit of £9,955 from designated funds. An additional transfer of £60,000 from general funds was made to cover the expected scholarship awards for the second INSEAD edition plus a provision for special funding for the ITP Booster programme if required.

In addition, cash balances at the bank total £630,063 (2020: £399,817), investment in 4,886 income units of the COIF Charities Investment Fund were valued at £95,636 at 31 July 2021 (2020: 4,886 units £82,194) and the general reserve fund is at £613,627 (2020: £340,936). The trustees consider this is sufficient to cover current commitments and the ongoing activities of the charitable company.

Reserves policy

The trustees have examined the requirement for free reserves i.e. those general funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charitable company's work, the level of free reserves should cover a minimum of one programme's operating costs. The trustees judge this to represent approximately £300,000 based on the average cost of running the ITP over the past five years.

At 31 July 2021 free reserves stood at £613,627 which is £313,627 higher than the target reserves. Some of these extra funds will continue to be allocated to supporting scholarships to participants from developing countries over the coming two-year cycle as well as new initiatives e.g. the ITP Booster.

The trustees are of the opinion that this provides sufficient flexibility to cover any potential unrecoverable liabilities for logistics refunds due as a result of the move to online delivery.

In the worst-case scenario of the failure of both of ISBM's banks and no additional net income from operations the trustees believe that there will be adequate residual working capital from the Financial Services Compensation Scheme to cover ISBM's core operating costs for at least five years.

Financial position

The balance sheet shows total net assets of £683,090 (2020: £420,354) of which £613,627 (2020: £340,936) relates to general funds. These funds are to be used to further develop and promote the charitable company in 2021-22. The trustees consider that this is sufficient to cover current commitments and to finance the ongoing running of the business in accordance with the reserves policy.

The charitable company is looking to identify initiatives to support in the coming year. This will be a key topic for discussion at the March 2022 pre-board meeting workshop.

The designated fund of £69,463 (2020: £79,418) is intended to support the long-term development of the ITP and in particular to finance scholarships and other research and development initiatives consistent with the charitable company's Memorandum and Articles of Association.

Risk management

The trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific operational areas of the charitable company. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charitable company, they have established effective systems to mitigate those risks.

A risk register has been established and is reviewed at least bi-annually. As part of this process the internal controls are reviewed. Internal control risks are minimised by a clear system of delegated authority and control, and procedures for the authorisation of all financial transactions. The directors are satisfied that the containment actions in place will be adequate to manage and reduce the key risks identified.

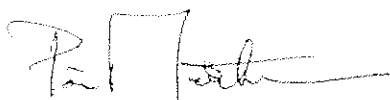
Principal risks and uncertainties

The key risks and uncertainties facing the charitable company are: the inability to run the programme face-to-face which may lead to a requirement to partially refund fees to some participants; continuing to attract sufficient participants to the ITP and maintaining commitment from member/sender schools a risk which may increase as a result financial pressures on sending schools due to the ongoing COVID-19 pandemic. Participant numbers for 2021-22 are however, sufficient to ensure at least a minimum contribution to cover ISBM's central operating costs.

These main risks and uncertainties are being managed through regular and timely communication with board members and current participants. As many participating schools, including board member schools, will be severely affected by the COVID-19 pandemic participation levels may be impacted going forward. Clear budgeting, break-even analysis and close reporting of marketing and admissions are vital. Active engagement of board schools' management by their appointed representatives will also be a key to future viability.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors on 12 March 2022 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'P. Mårtensson', is written over a horizontal line.

P. Mårtensson

Director

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS OF BUSINESS MANAGEMENT FOR THE YEAR ENDED 31 JULY 2021

I report on the accounts of the charitable company for the year ended 31 July 2021 which are set out on pages 13 to 27.

Respective Responsibilities of Trustees and Examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charitable company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- Follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- State whether particular matters have come to my attention.

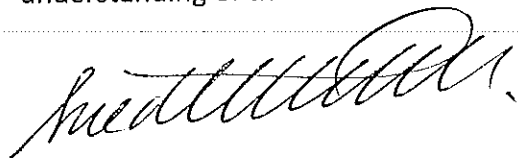
Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charitable company and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Sue Hutchinson (FCCA)

