

REGISTERED COMPANY NUMBER: 01315642 (England and Wales)
REGISTERED CHARITY NUMBER: 274066

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2025
for
The International College Of Oriental
Medicine (U.K.) Limited

Swindells LLP
Chartered Accountants
and Statutory Auditor
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

**The International College Of Oriental
Medicine (U.K.) Limited**

**Contents of the Financial Statements
for the Year Ended 31 August 2025**

	Page
Report of the Trustees	1 to 10
Report of the Independent Auditors	11 to 15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 to 30

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2025. The trustees have adopted the provisions 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

To effectively support the practice and learning of traditional Acupuncture and its integration with modern national health systems providing an answer to the global crisis all national health services are experiencing today.

ICOM's objectives are:

1. To put patients at the centre of the clinical stage and treat them as individuals, encouraging them to understand and take responsibility for their own health.
2. To reduce costs of effective medical interventions and benefit the community by providing affordable specialistic complementary/alternative treatment.
3. To relieve pressure from the NHS treating diseases that are normally addressed using potentially dangerous medications like opioids and NSAID.
4. To advance the education of the public in the subject of Traditional Acupuncture.
5. To advance the education of the students by providing and assisting them in gaining a professional licentiate recognised by the British Acupuncture Council.

In summary

To provide, deliver and enhance the care and treatment of patients requiring medical treatment, healing the sick, care of the poor and the aged and to engage, train, instruct, educate and employ highly skilled Chinese Medical staff as necessary.

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

OBJECTIVES AND ACTIVITIES

Public benefit and Achievements

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

ICOM is a world-renowned acupuncture training college, founded by Dr Van Buren in 1972.

In its long history, ICOM has been a major contributor to the development of Acupuncture in the UK and one of the founders of the UK Acupuncture professional body: The British Acupuncture Council. As the oldest College in the country, ICOM has strived to instill in its graduates a sense of solidarity and responsibility, healthy discipline, regard and reverence for the suffering of others combined with self-respect and the highest academic standards. In effect, ICOM graduates are among the most important Chinese Medicine Scholars in the West. Just to mention a few relevant examples:

1. Giovanni Macioca Prolific author of Clinical textbooks which are essential readings in almost all western Chinese Medicine colleges/universities around the world (Europe, Russia, USA, Australia, New Zealand, Israel etc.)
2. Peter Deadman and Mazin Al-Khafaji Authors of the most respected and sold Point Location Book produced by Western Scholars.
3. Julian Scott Author of influential pediatric Acupuncture books.
4. Peter Firebrace Editor of the Press company responsible for the dissemination in the UK of the Classical Approach to Acupuncture.
5. Joan Duveen Van Buren's pupil who is teaching extensively around the world.

In almost 50 years of practice the college has licensed 800 Acupuncture practitioners and treated thousands of patients in its clinic (last year the ICOM clinic has administered 5000 treatments) becoming a centre of attraction for patients in the whole south of England. ICOM has helped hundreds of patients to regain their health whereas other medical institutions have failed them.

Although ICOM is only a small institution, its influence has reached the USA, Israel, Finland, and Australia where colleges are still following the footsteps of ICOM founder Dr Van Buren. In fact, ICOM small classes are designed to make the journey of its students akin to the traditional Chinese Pupil/Teacher apprenticeship: a balanced blend of academic rigour and practical clinical applications. At ICOM students learn that health and illness are not separate entities but rather the two extremes of a continuum where life unfolds. The more we move away from life and from the optimum yin/yang balance, the more we move towards illness.

FINANCIAL REVIEW

Financial review

The statement of financial activities showed net deficit of £6,178 (Surplus 2024 - 92,073) for the year and reserves stand at £533,544 (2024 - £539,722). The financial position at the year end revealed by the Balance Sheet shows net current assets or working capital of £138,038 (2024 - £158,703). The net book value of fixed assets held, all of which are used directly for charitable purposes, amounted to £395,506 (2024 - £381,019).

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

FINANCIAL REVIEW

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit. The Trustees have considered the most appropriate policy for investing funds and have found that cash deposits are the safest form of investment.

Reserves policy

We do not have any material financial investments, and we do not hold onto any restricted funds. The only key factor that may affect the financial position of the college is a decrease of student numbers. The college has been proactive scheduling more Open Days (the feedback is positive so far, and we anticipate that our numbers will increase) and increasing our promotional activities. However, to ensure the ongoing financial viability of the charity, ICOM continues to develop and expand revenue streams, such as:

- The further development of our classical acupuncture CPD program, (Continued Professional Development). We carefully select and platform experienced scholars and educators of Chinese Medicine with the view to cementing our reputation as the countries leading provider of acupuncture CPD's.
- The aim of our CPD's endeavours is to eventually create a master's program of acupuncture at ICOM.
- The recruitment of carefully selected practitioners of various health modalities, with a view to increasing revenue streams for the college but also with the view to developing an integrated health centre.
- In collaboration with other acupuncture teaching institutions, we are exploring avenues for mutually beneficial collaboration.

Part of ICOM's five-year strategic plan is a return to the higher education framework, to this end ICOM is preparing relevant evidence and documentation in readiness for the application for Office for Students.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

The International College of Oriental Medicine (UK) Limited is registered as a company limited by guarantee and not having share capital. Its operations are governed by its Memorandum and Articles of Association (M&AA).

