

Company Registration No. 02868027 (England and Wales)

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Directors	A S Hicks J J Pledger P J N Mole P Martin R Stewart S M Fone
Secretary	P J N Mole
Company number	02868027
Registered office	19 Castle Street Reading Berkshire RG1 7SB
Auditor	Goringe Auditors Ltd Unit 5 Theale Lakes Business Park Moulden Way Sulhamstead Reading Berkshire RG7 4GB

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
CONTENTS**

	Page
Directors' report	1 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Income and expenditure account	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 20

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their annual report and financial statements for the year ended 30 November 2020.

Principal activities

The principal activities of the company during the year under review were to provide education, promote and engage in investigation and research, encourage the progress of and improve standards of education and practice in the science and art of Acupuncture and Traditional Chinese Medicine.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A S Hicks
J J Pledger
P J N Mole
P Martin
R Stewart
S M Fone

Auditor

The auditor, Goringe Auditors Ltd, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the Financial Statements of the College of Integrated Chinese Medicine (the College) to obtain a better understanding of its governance and legal structure. This statement of Corporate Governance and Internal Control relates to the period from 1st December 2019 to 30th November 2020 and up to the date of approval of the audited financial statements.

Constitution

The College was incorporated in 1993 as a company limited by guarantee. It is registered with the Office for Students (OfS) as a recognised Higher Education Provider and holds a validating partnership with the University College of Osteopathy (UCO) and previously with Kingston University for students enrolled before 2020. In accordance with its conditions of registration with the OfS, it upholds its required public interest principles: academic freedom, accountability, student engagement, academic governance, risk management, value for money, freedom of speech and 'fit and proper'.

Summary of CICM's Structure of Corporate Governance

The Council is the College's governing body and is responsible for the strategic oversight of the College. The Council is responsible for the statutory oversight of the College to ensure that it meets the laws and regulations of a company limited by guarantee, the regulations of the regulator and awarding bodies and the expectations of its students and staff. The Council comprises of external members whose principal role is to bring independent expertise from a range of sectors and professional spheres and to hold, collectively, the Management Committee to account. The Management Committee comprise of the directors, namely the two Joint Principals, the Dean, the Academic Director plus two non-executive directors who are also members of the Council.

The College has the following governing documents:

- Committee structure and Terms of Reference
- Quality Assurance and Standards Document
- Business Plan
- Institutional Policy – mission statement, objectives and values
- Quality Assurance and standards Policy
- Contract with validating body
- Articles of Association

These set out that the day to day activities are run by the four executive members of the Management Committee with clear responsibilities for Staff Development, Student Welfare, Teaching and Learning and Quality Assurance among other areas. The Management Committee also sets the strategic direction of the College. The Council advises on all matters of the College and oversees the strategic decisions of the Management Committee. Standards are maintained by working closely with the Validating body and University/ College Joint Executive Committee. The College is also bound by the requirements of the British Acupuncture Accreditation Board and specifically in their documents the Standards of Practice for Acupuncture (SPA) and the Standards of Education and Training for Acupuncture (SETA).

These arrangements are considered appropriate given the size and complexity of the College given we are a small college with no more than 200 students at any one time.

Statement of Internal Control

This statement relates to the College's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.

Scope of responsibility

The Council, as the governing body of the College, is ultimately responsible for ensuring that a sound system of internal control is maintained and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

The system of internal control is based on an ongoing process designed to identify and prioritise the principal business, operational, compliance and financial risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The process was in place for the year ended 30th November 2020 and up to the date of the approval of the Financial Statements and accords with OfS guidance.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Council and Management Committee
- Regular reviews by the Council of periodic and annual reports which indicate financial performance against budget/forecasts

Review of effectiveness

The Head of Provider has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system if internal control is informed by:

- The work of the executive members of the Management Committee who have the responsibility for the development and maintenance of the internal control framework
- Comments made by the College's External Auditors in their reports

No significant internal control weaknesses or failures have been identified during the financial year or up to the date of approval of the financial statements.

Details of related party transactions involving members of Council or senior officers are disclosed in the notes to the Financial Statements. The external members of Council do not receive any payment for the work they do for the College, apart from reimbursement of expenses.

Role of the auditor

External auditors inspect clients' accounting records and express an opinion as to whether financial statements are presented fairly in accordance with the applicable accounting standards of the entity, such as Generally Accepted Accounting Principles (GAAP). Their objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. The College does not have formal internal audit arrangements and therefore does not have an internal auditor.