Independent Examiner

St. George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date

22/3/22

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds		Total Funds 2021 £	Total Funds 2020 £
		General Funds 2021 £	Designated Funds 2021 £		
Income from:					
Charitable activities	4	933,275	-	933,275	-
Programme delivery					
Investment Income	5	2,621	-	2,621	3,986
Total income		935,896	-	935,896	3,986
Expenditure on:					
Raising funds	6	29,078	-	29,078	7,786
Charitable activities					
Programme delivery	7	587,569	69,955	657,524	63,578
Total expenditure		616,647	69,955	686,602	71,364
Net (loss)/gain on investments	12	13,442	-	13,442	(492)
Net income/ (expenditure) before transfers		332,691	(69,955)	262,736	(67,870)
Transfer between funds	15/16	(60,000)	60,000	-	-
Net movement in funds		272,691	(9,955)	262,736	(67,870)
Fund balances at 1 August 2020	15/16	340,936	79,418	420,354	488,224
Fund balances at 31 July 2021	15/16	613,627	69,463	683,090	420,354

All of the charitable company's activities derived from continuing operations during the above two financial periods.

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

The Notes on pages 17 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

Registered Number: 1293553

	Notes	2021	2020
		£	£
Current assets			
Investments	12	95,636	82,194
Debtors	13	137,527	-
Cash at bank and in hand		630,063	399,817
		<u>863,226</u>	<u>482,011</u>
Creditors			
Amounts falling due within one year	14	<u>(180,136)</u>	<u>(61,657)</u>
Net current assets		<u>683,090</u>	<u>420,354</u>
Total net assets		<u><u>683,090</u></u>	<u><u>420,354</u></u>
The funds of the charitable company:			
Unrestricted funds:			
Designated fund	15	69,463	79,418
General fund	16	<u>613,627</u>	<u>340,936</u>
	17	<u><u>683,090</u></u>	<u><u>420,354</u></u>

For the year ended 31 July 2021, the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 13 to 27 were approved by the Board of Directors and authorised for issue on 12 March 2022 and are signed on their behalf by:



P. Mårtensson

Director

The notes on pages 17 to 27 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash inflow from operating activities	A	227,625	80,427
Cash flows from investing activities:			
Investment income and interest received		2,621	3,986
Proceeds from the disposal of investments		-	80,000
Purchase of investments		-	-
Net cash provided by investing activities		2,621	83,986
Change in cash and cash equivalents in the year		230,246	164,413
Cash and cash equivalents at 1 August 2020	B	399,817	235,404
Cash and cash equivalents at 31 July 2021	B	630,063	399,817

Notes to the statement of cash flows for the year to 31 July 2021.

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	262,736	(67,870)
Adjustments for:		
Losses (gains) on investments	(13,442)	492
Investment income and interest receivable	(2,621)	(3,986)
Decrease / (Increase) in debtors	(137,527)	94,466
(Decrease) Increase in creditors	118,479	57,325
Net cash inflow from operating activities	227,625	80,427

B Analysis of changes in net debt

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	399,817	230,246	630,063
Cash held by investment managers	-	-	-
Total cash and cash equivalents	399,817	230,246	630,063

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1. Legal status

The charitable company is a private company limited by guarantee incorporated in the United Kingdom (England and Wales) and has no share capital. The registered office of the charitable company is 15 Bunhill Row, London, EC1Y 8LP. The principal activities of the charity are the advancement of education and learning through the operation of an International Teachers Programme. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2. 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 United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

3. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- Determining any necessary provision for bad or doubtful debts.
- Determining rate of exchange on foreign currency transactions.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charitable company have concluded that, while the COVID-19 pandemic continues the material uncertainties related to events or conditions will significantly increase, they are confident that the charitable company will continue as a going concern. The trustees are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 July 2022, the most significant issue that affects the carrying value of the assets held by the charitable company is the successful delivery of the next ITP. This will primarily be measured by the level of repeat participation and the number of participants recruited from new and lapsed schools. Feedback from the participants to colleagues is key to maintaining high levels of participation.

Income recognition

Income is recognised in the year in which the charitable company is entitled to receipt, it is probable the charitable company will receive income and the amount can be measured with reasonable certainty. Income is deferred only when the charitable company has to fulfil conditions before becoming entitled to it or where the income specifically relates to activities in a future accounting period.

Income comprises fees for attendance at the ITP and interest receivable on funds held with the charitable company's bankers and investment fund.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Fees from participants are included as income from charitable activities as they relate to the charitable company's main activity, the delivery of the ITP. All amounts receivable in respect of courses completed at the year-end are included to the extent that it is probable the charitable company will receive the income and the amount can be measured with reasonable certainty.

Expenditure and the basis of apportioning costs

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Resources expended comprise expenditure on charitable activities, being the charitable company's primary charitable purposes as described in the trustees' report and fundraising costs. Such costs include:

- Delivery of the International Teachers Programme
- Marketing of the International Teachers Programme

- Marketing and delivery of the alumni conference

Scholarships and grants payable are payments made to participants from institutions which cannot afford the full programme fee in the furtherance of the charitable objects of the charitable company. Unconditional scholarships and grants are accrued once the participant has been notified of the scholarship or grant award.