The International College of Oriental Medicine (UK) Limited was registered at Companies House on 31 May 1977 under registration number 01315642 and the charity is registered with the Charities Commission on 22 September 1977 under reference number 274066.

Recruitment and appointment of new trustees

As set out in the Articles of Association the chair of the Trustees is nominated by the other Trustees. The directors of the organisation are also the charity Trustees for the purposes of charity law. The Board of Trustees has power to appoint additional Trustees as it sees fit.

The Trustees have no beneficial interest in the company other than as members. The Trustees are also the directors of the company. All of the Trustees are members of the company and guarantee to contribute £1 in event of winding up.

Induction and training of new trustees

The Trustees maintain a good working knowledge of charity and company law and best practice by regular reading of charity press articles and scrutiny of Companies House, Charity Commission and other Government and voluntary organisation advisory websites. New Trustees are given copies of the Memorandum and Articles of Association and copies of previous minutes and attend an induction session given by an experienced Trustee.

Related parties

The charity has relationships with related parties and other charities and organisations with which it co-operates in pursuit of its charitable objectives.

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Management and governance

The College's mission statement:

To be a centre of excellence for acupuncture teaching, health care and research by the contemporary application of classical acupuncture.

The International College of Oriental Medicine (UK) Ltd is the oldest Acupuncture teaching institution in the UK and one of the oldest in Europe. The college, commonly known as ICOM, was founded in 1972 and since 1977 has had its residence in the company owned building in East Grinstead. ICOM is a registered charity which aims at forming highly specialised practicing acupuncturists over a period varying from three (full time student engagement) to five years (part time student engagement).

Structure of internal management and governance

The day-to-day management and administration of the college is carried out by the Management Team, comprising of the General Manager, Student Administrator, Communications Executive and Academic Researcher headed by the Principal. Besides 2 full-time members (Student Administrator) and (Communications Executive) the others all work part-time. The Team meets monthly and occasionally attended by a representative from the Board of Governors.

The Management Team is accountable to and guided by the Board of Governors. Our Governor members are drawn from a variety of professional backgrounds other than and including Oriental medicine; an elected faculty representative is also represented there. They are responsible for the overall institutional and academic direction and strategic planning. They oversee the activities of the Principal (Accountable officer) ensuring that the charity is carrying out its purposes for the public benefit (the primary stakeholders being patients and students), complying with the current legislation in the best interest of the college students and clinic patients and responsibly managing the college resources. The Principal reports to the Governor members at Board Meetings so that any new policy the Programme Committee or the Management Team may propose is independently ratified by the Board.

The Programme Committee comprises all course leaders and support teaching staff (20 part time lecturers) who meet twice a year to review academic standards, discuss and evaluate course material, monitor course development and delivery and ensure the on-going development and enhancement of learning and teaching according to the following three main drivers:

- 1 Student feedback: The Student College Representative reports formally to the Programme Committee and/or through student representatives for each group during meetings with the Management Team timetabled once a term.
- 2 Student performance.
- 3 Faculty professional or pedagogic development input.

External relevant partners

**Report of the Trustees
for the Year Ended 31 August 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The College continues to engage with, and ensure compliance with all required processes, policies and requirements of the British Acupuncture Accreditation Board (BAAB) which is its professional and statutory partner. ICOM completes an annual monitoring report each year (AMAF) and the Institutional clinical self-audit report (ICSA) for the British Acupuncture Council.

The award the students receive is the same as all students have received since 1977, the Licentiate in Acupuncture, offering entry to professional registration in the UK with the British Acupuncture Council (BAC).

Operations of internal management and governance

As per the guidelines of The Higher Education Code of Governance, OfS and the Nolan Principles of Public Life, ICOM governing body:

- has independent members who are fit and proper certified;
- its constitution, terms of reference and regulations are available on Companies House;
- keeps a register of relevant conflicts of interest;
- protects the reputation of ICOM by reviewing all the policies that are in place;
- to fulfil ICOM mission statement, monitors how the Management Team and Programme Committee enforce and follow those policies; the Board records these activities in the minutes of meetings which provide evidence of how the Board maintains oversight of the institution's compliance with relevant legislation and regulations;
- acts as a critical friend, including advising on strategy and its effectiveness;
- monitors the quality of educational provision ensuring that the requirements of all the external bodies (BAAB) are satisfied.
- reviews regularly ICOM's financing overseeing:
 - o the activities of the Student Administrator, who logs in the SLC funds on our dedicated server, and the Bursar, who processes these monies;
 - o the activities of the Clinic and College income and expenditures;
 - o these records are then audited and certified by an independent accountant.

This is achieved through a strong partnership with the Management Team and Programme Committee whose activities are coordinated by the Principal supported by the Academic Advisory Board. An elected member of the programme committee (Faculty Representative) always sits at Board meetings to ensure that the students, patients and staff members voices are heard. To increase clarity in reporting, the Academic Advisory Board are invited to Board Meetings and ad hoc designed Strategy days. In addition, a member of the Board is customarily invited to Management Team and Programme Committee Meetings to hear directly the voice of staff and students. (Furthermore, one of the directors is a member of the general public and patient of the ICOM clinic.) Finally, Board members have access to all activities of the Management Team (Minutes of meetings, Planning, Notes and digital chats) through MS Office365 digital platform in order to ensure that, even though the Board of Governors meets three times a year, there is a continuous exchange of information between the Management Team and the Board.