Confirmation of assessment of Principal Business Threats

Due to the severe health risks posed by COVID19, the College acted before the first lockdown as it was anticipated that COVID19 would have a significant impact on the College's operations and a plan was put in place to ensure continuity of teaching. The College undertook various actions to ensure this including diverting time and resources into migrating to online teaching and improving the IT structure so that both staff and students could take part in academic and operational activities remotely, where at all possible.

Despite the difficulties in forecasting during very uncertain times, the Management Committee have carefully considered the going concern of the College. Forecasts and cashflows have been prepared up to 30th November 2024 and these indicate the College has adequate cash and reserves to withstand any possible negative effects of COVID19.

At present, the College has successfully maintained student numbers and there has been a noticeable increase in new students enrolled since March 2020. The forecasted budget for the year ended 30th November 2021 is expected to be a modest surplus and the College is expected to be able to meet its liabilities as they fall due.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

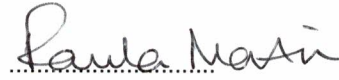


Mr J J Pledger

Director

Accountable Officer

Date: ...5th MAY 2021



Ms P Martin

Director

Chair of Governing Body

Date: ...6/5/21

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
DIRECTORS' RESPONSIBILITIES STATEMENT**

FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE

Opinion

We have audited the financial statements of The College of Integrated Chinese Medicine (the 'company') for the year ended 30 November 2020 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OFS 2019.41).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Report on other regulatory requirements

We have nothing to report in respect of the following matters where the OFS's Accounts Direction requires us to report to you if, in our opinion:

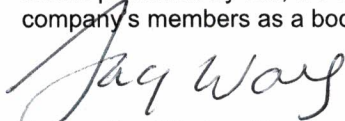
- The provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE

Use of this report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jacqueline Waring (Senior statutory auditor)
for and on behalf of Goringe Auditors Limited
Statutory Auditor**

5 Theale Lakes Business Park (1st Floor)
Moulden Way
Sulhamstead
RG7 4GB

Date: 6/5/2021

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	2019 £
Income		1,141,573	1,112,950
Cost of sales		(553,532)	(534,219)
Gross surplus		<u>588,041</u>	<u>578,731</u>
Administrative expenses		(604,785)	(553,205)
Other operating income		54,133	76,956
Operating surplus		<u>37,389</u>	<u>102,482</u>
Interest receivable and similar income		460	1,294
Interest payable and similar expenses		(9,210)	(10,247)
Surplus before taxation		<u>28,639</u>	<u>93,529</u>
Tax on surplus		(7,530)	(20,570)
Surplus for the financial year		<u><u>21,109</u></u>	<u><u>72,959</u></u>

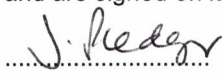
**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET**

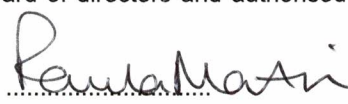
AS AT 30 NOVEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	5		886,606		901,759
Current assets					
Stocks		3,145		3,078	
Debtors	6	626,794		521,646	
Cash at bank and in hand		357,760		320,263	
		987,699		844,987	
Creditors: amounts falling due within one year	7	(986,036)		(858,152)	
Net current assets/(liabilities)			1,663		(13,165)
Total assets less current liabilities			888,269		888,594
Creditors: amounts falling due after more than one year	8	(234,760)		(255,519)	
Provisions for liabilities			(1,537)		(2,212)
Net assets			651,972		630,863
Reserves					
Income and expenditure account			651,972		630,863

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

The financial statements were approved by the board of directors and authorised for issue on 6 May 21 and are signed on its behalf by:


.....
Mr J J Pledger
Director
Accountable Officer


.....
Ms P Martin
Director
Chair of Governing Body

Company Registration No. 02868027

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Income and expenditure £
Balance at 1 December 2018	557,904
Year ended 30 November 2019:	
Profit and total comprehensive income for the year	72,959
Balance at 30 November 2019	<u>630,863</u>
Year ended 30 November 2020:	
Profit and total comprehensive income for the year	21,109
Balance at 30 November 2020	<u><u>651,972</u></u>