Governance costs are the costs associated with the governance of the charitable company and its assets, and the costs associated with the strategic, as opposed to the day to day, management of the charitable company's activities. These are allocated to charitable activities.

Irrecoverable VAT

The charitable company is not registered for VAT. The irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost. All assets costing more than £2,000 and with an expected useful life of more than one year are capitalised. The charitable company has £nil tangible fixed assets as at 31 July 2021.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Current investments

Current investments comprise units held in the COIF Charities Investment Fund. They are valued at the mid-market value as at the year-end date.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt.

Foreign currency transactions and balances

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between fee proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

General funds

The general fund comprises those monies which are freely available for application towards meeting the charitable objectives of the charitable company at the discretion of the trustees, for example scholarships and grants.

Designated funds

The designated funds were established by the trustees with the primary aim of providing scholarships to enable participants to attend from institutions which cannot afford the full programme fee, and to support other research and development initiatives.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Deferred income

Course fees received in advance, by the charitable company, for courses to be delivered in a future financial year, are deferred on the balance sheet and will be recognised as income in the financial year to which they relate.

4. Income from charitable activities

	General Fund	Designated Fund	2021 Total Funds	2020 Total Funds
	£	£	£	£
Programme delivery	933,275	-	933,275	-
2021 Total Funds	933,275	-	933,275	-
2020 Total Funds	-	-	-	-

5. Investment income

	General Fund	Designated Fund	2021 Total Funds	2020 Total Funds
	£	£	£	£
Bank interest	2,621	-	2,621	3,986
2021 Total Funds	2,621	-	2,621	3,986
2020 Total Funds	3,986	-	3,986	-

6. Expenditure on raising funds

	General Fund	Designated Fund	2021 Total Funds	2020 Total Funds
	£	£	£	£
Marketing Including printing and stationery	29,078	-	29,078	7,786
2021 Total Funds	29,078	-	29,078	7,786
2020 Total Funds	7,786	-	7,786	

7. Expenditure on charitable activities

	General Fund Courses delivery	Designated Funds	General Fund Governance	2021 Total Funds	2020 Total Funds
	£	£	£	£	£
Costs directly allocated to activities					
Academic	229,206	-	-	229,206	-
Travel, accommodation and catering	78,060	-	-	78,060	-
Programme administration	246,510	-	-	246,510	32,349
R&D/ Alumni development	-	-	1,500	1,500	3,846
Foreign Exchange	6,681	-	-	6,681	895
Bank charges	-	-	357	357	142
Independent examiner fee	-	-	1,662	1,662	1,614
Legal and professional	-	-	20,638	20,638	16,581
Travel, accommodation and subsistence	-	-	361	361	7,578
Information technology	-	-	2,594	2,594	573
Scholarships	-	69,955	-	69,955	-
2021 Total Funds	560,457	69,955	27,112	657,524	63,578
2020 Total Funds	33,244	-	30,334	63,578	

8. Net movement in funds for the financial year

The net movement in funds for the financial year is stated after charging/(crediting):

	2021	2020
	£	£
Amounts payable to independent examiner:		
Independent examination	1,662	1,614
Registered office service	300	300
Training session	-	275
Interest received	(2,621)	(3,986)

9. Trustees' remuneration

No trustees received any emoluments for their services as directors during the year (2020: £nil). During the financial year £Nil (2020: £6,808) was paid to third parties on behalf of trustees (2020: 7 trustees) for accommodation and subsistence expenses incurred in the execution of their duties.

During the year ending 31 July 2021 the Trustees below received (2020: no trustees) received remuneration paid by the related member parties London Business School and INSEAD which was charged to the charitable company for services related to the delivery of ITP:

		2021	2020
John Mullins	Programme Director/ Development	41,811	-
Carolina Serrano-Archimi	Teaching and Travel	22,955	-
Pär Mårtensson	Teaching and Travel	18,460	-
Kristine de Valck	Teaching and Travel	16,224	-

These payments are permitted under the charitable company's Memorandum and Articles of Association.

10. Employees

The charitable company has no full-time employees (2020: Nil).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis comprise the Trustees and the Company Secretary. Total remuneration of £20,400 (2020: £18,150) was paid to the Company Secretary during the year, of which £12,000 was directly attributable to the role of Company Secretary (2020: £13,750). The balance paid of £8,400 (2020: £4,400) is primarily for services provided for support for alumni events and other central administration.