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The members of the Programme Committee are specialists and/or practitioners in their own fields, mostly in acupuncture and other areas of Chinese medicine or conventional medicine. All leaders of academic courses are qualified teaching professionals, whereas Clinical courses are led by senior practitioners with at least 15 years of clinical experience. Collectively they are responsible for enhancement actions as part of the course monitoring, annual monitoring, assessment monitoring, response to external examiners commentary, and student feedback. Student feedback is collated via formal course evaluations, the Student College Representative reporting formally at Programme Committee Meetings. Students' Portfolio presentation (as part of their professional development module) and through specifically timetabled meetings between student representatives and relevant members of the Management Team.

Programme Committee members, supported by the student administrator, also have pastoral wellbeing duties and act as personal tutors who meet their tutees at least once per term (being available to offer additional support if required).

A selected group of teaching staff constitutes the clinic supervisors' team who are responsible for the students' technical/clinical education as well as the transmission of the ethical values informing Acupuncture intervention as laid out in the British Acupuncture Council (BAcC) Code of Conduct.

This combination of professional teaching skills and small class sizes results in a high level of personal student support and attention which is evidenced by the commendations received by The British Acupuncture Accreditation Board (BAAB).

External stakeholders

The award has been developed by the college programme team, with input from students, University colleagues, external examiners and the professional body. The validated programme has been designed to meet key UK higher education requirements. It meets the UK Quality Code for Higher Education requirements and levels of learning. The college follows traditional HE practice in that each full year of study enables students to gain 120 credits and over three full years, the award of 360 credits. The learning outcomes of each course link back directly to the overarching aims of the programme. The assessment opportunities are carefully designed to meet learning outcomes and the standards set for the award are appropriate for qualifications at the level.

Academic Standards

External Examiner

Appointed by ICOM, one of the roles of External Examiners (EE) is to ensure that integrity and appropriateness of academic standards are maintained.

BAAB

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Professional accreditation by the professional acupuncture body (BAAB) entails annual and periodic monitoring of the programme. The ICOM programme continues to meet the requirements of the BAAB in terms of content, learning hours, clinic hours and codes of practice, evidenced in the mapping of all courses to the ~~Standards of Education and Training for Acupuncture 2011 (SETA)~~ and following the rules of the BAAB Accreditation Handbook.

The BAcC's SETA have informed all parts of the curriculum and learning outcomes for the programme. The programme has been designed to permit those students who successfully complete all courses at each level of the programme to satisfy the expectations and requirements of the SETA, thus equipping them with the professional standards and skills of the healthcare practitioner in acupuncture. Successful graduates are eligible for professional registration with the BAcC.

The BAcC Standards of Practice for Acupuncture (SPA) are the set of professional standards to which all practitioners must comply, and these reflect much of the learning and teaching taking place within the programme. The renewed accreditation visits are comprehensive and include observing lectures, observing clinic supervision, meetings with management team, lecturers, and students, examining all institutional documentation including financial accounts, resources, and facilities management. The University concluded in their major review in 2017 that "ICOM are subject to both QAA and BAAB monitoring processes with each having a different approach". The University are reassured that the BAAB ensures a bespoke QA process which is developmental, rigorous, illuminating and has produced an excellent result for ICOM. ICOM considers this to be a very important developmental process which enables them to be critical and to enhance standards professionally." The BAAB approved the programme unconditionally in April 2022 and awarded the maximum period of accreditation (6 years) at its latest major periodic review. ICOM was in partnership with The University of Greenwich from 2011 - 2018, and we are in the process to re-enter the higher education framework and a university partnership.

CHAC

ICOM, through its longstanding founding of, and association with, the Council of Heads of Acupuncture Colleges (CHAC) is actively involved in discussions of educational standards and quality and in sharing best practice and staff development opportunities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01315642 (England and Wales)

Registered Charity number
274066

**The International College Of Oriental
Medicine (U.K.) Limited (Registered number: 01315642)**

**Report of the Trustees
for the Year Ended 31 August 2025**

Registered office

Van Buren House
Green Hedges Avenue
East Grinstead
West Sussex
RH19 1DZ

Trustees

A M Brooks Retired Chartered Engineer (resigned 19/2/2025)
G W D K Calcutt Chartered Surveyor (resigned 19/2/2025)
Ms A B Edwards Acupuncturist And Interfaith Minister
R J Elliott Lecturer
T O W Ings Principal
R J Jinks Commercial Director
Mrs S L Major Acupuncturist
Dr S Sumar International Development
Miss H R Ledson Healthcare Assistant (resigned 15/4/2025)
P W Marks (appointed 19/2/2025)

Company Secretary

Mrs A M Gunter

Auditors

Swindells LLP
Chartered Accountants
and Statutory Auditor
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The International College Of Oriental Medicine (U.K.) Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

**The International College Of Oriental
Medicine (U.K.) Limited**

**Report of the Trustees
for the Year Ended 31 August 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Swindells LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29th April 2021 and signed on its behalf by:


.....
Mrs S L Major - Trustee

**Report of the Independent Auditors to the Members of
The International College Of Oriental
Medicine (U.K.) Limited**

Opinion

We have audited the financial statements of The International College Of Oriental Medicine (U.K.) Limited (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for unqualified 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 charitable company'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.