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	12		83,289		57,830
Interest paid			(9,210)		(10,247)
Taxes paid			(8,205)		(19,606)
Net cash inflow from operating activities			<u>65,874</u>		<u>27,977</u>
Investing activities					
Purchase of tangible fixed assets		(3,882)		(8,530)	
Interest received		460		1,294	
Net cash used in investing activities		<u>(3,422)</u>		<u>(7,236)</u>	
Financing activities					
Repayment of bank loans		(24,955)		(24,502)	
Net cash used in financing activities		<u>(24,955)</u>		<u>(24,502)</u>	
Net increase/(decrease) in cash and cash equivalents			<u>37,497</u>		<u>(3,761)</u>
Cash and cash equivalents at beginning of year			320,263		324,023
Cash and cash equivalents at end of year			<u><u>357,760</u></u>		<u><u>320,263</u></u>

THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

Company information

The College of Integrated Chinese Medicine is a private company limited by guarantee incorporated in England and Wales. The registered office is 19 Castle Street, Reading, Berkshire, RG1 7SB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of courses is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing the teaching days provided to date as a proportion of total teaching days. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

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

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

Buildings freehold	2% straight line
Land	Not depreciated
Office furniture and fittings	33% reducing balance
Website	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.7 Financial instruments

The company 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 company's balance sheet when the company 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.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

2 Grant & Fee Income

	2020	2019
	£	£
Total grant and fee income		
Grant income from other bodies	4,989	-
Fee income for taught classes	1,055,322	1,000,979
Fee income from non-qualifying courses	81,062	106,023
	<u>1,141,373</u>	<u>1,107,002</u>

Grant income of £4,989 relates to income received under the government's Coronavirus Job Retention Scheme for employees furloughed under the Scheme.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 17 (2019 - 17).

No employee received a full-time equivalent basic salary of more than £100,000 in the current or prior year.

The provider has not paid any compensation for loss of office to any staff member.

4 Directors' remuneration and dividends

	2020	2019
	£	£
Remuneration paid to directors	<u>206,919</u>	<u>175,031</u>

Included within directors remuneration are fees amounting to £48,353 (2019- £42,469) in relation to teaching services and £6,681 (2019- £5,652) company pension contributions to defined contribution schemes.

Total emoluments payable to the highest paid Joint Principal, head of the College, were as follows:

	2020	2019
	£	£
Salary	83,806	70,344
Pension contributions	2,522	1,920
Teaching services - self-employed	20,155	10,981
	<u>106,483</u>	<u>83,244</u>

The head of the provider's basic salary is 3.1 times (2019: 3.1 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provide to its staff.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

4 Directors' remuneration and dividends

(Continued)

The head of provider's total remuneration is 4.2 times (2019: 3.7 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provide of its staff.

Head of Provider - justification of remuneration

The remuneration of the head of provider is determined by the Management Committee. All paid members of this Committee are paid at the same rate although there are no fixed hours, just an expectation to devote the appropriate number of hours to their College duties to fulfil their role. Therefore the head of provider's pay is based on the hours required rather than a fixed salary.

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 December 2019	1,093,800	138,944	1,232,744
Additions	-	3,882	3,882
	<hr/>	<hr/>	<hr/>
At 30 November 2020	1,093,800	142,826	1,236,626
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 December 2019	205,779	125,207	330,986
Depreciation charged in the year	12,599	6,435	19,034
	<hr/>	<hr/>	<hr/>
At 30 November 2020	218,378	131,642	350,020
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 November 2020	875,422	11,184	886,606
	<hr/>	<hr/>	<hr/>
At 30 November 2019	888,021	13,738	901,759
	<hr/>	<hr/>	<hr/>

6 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	569,753	467,485
Other debtors	57,041	54,161
	<hr/>	<hr/>
	626,794	521,646
	<hr/>	<hr/>

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

7 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	21,175	25,371
Trade creditors	100,182	96,513
Other taxation and social security	15,192	27,025
Deferred income	753,852	631,116
Other creditors	1,997	3,368
Accruals	93,638	74,759
	<u>986,036</u>	<u>858,152</u>

The bank loans and overdraft totalling to £ 21,175 (2019- £ 25,371) are secured on the freehold premises.

8 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	234,760	255,519
	<u>234,760</u>	<u>255,519</u>

The bank loans and overdraft totalling £184,760 (2019 - £255,519) are secured on the freehold premises.

Creditors which fall due after five years are as follows:

	2020	2019
	£	£
Payable by instalments	105,923	144,685
	<u>105,923</u>	<u>144,685</u>

9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £5.