Total remuneration paid to key management personnel was £20,400 (2020: £18,150).

11. Taxation

The charitable company is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The charitable company is not registered for VAT and therefore suffers VAT on its expenditure.

12. Investments

	Units	Value
		£
Brought Forward at 1 August 2020	4,886	82,194
Disposals		
Revaluation	-	13,442
Carried Forward at 31 July 2021	4,886	95,636

The investment figure of £95,636 represents the mid-market value of 4,886 income units in the COIF Charities Investment Fund as at 31 July 2021 (2020: £82,194).

13. Debtors

	2021	2020
	£	£
London Business School	116,527	-
Other Debtors	21,000	-
	137,527	-

14. Creditors: amount falling due within one year

	2021	2020
	£	£
Accruals and deferred income	88,903	61,657
INSEAD	91,233	-
	180,136	61,657

Movement on deferred income is as follows:

Deferred income at 1 August 2020	18,359	-
Amounts deferred during the year	81,432	18,359
Amounts released in the year	17,826	-
Deferred Income at 31 July 2021	81,965	18,359

Deferred income is comprised of fee income received in advance for a course delivered in the next financial year £81,432 (2020: £17,826) and income received in advance for an alumni event £533 (2020: £533).

15. Designated Fund

	Balance at 1 August 2020	Transfer of funds	Incoming resources	Outgoing resources	Balance at 31 July 2021
	£	£	£	£	£
Designated fund	79,418	60,000	-	(69,955)	69,463

This fund was established to support the long-term development of the ITP and in particular to finance scholarships and other initiatives in line with the charitable company's Memorandum and Articles of Association.

A transfer of £60,000 was agreed at the October 2021 board meeting to support the expected scholarship awards for the 2021-22 ITP at INSEAD, as well as providing a provision for the ISB Consortium on Doctoral Teaching. Discussions are currently taking place to identify new charitable initiatives in the coming financial years.

16. General Fund

	Balance at 1 August 2020	Transfer of funds	Incoming resources	Outgoing resources	Net gain on investment	Balance at 31 July 2021
	£	£	£	£	£	£
General fund	340,936	(60,000)	935,896	(616,647)	13,442	613,627

This fund is intended to support the principal objective for which the charitable company was established – the advancement of education and learning through the operation of the International Teachers Programme.

17. Analysis of assets between funds

	General fund	Designated fund	Total funds
	£	£	£
Current assets	793,763	69,463	863,226
Current liabilities	(180,136)	-	(180,136)
	613,627	69,463	683,090

18. Related parties and controlling entity

London Business School (LBS) and INSEAD are members of the charitable company. At 31 July 2021 an amount of £116,527 (2020: £Nil) was due to the charitable company from LBS and an amount of £91,233 (2020: £Nil) was due to INSEAD.

Transactions during the year with London Business School were as follows:

	2021	2020
	£	£
Course fee income	531,250	-
Teaching costs	(141,011)	-
Travel and accommodation	(75,059)	-
Marketing/Alumni costs	(18,206)	-
Programme administration	(103,919)	-
		-
Net total for the year	193,055	-

Transactions during the year with INSEAD were as follows:

	2021	2020
	£	£
Course fee income	332,070	-
Teaching costs	(88,195)	-
Travel and accommodation	(3,001)	-
Marketing/Alumni costs	(17,610)	-
Programme Administration	(98,369)	-
		-
Net total for the year	124,895	-

Other than those transactions stated above or disclosed within note 9 Trustees' remuneration and note 10 Employees, there were no related party transactions during the year.

19. Statement of Financial Activities (including Income and Expenditure) for the year ended 31 July 2020

	Unrestricted Funds		
	General Funds	Designated Funds	Total Funds
	2020	2020	2020
	£	£	£
Income from:			
Charitable activities	-	-	-
Programme delivery	-	-	-
Investment Income	3,986	-	3,986
Total income	3,986	-	3,986
Expenditure on:			
Raising funds	7,786	-	7,786
Charitable activities	-	-	-
Programme delivery	63,578	-	63,578
Total expenditure	71,364	-	71,364
Net (loss)/gain on investments	(492)	-	(492)
Net (expenditure)/income before transfers	(67,870)	-	(67,870)
Transfer between funds	(20,000)	20,000	-
Net movement in funds	(87,870)	20,000	(67,870)
Fund balances at 1 August 2019	428,806	59,418	488,224
Fund balances at 31 July 2020	340,936	79,418	420,354

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

All incoming resources and resources expended derive from continuing operations.

7/17