**Report of the Independent Auditors to the Members of
The International College Of Oriental
Medicine (U.K.) Limited**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Report of the Independent Auditors to the Members of
The International College Of Oriental
Medicine (U.K.) Limited**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
The International College Of Oriental
Medicine (U.K.) Limited**

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the company's internal controls have been discussed with management and understood prior to our audit testing. Internal controls have been tested through walkthrough testing, to assess whether controls are adequate, whether they are being followed, and whether irregularities and fraud are prevented.
- deficiencies in internal controls have been highlighted and explained to management, along with recommendations as to how deficiencies can be improved and the risk of irregularity and fraud occurrence minimised.
- representations have been provided by management that there were no identified cases of fraud or instances of non-compliance during or since the accounting period.
- substantive testing has been carried out to test the validity of transactions, with entries in the accounting system vouched to corresponding third party documentation and evidence of appropriate authorisation.

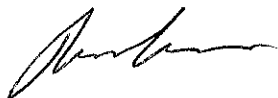
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
The International College Of Oriental
Medicine (U.K.) Limited**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



Joanna Green BSc FCA (Senior Statutory Auditor)
for and on behalf of Swindells LLP
Chartered Accountants
and Statutory Auditor
Atlantic House
8 Bell Lane
Bellbrook Industrial Estate
Uckfield
East Sussex
TN22 1QL

Date:15/26.....

**The International College Of Oriental
Medicine (U.K.) Limited**

**Statement of Financial Activities
for the Year Ended 31 August 2025**

		2025 Unrestricted fund £	2024 Total funds as restated £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	6,717	85,303
Charitable activities	4		
Charitable activities		335,663	294,871
Investment income	3	9,309	8,259
Total		<u>351,689</u>	<u>388,433</u>
EXPENDITURE ON			
Charitable activities	5		
Staff costs		243,415	222,761
Direct project costs		40,182	3,965
Premises costs		26,820	24,638
Support costs		39,266	39,776
Governance costs		6,174	5,220
Charitable activities		2,010	-
Total		<u>357,867</u>	<u>296,360</u>
NET INCOME/(EXPENDITURE)		(6,178)	92,073
RECONCILIATION OF FUNDS			
Total funds brought forward		539,722	447,649
TOTAL FUNDS CARRIED FORWARD		<u><u>533,544</u></u>	<u><u>539,722</u></u>

The notes form part of these financial statements

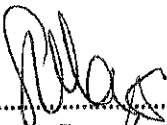
**The International College Of Oriental
Medicine (U.K.) Limited**

**Balance Sheet
31 August 2025**

	Notes	2025 Unrestricted fund £	2024 Total funds as restated £
FIXED ASSETS			
Tangible assets	12	395,506	381,019
CURRENT ASSETS			
Debtors	13	28,036	104,712
Cash at bank		249,223	151,110
		<u>277,259</u>	<u>255,822</u>
CREDITORS			
Amounts falling due within one year	14	(139,221)	(97,119)
NET CURRENT ASSETS		<u>138,038</u>	<u>158,703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>533,544</u>	<u>539,722</u>
NET ASSETS		<u><u>533,544</u></u>	<u><u>539,722</u></u>
FUNDS	18		
Unrestricted funds		<u>533,544</u>	<u>539,722</u>
TOTAL FUNDS		<u><u>533,544</u></u>	<u><u>539,722</u></u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29th April 2026 and were signed on its behalf by:


.....
S L Major - Trustee

The notes form part of these financial statements

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements
for the Year Ended 31 August 2025**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgments, 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.

Income

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

Grant income

Grants are credited to the statement of financial activities when the charity is entitled to the funds.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met.

Grants supporting the core activities of the charity and with no specific restrictions placed upon their use are included within donations and legacies. Grants that have specific restrictions placed upon their use are included within income from charitable activities.

Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets is charged against the restricted fund.

Donations and legacies

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

1. ACCOUNTING POLICIES - continued

Income

Donations are recognised in the period in which they are received. Legacy income is recognised when the charity's entitlement is judged to be probable and where the amount can be reliably measured.

Contract income

Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.

Investment income

Investment income is included when receivable.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- a) Cost of raising funds comprises costs of seeking donations and carrying out fundraising activities and their associated support costs.
- b) Expenditure on charitable activities include expenditure associated with the main objectives of the charity and include both direct costs and their associated support costs.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 6.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 15% on reducing balance
Library	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 25% on reducing balance

Freehold property is depreciated on the log cabin element and other freehold improvements from 2021. 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 the statement of financial activities.

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from corporation tax on its charitable activities.

Funds accounting

The general fund comprises those monies which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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.

Creditors and provisions

Creditors and provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

1. ACCOUNTING POLICIES - continued

Debtors

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

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.

Cash flow statement

The charity qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 2, not to prepare a cash flow statement.