10 Operating lease commitments

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

	2020	2019
	£	£
	2,921	5,303
	<u>2,921</u>	<u>5,303</u>

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 30 NOVEMBER 2020

11 Related party transactions

The four directors are also partners in the college clinic which rents clinical space from the company. During the year rents of £33,394 (2019 - £55,956) were collected from the partnership. In addition, a management charge of £15,750 (2019 - £21,000) was charged by the company to the partnership. The college clinic owed £7,330 (2019 - £6,872) to the company at the year end.

The directors received remuneration of £151,885 (2019- £126,910) in the year. The directors also provided teaching services for which they received fees amounting to £48,353 (2019- £42,469).

At the year-end £5,159 (2019- £6,313) related to the payroll accrual for directors. Included in the creditors is £6,839 (2019- £4,099) owed to the directors.

12 Cash generated from operations

	2020	2019
	£	£
Surplus for the year after tax	21,109	72,959
Adjustments for:		
Taxation charged	7,530	20,570
Finance costs	9,210	10,247
Investment income	(460)	(1,294)
Depreciation and impairment of tangible fixed assets	19,034	18,563
Movements in working capital:		
(Increase) in stocks	(67)	(1,483)
(Increase) in debtors	(105,148)	(25,787)
Increase in creditors	9,344	13,650
Increase/(decrease) in deferred income	122,737	(49,595)
Cash generated from operations	83,289	57,830
Per cash flow statement page	83,289	57,830

13 Analysis of changes in net funds

	1 December	Cash flows		30 November
	2019			2020
	£	£		£
Cash at bank and in hand	320,263	37,497		357,760
Borrowings excluding overdrafts	(280,890)	24,955		(255,935)
	39,373	62,452		101,825

The following pages do not form part of the statutory accounts

THE COLLEGE OF INTEGRATED CHINESE MEDICINE

FOR THE YEAR ENDED 30 NOVEMBER 2020

THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2020

		2020		2019
	£	£	£	£
Income				
LicAc course fees		1,055,321		1,000,981
Seminar fees		30,855		49,787
One year courses		50,207		56,236
Miscellaneous		5,190		5,946
		<u>1,141,573</u>		<u>1,112,950</u>
Cost of sales				
Directors' remuneration	48,353		42,469	
LicAc courses	468,510		443,111	
Seminars	12,576		24,155	
One year courses	21,778		19,494	
Discounts received	2,315		4,990	
		<u>(553,532)</u>		<u>(534,219)</u>
Gross surplus	51.51%	588,041	52.00%	578,731
Other operating income				
Rent receivable	33,394		55,956	
Government grants receivable and released	4,989		-	
Sundry income	15,750		21,000	
		<u>54,133</u>		<u>76,956</u>
Administrative expenses		<u>(604,785)</u>		<u>(553,205)</u>
Operating surplus		37,389		102,482
Investment revenues				
Bank interest received	460		1,294	
		<u>460</u>		<u>1,294</u>
Interest payable and similar expenses				
Bank interest on loans and overdrafts		<u>(9,210)</u>		<u>(10,247)</u>
Surplus before taxation	2.51%	<u><u>28,639</u></u>	8.40%	<u><u>93,529</u></u>

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
SCHEDULE OF ADMINISTRATIVE EXPENSES**

FOR THE YEAR ENDED 30 NOVEMBER 2020

	2020	2019
	£	£
Administrative expenses		
Wages and salaries	199,609	228,838
Social security costs	11,774	12,073
Staff pension costs defined contribution	3,478	3,748
Directors' remuneration	151,885	126,910
Directors' social security costs	14,437	11,978
Directors' pension costs - defined contribution scheme	6,681	5,652
Rates	10,597	10,948
Open day expenses	1,981	2,931
Cleaning	3,916	6,359
Waste disposal	2,537	2,549
Power, light and heat	14,364	13,593
Property repairs and maintenance	30,164	15,500
Premises insurance	4,624	4,362
Computer running costs	14,364	7,320
Software costs	17,027	9,935
Travelling expenses	102	545
Subsistence	920	2,417
Postage, courier and delivery charges	3,658	5,152
Professional subscriptions	-	288
Legal and professional fees	1,189	4,800
Accountancy	1,680	756
Audit fees	5,400	4,800
Bank charges	4,442	3,368
Bad and doubtful debts	1,655	3,062
Insurances (not premises)	7,946	7,524
Printing and stationery	9,693	9,306
Advertising & marketing	34,697	16,534
Telecommunications	10,142	4,757
Other consumables	15,986	5,843
Entertaining	803	1,853
Sundry expenses	-	940
Depreciation	19,034	18,564
	<u>604,785</u>	<u>553,205</u>