2. DONATIONS AND LEGACIES

	2025	2024 as restated
	£	£
Legacies	5,000	85,000
Grants	1,717	303
	<u>6,717</u>	<u>85,303</u>

Grants received, included in the above, are as follows:

	2025	2024 as restated
	£	£
Grant for boiler	<u>1,717</u>	<u>303</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

3. INVESTMENT INCOME

	2025	2024 as restated
	£	£
Deposit account interest	9,309	8,259
	<u>9,309</u>	<u>8,259</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2025	2024 as restated
	Activity	£	£
Student fees	Charitable activities	206,547	219,861
Post graduate fees	Charitable activities	73,584	14,851
Clinic fees	Charitable activities	50,010	50,227
Sundry receipts	Charitable activities	5,522	9,932
		<u>335,663</u>	<u>294,871</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Staff costs	209,603	33,812	243,415
Direct project costs	40,182	-	40,182
Premises costs	26,820	-	26,820
Support costs	4,384	34,882	39,266
Governance costs	-	6,174	6,174
Charitable activities	2,010	-	2,010
	<u>282,999</u>	<u>74,868</u>	<u>357,867</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Staff costs	33,812	-	33,812
Support costs	34,882	-	34,882
Governance costs	-	6,174	6,174
	<u>68,694</u>	<u>6,174</u>	<u>74,868</u>

Support costs, included in the above, are as follows:

	Staff costs	Support costs	Governance costs	2025 Total activities	2024 as restated Total activities
	£	£	£	£	£
Wages	33,812	-	-	33,812	30,075
Insurance	-	7,103	-	7,103	8,716
Telephone	-	2,233	-	2,233	2,112
Postage and stationery	-	2,959	-	2,959	2,517
Advertising	-	1,853	-	1,853	1,696
Sundries	-	7,599	-	7,599	7,581
Travelling	-	1,330	-	1,330	2,226
Subscriptions	-	1,158	-	1,158	1,781
Professional fees	-	-	-	-	13
Bank charges	-	4,083	-	4,083	1,976
Bank loan interest	-	-	-	-	922
Depreciation of tangible and heritage assets	-	6,564	-	6,564	5,819
Auditors' remuneration	-	-	6,174	6,174	5,220
	<u>33,812</u>	<u>34,882</u>	<u>6,174</u>	<u>74,868</u>	<u>70,654</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

7. NET INCOME/(EXPENDITURE)

Net Income/(expenditure) is stated after charging/(crediting):

	2025	2024 as restated
	£	£
Auditors' remuneration	6,174	5,220
Depreciation - owned assets	<u>6,564</u>	<u>5,818</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

During the year, two trustees received remuneration of £49,967 (2024: £56,641) (One trustee for acting as Principal and for providing teaching services, and one trustee for providing teaching services)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2025 nor for the year ended 31 August 2024.

9. STAFF COSTS

No employee received remuneration in excess of £60,000 during the year.

The key management personnel of the charity for the financial year comprised of the Principal, Director of Studies, General Manager, Student Administrator and Communications Executive. The total employee benefits of the key management personnel of the charity were £124,977.(2024: £126,587)

The average number of full time equivalent employees was 6.

The average monthly number of persons employed by the charity during the year was 20 (2024 : 19)

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund as restated £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	85,303
Charitable activities	
Charitable activities	294,871
Investment income	8,259
Total	<u>388,433</u>
EXPENDITURE ON	
Charitable activities	
Staff costs	222,761
Direct project costs	3,965
Premises costs	24,638
Support costs	39,776
Governance costs	5,220
Total	<u>296,360</u>
NET INCOME	92,073
RECONCILIATION OF FUNDS	
Total funds brought forward	447,649
TOTAL FUNDS CARRIED FORWARD	<u><u>539,722</u></u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

11. PRIOR YEAR ADJUSTMENT

In the prior year student fees were overstated by £12,360.
The impact is to reduce net income and reduce total funds by this amount.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Library £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2024	405,728	8,294	65,818	27,251	507,091
Additions	13,469	189	1,491	5,902	21,051
	<u>419,197</u>	<u>8,483</u>	<u>67,309</u>	<u>33,153</u>	<u>528,142</u>
DEPRECIATION					
At 1 September 2024	29,334	7,920	62,067	26,751	126,072
Charge for year	5,433	79	691	361	6,564
	<u>34,767</u>	<u>7,999</u>	<u>62,758</u>	<u>27,112</u>	<u>132,636</u>
NET BOOK VALUE					
At 31 August 2025	<u>384,430</u>	<u>484</u>	<u>4,551</u>	<u>6,041</u>	<u>395,506</u>
At 31 August 2024	<u>376,394</u>	<u>374</u>	<u>3,751</u>	<u>500</u>	<u>381,019</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 as restated £
Trade debtors	7,536	6,835
Other debtors	5,042	85,000
Prepayments	15,458	12,877
	<u>28,036</u>	<u>104,712</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024 as restated
	£	£
Bank loans and overdrafts (see note 15)	-	5,312
Trade creditors	4,615	3,950
Social security and other taxes	2,905	3,615
Other creditors	125,527	76,645
Accrued expenses	6,174	5,880
Deferred government grants	-	1,717
	<u>139,221</u>	<u>97,119</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2025	2024 as restated
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>-</u>	<u>5,312</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024 as restated
	£	£
Within one year	1,440	-
Between one and five years	5,760	-
	<u>7,200</u>	<u>-</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

17. SECURED DEBTS

The bank loan is secured by a fixed charge dated 14 January 2020 over the freehold property of the charity.

18. MOVEMENT IN FUNDS

	At 1.9.24 £	Net movement in funds £	At 31.8.25 £
Unrestricted funds			
General fund	539,722	(6,178)	533,544
TOTAL FUNDS	<u>539,722</u>	<u>(6,178)</u>	<u>533,544</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	351,689	(357,867)	(6,178)
TOTAL FUNDS	<u>351,689</u>	<u>(357,867)</u>	<u>(6,178)</u>

Comparatives for movement in funds

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	447,649	92,073	539,722
TOTAL FUNDS	<u>447,649</u>	<u>92,073</u>	<u>539,722</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	388,433	(296,360)	92,073
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>388,433</u>	<u>(296,360)</u>	<u>92,073</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.23 £	Net movement in funds £	At 31.8.25 £
Unrestricted funds			
General fund	447,649	85,895	533,544
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>447,649</u>	<u>85,895</u>	<u>533,544</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	740,122	(654,227)	85,895
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>740,122</u>	<u>(654,227)</u>	<u>85,895</u>

**The International College Of Oriental
Medicine (U.K.) Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2025**

19. RELATED PARTY DISCLOSURES

Payment to trustees and key management personnel are disclosed in note 8 & 9.



SWINDELLS

CHARTERED ACCOUNTANTS

The International College of Oriental Medicine (U.K.) Limited

AUDIT FINDINGS REPORT

March 2026



INTRODUCTION AND SUMMARY

This report summarises our key findings in connection with the audit of the financial statements for The International College of Oriental Medicine (U.K.) Limited for the year ended 31 August 2025.

Audit approach

Our work was planned and performed in order to issue an audit opinion on the financial statements in accordance with International Auditing Standards on Auditing (ISAs) and the terms of our letter of engagement. Our audit approach is a risk based approach. Founded on us gaining a thorough understanding of the entity and its business in order to allow us to identify the risks of material misstatement within the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the entity operates. We then use this assessment to develop an effective and efficient approach to the audit.

Limitations

Our audit procedures which have been designed to enable us to express an opinion on the financial statements, have included an examination of the transactions and controls thereon.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate on the circumstances, but not for expressing an opinion of the effectiveness of internal control, or to identify any significant deficiencies in their design or operation.

We have included in this report, only those matters that have come to our attention as a result of our normal audit procedures and consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist, or improvements that could be made.

Overall conclusion and opinion

At the time of issuing this report, we anticipate issuing an unqualified opinion on the financial statements.

**SIGNIFICANT AUDIT RISKS AND OTHER FOCUS AREAS IDENTIFIED DURING AUDIT PLANNING**

We set out below the significant audit risks and where applicable, other key areas of focus for our audit, identified at the planning stage.

Area	How we addressed this	Commentary
Presumed risk in revenue recognition There is a risk of incorrect treatment of income under UK GAAP	We planned and performed specific tests to ensure that income had been recorded in the correct period and tested a sample of transactions around the year end. Our review included an assessment of the appropriateness of recognition of trade debtors, accrued and deferred income.	The results of our planned audit work are considered to be satisfactory in this area.
Presumed risk of management override There is a risk of misappropriation of assets and the misinterpretation of financial information	We considered and reviewed all areas requiring judgement or estimates in order to assess the appropriateness of the judgements and estimates made by management. We reviewed and tested journal entries made in the year and in particular, those made as part of the year end financial reporting process. Where necessary, we made further enquiries regarding any seemingly inappropriate or unusual journals or other adjustments.	The results of our planned audit work are considered to be satisfactory in this area.
Risk of the appropriateness of the use of going concern There is a risk that the entity will be unable to continue to trade	We reviewed cashflow forecasts post year end. We carried out procedures to enable us to evaluate the viability of the entity and the recoverability of debts.	The results of our planned audit work are considered to be satisfactory in this area.

ACCOUNTING AND AUDIT MATTERS**Summary adjusted and unadjusted misstatements**

Details of adjusted errors can be found in the appendix to this report

We consider that the additional amounts are not material to the financial statements and therefore non adjustment will not lead to the accounts being materially misstated.

**Letter of representation**

The ISAs require us to obtain written representations from the trustees when you approve the financial statements.

INTERNAL CONTROLS

During the course of our audit, we identified the following control points that we feel need to be brought to the attention of the trustees and certain recommendations for improvement or corrective action.

Our audit included consideration of the internal controls relevant to the preparation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control or to identify any significant deficiencies in their design or operation. The matters and detailed control points that we have identified are graded within the following framework to assist the trustees in assessing their impact.

Rating	Rating type	Characteristics of rating type
Significant	These findings are considered to be significant to the management of risk in the business. The finding represents a serious weakness in systems and controls currently in place or a potentially fundamental control that has been omitted from the risk management systems as currently in operation.	<ul style="list-style-type: none">• Key control omitted• Key control not designed or operating effectively for example, as indicated by multiple exceptions found during our review work• Evidence of override of controls in place with significant or potentially fraudulent outcomes.• Non compliance with laws and regulations
Important	Important findings that should be reviewed by management, pending corrective action and/or updates to systems and controls	<ul style="list-style-type: none">• Errors or exceptions noted during our testing that had been corrected retrospectively during the year by management• Potential improvement to existing controls noted• Possibility for override of controls exists• Our review noted numerous exceptions but not in key controls
Limited	Findings that identify non compliance with established systems and controls	<ul style="list-style-type: none">• Minor control weaknesses for example, limited exceptions noted during our review work
Advisory	Items requiring no immediate action, but which may be of	<ul style="list-style-type: none">• Information for department management• Control operating but scope for efficiency and/or



	interest to management or best practice advice	effectiveness improvements exist <ul style="list-style-type: none">• Control operating but not necessarily in accordance with best practice• Recent or anticipated developments may necessitate new controls
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We wish to bring the following matters to your attention:

<p>Finding and risk</p> <p>Our work identified that there was no ID held for two of the employees that we checked.</p> <p>It is a legal requirement to check that all new employees have the right to work in the UK.</p>	<p>Recommendation</p> <p>We suggest that ID be collected from employees during pre-employment checks and held on file.</p>	<p>Management response</p>
<p>Finding and risk</p> <p>Our work highlighted that there was no formal authorisation of bank payments or purchase invoices, and it is done verbally</p> <p>This could lead to errors or misunderstandings</p>	<p>Recommendation</p> <p>We suggest that the trustees implement a formal policy for authorisation, and clear documentation to show approval and segregation of duties.</p>	<p>Management response</p>
<p>Finding and risk</p> <p>Our work identified that sometimes repairs appear to be capitalised incorrectly.</p> <p>This could lead to fixed assets being overstated.</p>	<p>Recommendation</p> <p>Only capital items should be capitalised. There should be a de minus for capitalising items, for example no item below £100 to be capitalised.</p> <p>A capital item is an improvement not just a general repair.</p>	



Finding and risk	Recommendation	Management response
<p>Our work identified that signed copies of employment contracts were not held on file.</p> <p>There is a possibility that this could lead to disagreement and legal issues.</p>	<p>We suggest that a copy of the signed employee contract is kept on the employee's file.</p>	

EMERGING ISSUES

Accounting standards

January 2026 will see the biggest change in Financial Reporting Standard 102 (FRS102) since its introduction over a decade ago.

The updated standard can be applied earlier than January 2026 provided all amendments are applied at the same time.

Related party transactions

There have been significant revisions to the disclosure of material transactions not conducted under normal market conditions with related parties. The amendment covers the judgement of what constitutes normal market conditions and materiality, as well as expanding the definition of a related party to mirror that which non small companies were previously using.

In practice, this means that all transactions with related parties will now be disclosed in small company accounts, unless they are between two or more members of a group where the subsidiaries are 100% owned. For example, all transactions with the small company's directors, shareholders and companies controlled by the same person, will now need to be disclosed, irrespective of whether they are conducted at market rate or not.

The disclosure required is:

- The nature of the related party relationship
- The amount of the transactions
- The amount of outstanding balances and commitments, their terms and conditions and details of any guarantees given or received
- Provisions for any uncollectible receivables related to outstanding balances
- The expense recognised during the period for any bad or doubtful debts due from related parties.

Accounting for leases

Amendments have been made to the disclosure requirements for lease accounting. As a result, any reporting entity which has the right of use of an asset, will have to disclose the opening net book value to the closing net book value including all movements in the year. This means that the entity's accounts will show an asset and a liability in respect of leases.

There are two exceptions if the leases are short term or of low value. Such items might include laptops, tablets or small items of office furniture.



The FRS provides a list of assets which would not be considered to be low value:

- Cars, vans, buses, coaches, trams, trucks and lorries
- Cranes, excavators, loaders and bulldozers
- Telehandlers and forklifts
- Tractors, harvesters and related attachments
- Boats and ships
- Railway rolling stock
- Aircraft and aero engines
- Land and buildings
- Production line equipment.

Revenue recognition

Detailed disclosures will also be required on revenue recognition. The company will have to disclose when it typically satisfies its performance obligations (e.g., upon delivery or as services are rendered), the significant payment terms and the nature of goods or services transferred by the revenue contract, including where the company is acting as agent for another party.

Share-based payments

Historically small companies had no specific mandatory disclosure requirements for share based payment transactions, although they may have presented them to achieve a true and fair view.

The amendments to FRS 102 require that the following disclosures are made:

- A description of each type of share based payment arrangement that existed at any time during the period
- The number and weighted average exercise price of share options for those options outstanding at the beginning and end of the period and those exercisable at the end of the period
- The total expense recognised in the profit and loss and the carrying amount of any liabilities at the year end.

Provisions and contingencies

Under the previous version of the standard, small companies were only required to include disclosures about contingent liabilities however, they must now include the same disclosures as a company applying full FRS 102.

Therefore, all small companies with provisions will be required to present a reconciliation of the opening and closing balances, along with descriptive disclosures covering the nature and timing of the obligation and any uncertainties and reimbursements.

Additionally, disclosures will be required for contingent assets and financial guarantee contracts, although these would likely have been included historically to give a true and fair view.

Taxation

Additional disclosures will now be required in respect of current and deferred tax. The updated standard requires that a small company discloses separately, the major components of its tax expense or income.

Examples given of categories to be shown separately include:



- Adjustments recognised in respect of prior periods
- deferred tax movements split by their cause (e.g. rate changes, timing difference reversals) and Pillar Two income tax amounts.

Companies will also be required to present separately the aggregate tax amounts recognised in other comprehensive income or equity.

Other disclosure is required which discloses the split of deferred tax liabilities or assets at the balance sheet date, into each type of timing difference and state the amount of unused tax losses and credits where not recognised as deferred tax assets.

Dividends

Previously, it was not required and therefore uncommon for small companies to disclose dividends declared and paid or payable during the reporting period, however the changes to the standard now require this disclosure mandatory.

Changes to encouraged disclosure

Under the previous edition of the standard, there were various 'encouraged' disclosures, which were not mandatory.

Appendix C to the standard, which sets out mandatory disclosures for UK small entities, has been expanded to include the previously encouraged disclosures, along with additional mandatory disclosures.

Going concern - where a company is a going concern, it must disclose this fact as well as confirmation that management has considered information about the future and any significant judgements involved in the assessment.

Where a company has material uncertainties that cast doubt on its ability to continue as a going concern, details of these uncertainties must be disclosed.

When a company is not a going concern, this fact must be disclosed together with the reason why the entity is not a going concern.

Compliance with FRS 102 - a company must also include an explicit and unreserved statement of compliance with FRS 102 Section 1A.

Public benefit company - a public benefit company must make an explicit and unreserved statement that it is a public benefit company.

Gains or losses in other comprehensive income – the wording has been changed to emphasise that a statement of total comprehensive income may need to be presented to give a true and fair view, where previously it was simply being encouraged.

Changes in equity other than profit/loss – the wording has been changed to emphasise that a Statement of Changes in Equity may need to be presented to give a true and fair view, as opposed to being encouraged.

Disclosures required on transition to this FRS Existing FRS 102 1a - preparers will need to include in the first set of financial statements applying the amendments to FRS 102 the following specific disclosures:



- If the entity applies these amendments early, it shall disclose that fact
- Section 10 of FRS 102, paras 10.13 and 10.14, sets out disclosure requirements when there is a change in accounting policy, and these should be considered when there are changes to the requirements of FRS 102 as a result of transitioning.

Company size threshold

Changes to UK company size thresholds come into effect from 6 April 2025. The new thresholds for small and medium size companies are:

	MICRO		SMALL		MEDIUM	
	Previous	New	Previous	New	Previous	New
Turnover not more than:	£632k	£1m	£10.2m	£15m	£36m	£54m
Balance sheet total* not more than:	£316k	£500k	£5.1m	£7.5m	£18m	£27m
Monthly average number of employees, not more than:	10	10	50	50	250	250

* ie, total assets

As a result, many companies will find themselves classified as small rather than medium size going forward and some companies will fall out of the audit regime.

In addition, large and medium size companies will no longer have to include the following in directors' reports:

- the use of financial instruments
- important events that have occurred since the end of the financial year
- likely future developments in the business of the company
- research and development activities
- the existence of branches outside the UK
- the employment, training and advancement of disabled persons (this requirement is also removed from directors' report requirements for small entities)
- engagement with employees, suppliers, customers and others

Financial reporting

A periodic review of UK accounting standards was published in September 2024. It highlighted disclosure on judgements and estimates, cash flow statements, financial instruments, revenue reporting and presentation of financial statements.

The report reinforced the continuing relevance of clear and consistent disclosures about the effect of risks and uncertainties on the company's financial performance and position, key assumptions and forecasts

UK corporation tax

The rate of corporation tax in the UK increased to 25% from April 2023, applying to profits over £250,000.

The Finance Act 2021 introduced a small profits rate (SPR) of 19% for companies with profits of £50,000 or less from April 2023. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective corporation tax rate. The lower and upper limits will be proportionately reduced for short accounting periods and where there are associated companies. The SPR will not apply to close investment holding companies.



National Living/Minimum wage

The National Living Wage increased from £12.21 to £12.71 per hour from 1 April 2026. The National Minimum Wage rates also increased to £10.85 per hour for those workers aged 20 and under, up from £10.

Charities Act 2022

On 24 February 2022, the Charities Bill received Royal Assent and became the Charities Act 2022 (the Act).

The Act made amendments to the Charities Act 2011 in a number of specific areas, largely in response to the recent Law Commission review of charity legislation and with the overarching objective of making life simpler for smaller charity trustees, as well as harmonising certain procedures, such as making amendments to the charity's objects, across the various different corporate structures within which charities operate. The final major provisions of the Act were scheduled to take effect on 19 May 2025:

Ex gratia payments

Trustees will be allowed to make small payments of up to £20,000, depending on income without Charity Commission consent. The exact implementation date for this is still pending confirmation and the government has confirmed further delays to the implementation of these changes.

The Charities (Annual Return) Regulations 2024

The regulations apply to all registered charities whose accounting year ends on or after 1 January 2025.

Key updates include the removal of questions in the locations and structure sections of the return form.

Reform consultation

The Law Commission has recently sent out a consultation on reforms to cooperatives and community benefit societies. The key question was whether these organisations should continue as exempt charities or be required to register with the Commission. The results of the consultation are yet to be announced.

A consultation on financial thresholds in charity law was published in April 2025 and closed on 12 June 2025. The result of the consultation should be published by mid September, together with the government's response.

AUDITING DEVELOPMENTS

New regulations took effect from 1 June 2025 requiring an audit firm to notify the Institute of Chartered Accountants in England and Wales when appointed to certain complex or high risk audits.

There is also a new requirement for sole practitioners carrying out audit work to appoint an alternate.